



# Synod and Presbytery Funding - Assumptions

## Introduction

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.

Prior to considering any funding model a number of key assumptions need to be agreed. A future paper to present possible funding models will rely on these assumptions.

The Restructuring Task Group has considered and affirmed the assumptions. The Resources Board has also received and considered this paper as has the Non Geographical Task Group. Standing Committee is presented with this paper for its consideration, noting a funding paper based on these assumptions will be considered at its next meeting.

## Assumptions

In considering how the new Synod and Presbyteries structure might be funded, it is worth taking time to consider the assumptions on which any decisions will be based. It is important that these assumptions are taken into account and understood, to provide a common starting point and align our different perspectives.

Below is a list of specific and realistic assumptions from which a proposed funding model(s) to financially resource the Synod and presbyteries will be based. These proposed assumptions are intended to provide greater transparency and understanding, and if varied have the capacity to significantly impact the model. Some of these assumptions existed prior to the project and are not likely to change and others are based on what is understood to be true at the time of writing. It is likely the list is not exhaustive and it does not attempt to address *how* the model will be implemented.

The proposed assumptions have been arranged into 5 categories as follows:

### Purpose and definition:

1. To provide funding to Synod and the presbyteries to undertake their responsibilities as described in the UCA Regulations, or otherwise as agreed.
2. That presbyteries will undertake the same responsibilities as per UCA Regulations 3.1.3, and any delegation of responsibilities to other councils will be done unilaterally, (unless by agreement on a case by case basis).
3. The term 'funding' refers to the provision of financial support to meet the ongoing operating costs of Synod and presbyteries. Any costs associated with start-up or transition or of a capital nature should be considered separately.

4. Synod and presbyteries should have clarity about how the funding has been calculated and where this money comes from. Any funding model should remain in place until the review period, to eliminate the need to recalculate and/or renegotiate funding arrangements each year.

#### Foundational:

1. The decision of Synod/Presbytery to maintain a Mission and Service Fund balanced budget is an imperative (there are insufficient reserves to operate in deficit) and a reflection of good stewardship practices.
2. The Resources Board has previously advised that there is no capacity to increase costs without a corresponding income source or agreed reduction in expenditure.
3. The 2018 November Synod/Presbytery agreed to move to a multi-presbytery structure. This meeting had earlier resolved that any proposal presented at the meeting with costing implications should include a process for raising new revenue and/or be submitted to the next year's budget process to be determined by Synod/Presbytery and/or be submitted to annual Synod/Presbytery grant processes.
4. The proposal to establish more than one presbytery that was presented to the November 2018 Synod/Presbytery was not accompanied by a business case outlining any financial implications. This paper assumes no additional funding is required to support the formation of multiple presbyteries, however a business case may be brought to a future meeting of Synod and/or Presbytery.
5. Allocation of funds to resource presbyteries should also be based on good stewardship practices, including minimising or avoiding duplication of effort, avoiding the creation of structural inefficiencies and avoiding changes where no value-add can be demonstrated.

#### Calculation of Funding:

1. All responsibilities of the Presbytery of South Australia (UCA Regulation 3.1.3) are currently undertaken by the merged Synod/Presbytery and Mission Networks. Therefore funding for the tasks to be performed by presbyteries (to be finalised) already exists within the current financial arrangements (including congregation contributions to the Mission and Service Fund and Mission Network). However:
  - this does not address the possibility that the Synod may require additional resources to assist presbyteries (Regulation 3.1.5 (a))
  - this does not address the possibility that in separating the Synod from the Presbytery and creating multiple presbyteries additional funding will be required to support the separation of councils.
2. The establishment of multiple presbyteries will require, at the least, the rearrangement of current funding arrangements.
3. Allocation of funds to resource presbyteries will follow the allocation of responsibilities (to be finalised). Tasks which are currently funded through the (Synod) Mission and Service Fund, if transferred to presbyteries, should be accompanied by the equivalent portion of funds currently allocated to perform these tasks. (That is, the total pool of funds available remains the same, regardless of which council carries the responsibility).

4. If Synod or presbyteries desire additional funding, an increase in congregation contributions or introducing a 'fee for service' component may be considered.
5. Funding will be calculated on a congregation basis, rather than per member or placements in the presbytery

Mission Networks:

1. The requirement for Congregations to be affiliated with, and make contributions to, a Mission Network will cease.
2. Any reduction to the funding of Mission Networks' could be reallocated towards the work of presbyteries.

Other:

1. Any referral or delegation of responsibilities between presbyteries and other councils will remain in place until a review of the new Synod and Presbytery structural arrangement occurs. Should there be any agreed change to referred or delegated responsibilities which has a financial impact, this would result in a change in the funding allocation.
2. This paper does not address any financial implications of transition arrangements, but notes transition arrangements will be necessary, particularly in relation to personnel.
3. The paper does not propose which positions will be transitioned from Synod to presbyteries following the separation of Synod and Presbytery, but assumes a transition of funds will occur to accompany these positions (as per Calculation of Funding point 3 above).
4. Infrastructure costs (eg accommodation) are directly related to the Synod/Presbytery Offices/facilities (212 Pirie St and Brooklyn Park) and are not allocated by Ministry Centre/responsibility/individual positions.
5. Agreed budgeted and committed Congregation contributions to the Mission and Service Fund continue to meet expectations.
6. Access to Uniting Foundation funding and/or special purpose once-off funding may be available to presbyteries but is not factored into the funding models.

The Restructuring Task Group has engaged in conversation regarding the list of assumptions (above) and has provided its feedback which has been incorporated into these assumptions. It will be helpful if the assumptions are endorsed prior to progressing the development of funding models.

Standing Committee is invited to consider and note these assumptions.

**Peter Battersby**  
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