The Uniting Church in Australia
Synod of South Australia
Resources Board

Mission and Service Fund 2026 Budget

EXECUTIVE SUMMARY

The 2026 Mission and Service Fund (MSF) budget is a significant part of the Synod's practice in exercising responsible stewardship. Together all parts of the Church share responsibility to manage the resources entrusted to us wisely, transparently and ethically so that God's mission can prosper today and tomorrow.

This budget has been constructed in consultation with the General Secretary and each of the Synod Executive Officers and/or their delegates. In keeping with the '*balanced budget*' mandate agreed at the November 2014 Presbytery and Synod meeting, a balanced budget for 2026 has been approved.

Overall budgeted income has increased by a total of $33.1k (0.25%) compared to the 2025 budget.

An increase in the grants from UC Invest to the MSF and the performance of other investment entities headlines the increase to the Fund's income. Cost recovery income from Synod Ministry Centres is expected to reduce by a net $208.4k (-4.25%) largely offsetting any expected increase in income.

In 2026 insurance recoveries are expected to reduce (by $133.1k) following a softening in the premiums charged on renewal (*this reduction follows successive years of significant increases*). Student fee income attributable to Uniting College for Leadership and Theology is also expected to reduce (by $220.9k) due to falling enrolments.

Overall budgeted expenses have increased by a total of $23.4k (0.18%) compared to the 2025 budget.

Stagnant income forecasts have required financial discipline and careful resource allocation across the various Synod Ministry Centres to ensure that a balanced budget could be achieved in 2026.

At its meeting on 4 December 2025, the Synod Standing Committee (SSC) approved this balanced MSF 2026 operating budget and a $351.5k capital expenditure budget. The MSF 2026 Budget is included as Attachment 1.

DISCUSSION

The Mission and Service Fund (MSF) is the main financial operating fund of the UCA Synod of SA. The budget is a significant part of the Synod's responsible financial stewardship and accountability practices. It represents the Synod's strategic financial plan for the year ahead.

The Resources Board By-law 18.1.6c states that the Resources Board is responsible to the Synod for "*Preparing an annual budget for the Mission and Service Fund to be approved by the annual Synod meeting*". The preparation of the 2026 MSF budget has followed an approved consultative process articulated to the SSC at its meeting on 21 August 2025. Ministry Centre leaders are thanked for their engagement in the process. In lieu of an annual Synod meeting the Synod Standing Committee has approved the budget. The General Secretary takes responsibility for ensuring that the Synod's budget is managed appropriately.

In the interests of good financial governance, the MSF Budget is being shared with all Synod members.

Background

At the November 2015 Presbytery and Synod meeting, members approved a 2016 MSF balanced budget, marking a significant shift toward financial sustainability. Balanced budgets have been achieved from 2016 to 2019, with each year recording a modest surplus. While a balanced budget was prepared in 2020, the MSF reported an unexpected surplus for the year of $861k, largely due to JobKeeper payments received during the COVID pandemic. This surplus was applied to the 2021 budget process to cover the deficit of $794k incurred during the difficult post pandemic period.

The 2022 and 2023 budgets returned to a balanced framework. These years closed with a combined surplus of $915k. In 2024 the SSC agreed to contribute $1.001m towards a National Redress Liability (supporting Redress Claims outside the bounds of the South Australian Synod). This contribution was paid from these surpluses.

In 2024 and 2025 budgets were again balanced. 2024 closed with an operating surplus of $462k and currently the MSF is currently on track to produce a modest surplus for the 2025 year.

The current financial stability of the SA Synod has been underpinned by the financial discipline of careful resource allocation through a rigorous annual budget planning cycle. The 2026 budget has continued this approach and process.

Operating Budget Principles

The 2026 budget is built on a base of financial sustainability. Construction of the MSF budget is underpinned by a zero-based budgeting methodology; however certain expense categories have been incrementally adjusted where expenditure remains warranted and an uplift considered appropriate.

There are two disclosure changes that have been applied to the construction of the 2026 budget, as approved by the General Secretary:

1. ICT software subscription costs are now recognised within *Shared Administration Costs* to reflect the way IT infrastructure and software is now purchased. With the rise of software as a service, these costs have converted to operational expenditure, previously being capital expenditure and subsequently depreciated. These costs represent $263k of *Shared Administration Costs* in 2026.
2. In recognition that the Yarthu Apinthi (Brooklyn Park Campus) building is a shared resource that accommodates both Mission Resourcing and Uniting College for Leadership & Theology, all costs associated with building have been separately disclosed from 2026. These costs have moved within 'Other Expenses' and are reported with Pirie Street Office costs.

It is worth recognising that Synod's expenditure budget is a direct function of its ability to generate income. As income sources are challenged, achieving a balance budget becomes a more difficult exercise. It is noted that the General Secretary has made difficult decisions to balance the 2026 budget, including deferring funding requests from several Ministry Centres. The SSC acknowledged the leadership of the General Secretary to prioritise MSF expenditure to achieve a balanced budget.

OPERATING INCOME

The MSF primarily draws income from 4 main categories:

1. Investment and Grant and Bequests (60%)
2. Ministry Centre Recoveries (17%)
3. Congregation contributions (12%)
4. Insurance Recoveries (11%)

If any of these income sources decline, especially Investment and Grant and Bequests, another income source must increase, or the Fund's expenditure be reduced, to achieve a balanced budget. An increasing reliance on Investment and Grant and Bequests is being monitored.

Commentary on budgeted operating income sources

- Total contributions from Congregations in 2026 have been set to the forecast actuals for 2025. Income from Congregations is not anticipated to provide significant future growth as Congregations face cost-of-living constraints.
- Asset allocation modelling has been prepared for the MSF that takes into consideration both investment yield and growth objectives. In general, yields are expected to be lower in 2026 following three interest rate cuts in 2025 and a general tightening of yield across multiple asset classes.
- The UC Invest grant is the most significant single income item within the MSF budget, approaching a third of total income in 2026 (2025: 29%). This grant will increase by $177k (4.76%) in 2026, bringing the total UC Invest contribution to $3.898m.
- The President of The Parkin Mission of SA Inc and The Parkin Trust Inc has advised that the 2026 grant will be increased by $30k (2.5%) for Parkin Mission and $7k (2.25%) for Parkin Trust. This takes the annual grant received by the MSF to $1.22m and $317k respectively.
- Cost recoveries from Ministry Centres will decrease by $208.3k, or 4.3% overall. The following factors have affected cost recoveries:
    - Income attributable to the Uniting College for Leadership and Theology (UCLT) is expected to reduce by a net $325.5k (-20.3%) in 2026. Student fee income is forecast to be $220.9k lower than the 2025 budget. (2026 budget: $210.0k | 2025 budget: $430.9k). (Refer note below).
    - Mission Resourcing recoveries have increased by $73k (98.7%). This reflects the acquisition of the Words for Worship and Learning, Liturgy, Life (L3) resources from Mediacom during 2025.

- Insurance income in 2026 is expected to decrease by $133.1k (-8.7%). This is a function of softening premiums in the current renewal cycle following successive years of significant increases.

Total income of $13,024m represents an increase of $33k (0.25%) against the 2025 budget.

OPERATING EXPENDITURE

Commentary on budgeted operating expenditure categories

- Employment costs represent the most significant expense category of the MSF, representing 56.5% of total expenditure. Approved positions have been budgeted using actual contracted costs.
    - The 2026 MSF budget is constructed on the basis that the stipend and allowance package (*excluding super*) will increase by 4.4% per SSC approval.
    - Lay salary costs have been increased by 3.0% recognising market-based recruitment and recent ABS data regarding inflation expectations.
- The assumed CPI rate for 2026 has been set at 2.5%. Non-salary expenditure has been indexed by this rate except for any items / expenditure that can be specifically costed. Trends in non-salary expenditure were analysed for the past five years (where available) together with current year forecasts to determine a best estimate.
- The Synod contribution to National Assembly, UAICC and UCA Redress Ltd have increased by 2.5%.
- The overall cost of Ministry Centres & Programs will increase marginally by $15.7k or 0.2% to $9.97 million. The following factors have affected program expenses in 2026:
    - Mission Leadership and Development (MLD) Ministry Centre expenses, incorporating the Uniting College for Leadership and Theology (UCLT) and Mission Resourcing (MR), have decreased by $169.8k or 7.0%.
    - Insurance Services expenses will decrease by $140.2k or 8.9% to $1.43 million. As per the explanation in cost recovery income, this reduction is driven by softer insurance market conditions following several years significant increases.
    - The 2026 grant to Presbyteries has increased by $7.0k or 1.2% to $577k. The annual contribution to Presbyteries is a function of the actual amount collected in the prior year. In 2025 the estimated contribution to 31 December 2025 is expected to be $1.44 million of that amount, $577k (40%) is allocated to the work of the Presbyteries.
    - Depreciation expenses in 2026 are expected to be $87.8k, compared to $106.3k in 2025. This reflects that significant ICT assets are now purchased on a subscription basis and are therefore attributed to operating costs.

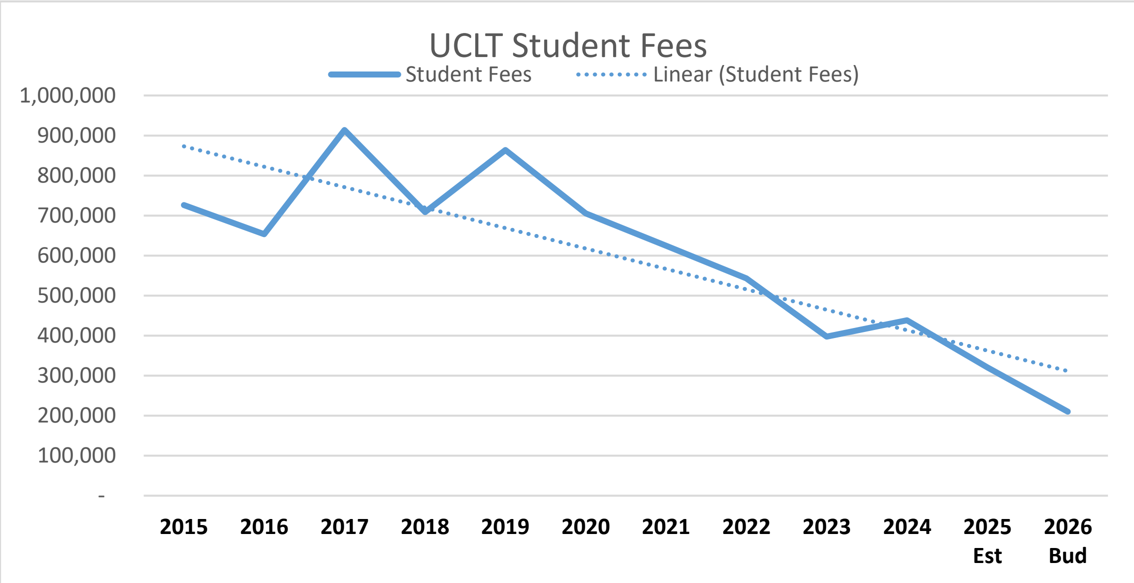
Total expenditure of $13,020m represents an increase of $23.4k (0.2%) against the 2025 budget.

FUTURE PRESSURES ON THE BALANCED BUDGET FRAMEWORK

There are several matters that are likely to cause pressure on the MSF including:

Uniting College for Leadership and Theology

Student activity at UCLT has materially declined over the past decade, as illustrated in the below graph of student fee trends since 2015.



During the 2025 budget process the UCLT conservatively estimated student fee income to be $431k. By the end of Q1 2025, the full-year student fee income was projected to be approximately $321k. The 2026 student fee income budget of $210k was based on information provided by UCLT.

The sustained reduction in student fee income has broader implications by impacting other Ministry Centres. This reduction in income has required all Ministry Centres to constrain expenditure, delay activities and/or pass-up opportunities.

It is reasonable to foresee that the financial pressures currently faced by UCLT will continue beyond the 2026 budget year. Declining student enrolments have highlighted the existing challenge of funding fixed faculty and professional staffing costs with variable student fee income sources.

Theological education remains a priority for the Synod, however continuing current practices without any strategic change risks places financial strain on the MSF. The General Secretary started a discussion, by convening a '*Theological Education in SA Summit*' held in July this year, to consider the challenges faced by UCLT and explore sustainable ways to support leadership development and student engagement.

Economic Uncertainty

The global economy continues to provide significant uncertainty. Investment and geo-political risks present in the market that cannot be ignored. In Australia cost-of-living pressures, competitive labour markets, uncertain interest rates, and sticky inflation have all changed the landscape considerably.

From an economic perspective it is viewed that there appears to be more downside risk than upside risk present in global capital markets. Earnings growth is not keeping pace with capital movement resulting in lower yields on certain investments.

Australian interest rates are well into the current easing cycle with three interest rate cuts recorded during 2025. While recent inflation data would suggest that we are closer to the bottom of this current easing cycle, uncertainty remains regarding any future interest rate cuts or the potential resurgence of inflation in the broader economy.

The movement and direction of interest rates are critical factors for income derived by the MSF. Much of the revenue attributable to the MSF from direct investments and via grants from entities such as UC Invest is linked to market interest rates.

While the investment assets of the MSF are still forecast to perform well in 2026, any number of events could have a significant impact on the revenue forecasts included in the budget. The activities of the MSF are clearly economically dependent on investment revenue generated directly and indirectly via grants from entities such as UC Invest, Parkin Mission, Parkin Trust, RH White Settlement and the Epworth SA Fund.

As stipends and salaries account for 56% of the MSF budget, increases in stipends/salaries greater than the growth in investment returns (dividend and interest) will make the task of producing a balanced budget significantly more difficult.

Redress Claims – Local and National

The National Redress Scheme is scheduled to conclude within 2 years. In 2025 the volume of redress applications involving SA Synod Congregations has increased significantly. Based on the current claim payout rate and the average redress claim awarded, the potential liability to the SA Synod could be approximately $2m. Similar schemes in other jurisdictions have shown an increase in claims activity as closure approaches.

During 2024 the Synod of South Australia contributed $1 million (unbudgeted) towards Redress claims incurred outside the bounds of the South Australian Synod. This contribution was made in response to some entities within the National Church being burdened with significant inherited historical claims.

There is an agreed method that has been used to determine the cost sharing arrangements between each of the Synod's and the National Assembly. No contribution was requested in 2025, and no allowance has been made within the 2026 budget for any additional contributions towards a national cost sharing model.

Uniting Church in Australia - Act 2

Within the 2026 budget there has not been any provision made for costs associated with the UCA Assembly Act 2 Project. Any significant restructuring of the Church's governance and operational structures is likely to involve substantial expense. Given the complexity of the structures within each State it is also something which is unlikely to occur quickly.

For the 2026 and 2027 financial years, the SSC has approved that any contribution from the SA Synod towards Act 2 project costs will be funded from the *New Church and Ministry Development Fund* which is managed within the Uniting Foundation.

As a result, no costs related to this national project have been provided within the MSF in 2026.

General MSF Capacity

The Church's ability to fund ministry programs from the MSF is a direct function of its ability to generate income. It is important to recognise that many of the grants received by the MSF are directly linked to underlying investment portfolios of respective donors (i.e. Parkin Mission, Parkin Trust, etc.). Many of these portfolios are reaching a saturation point where there is limited capacity to continue growing income at the same rate.

Care must be exercised to ensure that expenditure does not overtake income generation ability.

As outlined in previous budget proposals, it could be argued that several of the church's significant ministry areas are under-resourced to the extent that risk to the church is increased. There are teams within the Synod that can only respond to matters as they arise, rather than adopting a proactive approach.

The leanness of the Synod budget provides limited capacity to respond to and fund any new strategic directions, without significantly reducing existing programs and/or positions.

CAPITAL EXPENDITURE (CAPEX) BUDGET

Total new CAPEX expected to be incurred during 2026 is $351.4k, including the following elements:

- Pirie Street Improvements and Capital Costs of $71.5k
  This allocation has been provided for updates to the building management and security systems at 212 Pirie Street in addition to providing for minor office reconfigurations.

- Brooklyn Park Improvements and Capital Costs of $132.0k
  This allocation has been provided to reconfigure the ground floor office and upgrade the building management and security systems. $30k has been carried forward from the 2025 budget.

- ICT Capital Expenditure of $97.9k
  This allocation has been provided to upgrade network infrastructure and replace existing 'end of life' equipment that is scheduled for refresh. An additional allowance has been made to replace video conferencing and communications equipment within the Pirie Street office.

- Other Capital Purchases of $50.0k
  This allocation of $50k was provided in the 2024/25 budgets to update the main Synod website and provide a secure administration portal for Church office holders. This scope of works was not completed during 2025 and has been carried forward into 2026.

SUMMARY

The Mission and Service Fund 2026 Budget can be summarised as follows (compared to 2025):

2026 Operating Budget	2025 ($m)	2026 ($m)	Change ($m)	Change %
Income				
Congregation Contribution*	1.508	1.523	0.015	1.0%
Investment Income	6.452	6.665	0.213	3.3%
Cost Recoveries (incl. Synergy)	4.998	4.791	(0.207)	(4.1%)
Other Income	0.033	0.045	0.012	36.4%
Total Income	**12.991**	**13.024**	**0.033**	**0.3%**
Less Operating Expenditure				
Wider Church	0.579	0.567	(0.012)	(2.1%)
Synod Ministry Programs	9.953	9.968	0.015	0.2%
Presbyteries and Congregations	1.160	1.181	0.021	1.8%
Other Expenses	1.305	1.304	(0.001)	(0.1%)
Total Expenses	**12.997**	**13.020**	**0.023**	**0.2%**
Operating Budget Surplus	**(0.006)**	**0.004**	**0.010**	**166.7%**

2026 Capital Expenditure Budget	2025 ($m)	2026 ($m)	Change ($m)	Change %
ICT Capital Expenditure	0.139	0.098	(0.041)	(29.5%)
Pirie Street Improvements	0.065	0.072	0.007	10.8%
Brooklyn Park Improvements	0.115	0.132	0.017	14.8%
Other Capital Expenditure	0.050	0.050	-	0.00%
Capital Expenditure	**0.369**	**0.352**	**(0.017)**	**(4.6%)**

* Congregation contributions include Mission & Service Fund amounts collected from congregations (*including the annual Redress administration levy*) and an annual contribution from Uniting Venues SA.

The writers of this report wish to acknowledge the partnership with Synod Ministry Centre Executive Officers and team leaders to finalise and achieve a balanced budget. The work of the Synod's Manager, Financial Services, Kathy Neale and Financial Accountant, Bella Esposito to prepare the budget is acknowledged with thanks.

The Synod Standing Committee together with the Resources Board commends the Uniting Church Investment Committee and the Governors of The Parkin Mission of SA and The Parkin Trust for their ongoing support for the work of the Uniting Church in SA through grants to the MSF.

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General Manager, Resources
12 December 2025

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Executive Officer, Resources

Mission and Service Fund
2026 Budget

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	2025 Budget	Adjust	2026 Budget	%Diff 2025 / 2026
INCOME				
Income from Contributions & Levies				
MSF Contributions: Congregations	1,425,000	10,000	1,435,000	0.70%
MSF Contributions: Uniting Venues SA	40,000	4,000	44,000	10.00%
Redress Levy (*Congregations & Associated Organisations*)	43,240	760	44,000	1.76%
Synergy Membership Fees	98,797	2,174	100,971	2.20%
Total	**1,607,037**	**16,934**	**1,623,971**	**1.05%**
Investment Income				
Grant: Epworth SA Fund	565,536	14,139	579,675	2.50%
Grant: The Parkin Mission of South Australia	1,190,000	30,000	1,220,000	2.52%
Grant: UC Invest	3,721,000	177,000	3,898,000	4.76%
UC Invest Direct Property Fund	193,702	44,798	238,500	23.13%
UC Invest Share Fund	312,793	-92,793	220,000	-29.67%
Interest Income	267,764	-264	267,500	-0.10%
Income - Ministers Benefit Fund	45,000	55,000	100,000	122.22%
The RH White Settlement No.2 - Income Distribution	106,641	-4,131	102,510	-3.87%
Manse Reinvestment Scheme - Virtual Manse Option	50,000	-11,000	39,000	-22.00%
Total	**6,452,436**	**212,749**	**6,665,185**	**3.30%**
Cost Recoveries from Synod Ministry Centres				
Uniting College for Leadership and Theology				
Student Fees	430,937	-220,941	209,996	-51.27%
Grants, Bequests and Donations	942,218	-78,510	863,708	-8.33%
Investment Income	196,400	-7,435	188,965	-3.79%
Other	32,874	-18,574	14,300	-56.50%
Mission Resourcing	74,000	73,000	147,000	98.65%
Resources	885,635	110,421	996,056	12.47%
External Leasing	37,050	110,270	147,320	297.62%
Insurance Services	1,532,147	-133,146	1,399,001	-8.69%
Engagement	63,000	15,000	78,000	23.81%
Secretariat	43,828	-5,369	38,459	-12.25%
Placements and Safe Church	660,566	-53,079	607,487	-8.04%
Total	**4,898,655**	**-208,363**	**4,690,292**	**-4.25%**
Other Income				
Donations & Other	33,220	11,780	45,000	35.46%
Total	**33,220**	**11,780**	**45,000**	**35.46%**
TOTAL INCOME	**12,991,348**	**33,100**	**13,024,448**	**0.25%**

OPERATING EXPENSES				
Wider Church				
National Assembly: Synod Contribution	495,108	12,378	507,486	2.50%
National Assembly: UCA Redress Ltd	54,082	-14,082	40,000	-26.04%
Ecumenical Relations Group	29,793	-10,256	19,537	-34.42%
Total	**578,983**	**-11,960**	**567,023**	**-2.07%**
Synod Ministry Centres and Programs				
Uniting College for Leadership and Theology	1,732,502	-260,598	1,471,904	-15.04%
Mission Resourcing	708,319	90,755	799,074	12.81%
Resources	2,780,748	78,368	2,859,116	2.82%
External Leasing	10,218	137,097	147,315	1341.72%
Insurance Services	1,572,733	-140,192	1,432,541	-8.91%
Synergy	98,602	2,369	100,971	2.40%
Engagement	423,394	30,012	453,406	7.09%
Secretariat	1,189,968	33,072	1,223,040	2.78%
Placements and Safe Church	525,777	28,050	553,827	5.34%
Chaplains	824,709	23,457	848,166	2.84%
Ministers' Support and Training	85,652	-6,652	79,000	-7.77%
Total	**9,952,622**	**15,736**	**9,968,358**	**0.16%**
Presbyteries and Congregations				
Grant in Aid	20,000	-	20,000	0.00%
Grant to Presbyteries	570,000	7,000	577,000	1.23%
UAICC Grant (SA Congress)	569,760	14,244	584,004	2.50%
Total	**1,159,760**	**21,244**	**1,181,004**	**1.83%**
Investment Costs				
Depreciation	106,333	-18,527	87,806	-17.42%
Income Redistributed - Ministers Benefit Fund	45,000	55,000	100,000	122.22%
Total	**151,333**	**36,473**	**187,806**	**24.10%**
Other Expenses				
Pirie Street Property Costs				
Rent	332,971	-	332,971	0.00%
Insurance	50,536	-2,194	48,342	-4.34%
Utilities	18,000	-1,000	17,000	-5.56%
Cleaning	35,000	21,340	56,340	60.97%
Yarthu Apinthi (Brooklyn Park) Property Costs				
Insurance	25,645	5,855	31,500	22.83%
Utilities	12,000	2,000	14,000	16.67%
Cleaning	35,000	-	35,000	0.00%
Repairs and Maintenance	39,500	-	39,500	0.00%
Other	35,749	-18,249	17,500	-51.05%
Legal Fees	35,000	-	35,000	0.00%
Redress Payments	50,000	-	50,000	0.00%
Insurance - Administrative	80,420	-3,103	77,317	-3.86%
Shared Administration Costs	404,517	-42,733	361,784	-10.56%
Total	**1,154,338**	**-38,084**	**1,116,254**	**-3.30%**
TOTAL OPERATING EXPENSES	12,997,036	23,408	13,020,444	0.18%
Mission and Service Fund Total	-5,688	9,691	4,003	-170.38%

Capital Budget	2025 Budget	2026 Budget	%Diff 2025/2026
IT Capital Expenditure	138,556	97,947	-29.31%
Pirie Street Improvements & Capital Costs	65,000	71,500	10.00%
Brooklyn Park Improvements & Capital Costs	115,000	132,000	14.78%
Other Capital Expenditure	50,000	50,000	0.00%
Capital Budget Total	368,556	351,447	-4.64%

Employment Costs Totals	2025 Budget	2026 Budget	%Diff 2025/2026
Employment Costs	7,346,813	7,351,351	0.06%
Percentage of Total Operating Expenses	56.53%	56.46%	-0.07%