

Stipends Committee Report

1. Introduction

The Stipends Committee has responsibility for proposing the level of minimum stipend and allowances to apply to ministerial placements. This generally requires an annual process of review which may result in appropriate recommendations to Synod or Synod Standing Committee. Stipends Committee comprises ministers, members of local congregations, local church treasurers and persons with employment, and financial management expertise. The Committee is acutely aware of the difficulty that some congregations experience in meeting costs of ministry and the pressures facing some stipended families in meeting their financial needs. In bringing any proposed adjustments to stipends and allowances the Committee considers a wide range of relevant aspects.

The Committee, prior to recommending changes to the SA Synod Stipends and Allowances investigates the level of stipends and allowances being paid in other Synods and is informed by other information including policies, By-laws and impacting internal and external factors. Local economic data, community wage movements including average weekly earnings, CPI figures and trends in cost of housing are also considered. In addition, the Committee considers the deliberations and outcomes of the Annual Wage Review conducted by the Fair Work Commission.

The Stipends Committee wrestled with the challenge of the current uncertain economic climate, weighing up a number of factors, seeking to discern whether to recommend an increase, and if so, at what time and how much. It was noted that a challenge in not granting an increase is that the gap can never be caught up. The Committee stresses that proposed recommendations are the Minimum rate for Stipends and Allowances.

2. Membership

The Stipends Committee is currently comprised of:

Mr Brian Hern (Chairperson)

Rev Felicity Amery (General Secretary)

Mr Peter Battersby (EO Resources)

Rev Sue Page (Associate General Secretary)

Mr Peter Hampton

Mrs Margaret Davidson

Rev Sandy Boyce

Ms Karen Granger

Mr Peter Hollister

Dr Valerie Aloa

3. Setting the 2022 Minimum Stipend and Allowances

Due to the change in the timing of our Synod meetings it is not practical to present recommendations in relation to the following year's ministerial stipend and allowances. The relevant information on which recommendations can be based is not available until later in the calendar year. Accordingly it is necessary to present any recommendations relating to the ministerial stipend and allowances to Synod Standing Committee. All decisions of approved changes to ministerial stipends and allowances rates are to be reported to the next meeting of the Synod.

A challenge for setting the 2022 stipend and allowances are the impacts that the COVID-19 global pandemic has had on the fundamental operation of our economy. This means we need to be very careful about relying on historical metrics. This has impacted the capacity of some congregation members to contribute and hence, has impacted churches financial position.

Among significant factors considered were that CPI in September was much higher than expected. 1.5% was expected but September CPI was up 3%. Trimmed mean inflation rose from 1.6% to 2.1% as well. Legacies of COVID restrictions - movement of labour and supply results in the whole economy being unpredictable. Inflation in the world was greater than anyone expected. Price of oil has also risen.

The challenge of recommending any increase of stipend and allowances is what level of increase can congregations afford? However there is also a justice issue - if we don't increase close to or line with inflation, we contribute towards a difficult financial situation for recipients. It was recommended that the minimum stipend be increased by 2.25% from the 2021 level.

3.1 Accommodation Allowance

All ministry agents in placement are entitled to provision of accommodation, whether by provision of an appropriate manse or an accommodation allowance. Housing costs including rental have risen sharply in the past 12 months or so. Noting that the stipend is a living allowance, It was recommended that the accommodation allowance be increased by 2.25%.

3.2 Professional Development Allowance

Professional Development Allowance is payable to ministry agents in placement. To assist the Stipends Committee a review of how ministers are undertaking Professional Development was undertaken by the Pastoral Relations and Mission Planning (now the Placements and Safe Church) Team in the second half 2019 and early 2020. A working group will be undertaking further investigations around the use of Professional Development Allowance early in 2022. It was recommended that the professional development allowance be increased by 2.25%.

3.3 Candidates Resource Allowance

A resource allowance is payable to each candidate in full-time training for the ministry, with a pro-rata allowance to be paid to candidates studying part-time. It was recommended that the Candidates Resource allowance be increased by 2.25%.

3.4 Motor Vehicle Allowances (Depreciation and Standing Charges)

The Motor Vehicle allowances, including fuel prices and travel, were considered by Stipends Committee. The Stipends Committee noted that even though petrol prices continuing in an upward trend, there is no desire to suggest increasing the rates associated with motor vehicle allowances in a way greater than CPI. Therefore, it was recommended that motor vehicle allowances be increased by 2.25%.

3.5 Preaching Fees

In respect of preaching fees, there will a payment of preaching fees to retired ministers, ministers who are in receipt of an annual income which is less than the minimum stipend and theological students (other than students on placement for field education) for one service or an increased amount for two or more services in one day. There will be reimbursement of travelling expenses to all preachers (including Lay Preachers) at the minimum rate of cents per kilometre plus or minus local adjustments, if any. It was recommended that Preaching Fees be increased to \$90.00 for one service and \$150.00 for two or more services.

3.6 Travelling Fees

Motor vehicle running costs are set at the minimum rate of cents per kilometre to reimburse those ministers retired, or other persons serving the church part-time as chaplains or in other capacities for travel on church business. The minimum retail price is recommend to be increased to \$1.60 per litre.

Where the minimum retail price of petrol in the locality, varies from that set per litre, the minimum base rates are to be increased or decreased by 0.12 cents per kilometre for every 1 cent per litre that the local price exceeds or is less than that set per litre. It was recommended that travelling costs when using own vehicle and receiving depreciation and standing charges be increased to 21.4 cents per kilometre and for leased vehicles the rate be 13.4 cents per kilometre.

For persons using own vehicle and NOT receiving depreciation and standing charges it was recommended that the travelling rate be 54 cents per kilometre.

3.7 Ministers Benefit Fund

There will be an annual contribution, paid monthly by the respective body, to the Ministers Benefit Fund for each minister in a Congregation(s), Presbytery, Synod, Assembly or other approved placement. The Ministers Benefit Fund continues to provide assistance to Ministers, congregations and other appointing bodies for Ministers impacted by sickness, work place injury and/or compassionate grounds. The contribution has for the past several years remained constant in the order of 4% of the minimum stipend.

3.8 Remote Ministry Allowance

A remote/rural ministry allowance is payable to ministers and Frontier Services patrols residing in a location defined by the Australian Bureau of Statistics (ABS Review on Remoteness 2001) as 'moderately accessible', 'remote' or 'very remote'. It was recommended that remote ministry allowances be increased by 2.25%

3.9 Travel Equalisation

There will be a set payment per annum by the Congregation(s) or other Appointing Body to the Motor Vehicle Travel Equalisation Scheme in respect of each ministry agent. The funds of such scheme shall be used to provide additional funds for ministry agents who own their own vehicles and who, due to the locality or nature of their placement, require additional depreciation allowance. It was recommended that the travel equalisation contribution be decreased from \$127.00 to \$120.00.

3.10 Beneficiary Fund

This fund has for several years been managed by Mercer Super Trust. Ordained Ministers can elect to be members of this fund or another superannuation fund of their choice. Contributions are based as percentages of the notional stipend. Employing bodies and Ministers both contribute.

As advised at the 2015 annual meeting the Notional Stipend is now declared to align with the fiscal year. The SA Synod meeting approved that the Notional Stipend and accompanying Beneficiary Fund contribution levels declared by 1 July each year not be applied until 1 January the following year.

The Notional stipend effective 1 July 2021 is \$61,226.00 pa. Based on full time employment the 2022 superannuation contribution by employing bodies is \$9,180.00 with employees annual contribution being \$3,672.00.

4. Recommendations

The above recommendations were incorporated into Schedule A 2022 and presented to SC on 3rd December 2021.

The Synod Standing Committee (by consensus) RESOLVED to:

1. a. **APPROVE Schedule A Stipends and Allowances for 2022.**
- b. **REQUEST the General Secretary write to congregation treasurers explaining the increase to stipend and allowances.**

SSC21.136

Summary Remarks

South Australian Synod's total package of stipend and allowances is about \$3,500 less (before tax) than the national average. In assessing the stipend package relative to other Synods, it should be appreciated that the package includes accommodation and other related matters. As a general rule, the cost of housing in South Australia may be less than in many of the other States and Territories, particularly in the major cities and regional locations. Furthermore, South Australia has adopted a more "flexible" approach to the use of stipend packaging for tax purposes in that we allow up to **50% of the minimum stipend** plus 100% of allowances to be paid into a Minister's Fringe Benefit Account (FBA). This can mean that Minister's filling placements of up to .5FTE stipend can have the entire stipend they receive plus 100% of all allowances paid into an FBA. As a result for both full and part-time placements, the real difference in "usable" (post-tax) stipend and allowances between the SA Synod and others is much less. It should be noted that this is based upon existing FBT laws and the practices adopted in other Synods. These may change and caution should be exercised in placing longer term reliance upon the FBT arrangements in this context.

Brian Hern

*Chairperson, on behalf of
SA Synod Stipends Committee*

Ministers Stipend, Allowances & Charges
SCHEDULE A commencing 1 January 2022 to 31 December 2022

	<i>Item</i>	<i>\$ per year</i>	<i>\$ per quarter</i>	<i>\$ per month</i>	<i>\$ per f/night</i>	<i>\$ per week</i>
	Contributions					
A.1	Minimum Stipend	\$61,917.00	\$15,479.25	\$5,159.75	\$2,381.42	\$1,190.71
A.2	Accommodation Allowance	\$17,682.00	\$4,420.50	\$1,473.50	\$680.08	\$340.04
A.3	Professional Development	\$2,009.00	\$502.25	\$167.42	\$77.27	\$38.63
A.4	Candidates Resources Allowance	\$2,331.00	\$582.75	\$194.25	\$89.65	\$44.83
A.5	Beneficiary Fund or Superannuation	\$9,180.00	\$2,295.00	\$765.00	\$353.08	\$176.54
A.6	MV Depreciation	\$6,401.00	\$1,600.25	\$533.42	\$246.19	\$123.10
A.7	MV Standing Charges	\$3,329.00	\$832.25	\$277.42	\$128.04	\$64.02
A.8	MV Leasing Charges	As specified - depending on vehicle choice etc.				
A.9	Travelling Own vehicle	21.4 cents per kilometre				
A.10	Travelling Leased Vehicle	13.4cents per kilometre				
A.11	Travelling Retired Ministers / Part Time / Lay Persons / Lay Preachers	54 cents per kilometre				
A.12	Set Minimum Retail Petrol Price	\$1.60 per litre				
A.13	Preaching Fees One Service	\$90.00				
A.14	Preaching Fees two or more services	\$150.00				
A.15	MV Travel Equalisation	\$120.00	\$30.00	\$10.00	\$4.62	\$2.31
A.16	Ministers Benefit Fund	\$2,459.00	\$614.75	\$204.92	\$94.58	\$47.29
A.17	Long Service Leave	\$2,028.00	\$507.00	\$169.00	\$78.00	\$39.00
A.18	Remote Allowance / Moderately Accessible	\$1,707.00	\$426.75	\$142.25	\$65.65	\$32.83
A.19	Remote Allowance/Remote	\$2,559.00	\$639.75	\$213.25	\$98.42	\$49.21
A.20	Remote Allowance/Very Remote	\$3,414.00	\$853.50	\$284.50	\$131.31	\$65.65
	Ministers Contributions					
A.21	MV Leasing Charges	As specified - depending on vehicle choice etc.				
A.22	Beneficiary Fund / Superannuation	\$3,672.00	\$918.00	\$306.00	\$141.23	\$70.62

Travel adjustment of 0.12 cents per km for every 1 cent variation in fuel price.

The fortnightly rates are based on 26 pays per year. If there are 27 pays in the year, revised pay rates will need to be calculated.