

Parochial Cost Recoveries for 2001

(A report from the Standing Committee)

Introduction

1. This report is made to the Synod under clause 2(2) of the Parochial Cost Recoveries Ordinance 1999 (the "1999 Ordinance") which requires that the Standing Committee report to the 2nd session of the 45th Synod about -
 - (a) a description of the ministry and property costs payable in 2001 and an estimate of those costs; and
 - (b) the cost recoveries charge payable by each parochial unit in 2001 and details of how that charge is calculated.

Background

Recovery of Ministry and Parish Costs

2. In 1998, the Synod amended the Assessment and Charges Ordinance 1975 to provide (in clause 10) for the recovery of "ministry and property costs" from parochial units by way of an annual cost recoveries charge. For this purpose, "ministry and property costs" are the costs, expenses, charges or contributions which, in the opinion of the Standing Committee, have been incurred, or will be incurred, on behalf of or in relation to a parochial unit or any members of the clergy licensed to a parochial unit.
3. Clause 10(2) of the Assessment and Charges Ordinance 1975 provides that the following are examples of "ministry and property costs" -
 - (a) the costs of effecting insurances under the Church Insurances Ordinance 1980 for parochial units and any officers or employees of parochial units;
 - (b) superannuation contributions for members of the clergy licensed to parochial units;
 - (c) costs and expenses of, or incidental to, the maintenance of stipend continuance insurance for members of the clergy licensed to parochial units;
 - (d) contributions to the fund established by the Sydney Diocesan Sickness and Accident Fund Ordinance 1969; and
 - (e) contributions for long service leave for members of the clergy licensed to parochial units.

Formula for calculating cost recoveries charges

4. In 1999, the Synod agreed the formula by which ministry and property costs would be recovered from parochial units in each of 2000, 2001 and 2002. The agreed formula is set out in the Schedule to the Parochial Cost Recoveries Ordinance 1999. The amount determined by that formula to be payable by each parochial unit as its contribution to total ministry and property costs is known as a "cost recoveries charge".
5. The agreed formula provides that the cost recoveries charge payable by each parochial unit in a particular year is the total of the following charges for that year -
 - (a) *the "Fixed Charge"* - This charge is the sum of the costs referred to in items 3(b), (c), (d) and (e) above for a minister and reflects the principle adopted by the Synod in 1999 that all parochial units should pay the "on-costs" costs associated with a rector or curate-in-charge. In 2000, the Fixed Charge was \$7,164.
 - (b) *the "Assistant Minister Charge"* - This charge is payable by a parochial unit for each assistant minister licensed during the year to the parochial unit and is the sum of the costs referred to in 3(b), (c), (d) and (e) above for that assistant minister. This charge reflects the principle adopted by the Synod in 1999 that all parochial units should pay the "on-costs" for each assistant minister licensed to the parochial unit. In 2000, the Assistant Minister Charge for a senior assistant minister (being an assistant minister with 7 or more years of service) was \$7,164. For other assistant ministers the charge was \$6,567.
 - (c) *the "Variable Charge"* - This is the contribution of the parochial unit to other ministry and property costs (not being the costs recovered as part of the Fixed Charge or the Assistant Minister Charge) and is expressed as a percentage of the net receipts of the parochial unit, as determined under the Assessment and Charges Ordinance 1975. In 2000, the ministry and property costs which were funded by the Variable Charge included the insurances referred to in 3(a) above, the costs of funding the administration of the sexual misconduct protocol and the costs of funding the Parish Assistance Fund. In 2000, the Variable Charge was 3.19% of the net receipts of a parochial unit.
6. Under the agreed formula, if the Fixed Charge for a person acting as the minister of a parochial unit is paid by another parochial unit or body, the cost recoveries charge payable by the parochial unit may be reduced by an amount equal to the Assistant Minister Charge for 1 assistant minister.

Parish Assistance Fund

7. A consequence of the adoption by the Synod of the formula referred to in item 5 above is that the financial concession to provisional parishes in years prior to 2000 (being a 50% reduction in the minimum cost recoveries charge) is no longer available. The Synod considered that this form of financial concession was invisible and undesirable, and too broad a policy to serve a strategic purpose.

2 Parochial Cost Recoveries for 2001

8. The Synod has established a Parish Assistance Fund for the development of parish ministry. Each year, as part of the Variable Charge, each parochial unit will make a contribution to the Fund. The total amount of those contributions will then be distributed among parochial units by the regional councils for the purpose of assisting parochial units.

9. As a transitional measure, in 2000 and 2001, the Parish Assistance Fund is to be used to provide a rebate to parochial units which are required to pay a cost recoveries charge of an amount which is greater than the charge that would have been payable had the cost recoveries charge been calculated using the formula by which cost recoveries charges were calculated in 1999.

Parochial Costs Recoveries for 2001

10. Having agreed in 1999 the formula to calculate the cost recoveries charges payable in 2000, 2001 and 2002, an ordinance is not required to be promoted to the Synod in 2000 to adopt those charges for 2001. Rather, the Standing Committee has authority to apply the formula agreed in 1999 and calculate the cost recoveries charge payable by each parochial unit in 2001.

Ministry and property costs for 2001

11. Attached as Annexure A is a description of the ministry and property costs totalling \$4.319 million which the Standing Committee considers are payable in 2001, and an estimate of the amount of each of those costs. There are no additional categories of ministry and property costs proposed in 2001 than in 2000.

Superannuation/stipend continuance/sickness and accident/long service leave

12. It is expected that the total amount of these costs will increase by about \$78,000 compared to the grants approved for these purposes in 2000. This reflects, in large part, the expected increase in stipends in 2001. These charges are largely a function of stipend levels.

Insurances

13. The cost of the insurance program is expected to rise by \$110,000 in 2001. Currently, the insurance market is very tight and large increases in premiums were experienced in 2000. The Property Trust's insurance brokers have advised that market conditions will remain poor for the next few years and that premiums are expected to increase in 2001 by about 22%.

Professional standards unit

14. To date, the professional standards unit has been responsible for administering the sexual misconduct protocol. The director of that unit has worked on a part time basis with only one half day a week secretarial assistance. A full time director with secretarial assistance has now been appointed. This reflects the amount of work which is required to be undertaken by the unit including the administration of the new State child protection guidelines. The cost of the unit is expected to increase by \$65,000 in 2001.

GST assistance

15. Assistance is being provided to ensure that parishes register and fulfil their obligations under the New Tax System legislation. The cost of this assistance is expected to be \$40,000 in 2001, which is the same as the cost of the assistance provided in 2000.

Funding of the Parish Assistance Fund

16. The amount required to fund the Parish Assistance Fund in 2001 is estimated to be about \$326,000. This is the total of the amounts to be paid to affected parochial units to compensate them for the increase in the cost recoveries charge above the charge which would have been payable had it been calculated according to the formula applied for 1999.

Cost Recoveries for 2001

17. The formula agreed by the Synod in 1999 for the calculation of cost recoveries in 2000, 2001 and 2002 has been applied by the Standing Committee to estimate cost recoveries payable by each parochial unit in 2001. Annexure B sets out the estimate for each parochial unit. Those estimates are exclusive of any GST which may be payable.

Fixed Charge and Assistant Minister Charge

18. For 2001, the Fixed Charge for each parochial unit is estimated to be \$7,464. The Assistant Minister Charge is estimated to be \$7,464 for a senior assistant minister and \$6,841 for each other assistant minister. The following table details how those charges have been calculated –

	<i>Fixed Charge</i> \$	<i>Assistant Minister Charge</i>	
		<i>Senior Assistant Minister</i> \$	<i>Other Assistant Minister</i> \$
Superannuation	6,231	6,231	5,608
Stipend Continuance Plan	311	311	311
Sickness/Accident Fund	82	82	82
Long Service Leave	840	840	840
Total Charge	7,464	7,464	6,841
Increase over 2000	4.2%	4.2%	4.2%

Variable charge

19. As indicated in item 5(c) above, the Variable Charge is calculated as a percentage of the net receipts of a parochial unit. For 2001, the Variable Charge payable by each parochial unit is estimated to be 3.30% of the parochial unit's net receipts for 1999. In calculating the rate of the Variable Charge for 2001, the following is relevant -

- (a) The ministry and property costs to be recovered by way of the Variable Charge are the costs associated with the insurances referred to in item 3(a) (as to which see (b) following), the costs of the professional standards unit, the costs of the GST assistance and the amount required to fund the Parish Assistance Fund.
- (b) While the total cost of the insurance program in 2001 is expected to be \$1.045 million, the amount which will be recovered from parochial units on account of such cost is only \$845,000. As in 2000 the difference, being part of the insurance costs for heritage buildings (that is, insurance for buildings above a threshold value of \$4.1 million), will be paid by a grant from the Synod under the Synod Appropriations and Allocations Ordinance 2000.

Application of the Parish Assistance Fund

20. Annexure B contains a column headed "Parish Assistance Fund" which sets out the estimate of the amount due to each affected parochial unit from the Parish Assistance Fund. The amount due has been calculated on the basis of the principles referred to in item 9.

Recommendation

21. Standing Committee recommends that the Synod receive this report.

For and on behalf of the Standing Committee

RODNEY DREDGE

Deputy Chief Executive Officer
Sydney Diocesan Secretariat

1 August 2000

Annexure A

Statement of Estimated Parochial Ministry and Property Costs		
	Grants \$000's	
	Approved 2000	Recommended 2001
<i>Archbishop</i>		
Professional Standards Unit (concerning sexual misconduct b churchworkers and child protection)	185	250
<i>Church Property Trust</i>		
Parish Insurances (property and other risks)	935	1,045
<i>Regional Councils</i>		
Parish assistance fund - tied grants to specific parochial units	300	326
Parish assistance fund - to be allocated by Regional Council	-	-
<i>Sickness and Accident Fund</i>		
Helping parishes during extended absences of clergy	30	30
<i>Standing Committee</i>		
Long service leave for clergy and deaconesses.	340	301
<i>Sydney Diocesan Secretariat</i>		
GST advice for parishes	40	40
Stipend Continuance Plan for parish clergy	110	113
<i>Sydney Diocesan Superannuation Fund Board</i>		
Superannuation for parish clergy.	2,100	2,214
Total	4,040	4,319

PARISHES - ESTIMATED COST RECOVERY CHARGES 2001			
INCLUDING ORDAINED ASSISTANT MINISTERS AT 1/8/2000			
	(Charges exclude any GST)		
	Variable Charge (percentage)	3.30%	
		2001	
	Totals		\$
	Parishes (194)	3,349,338	
	Provisional Parishes etc (67)	799,969	
	Provision for changes/Cathedral staff	-30,307	
	Recoveries from parochial units	4,119,000	
	Less -Parish Assistance Fund	325,875	
	Net Recoveries from parochial units	3,793,125	
		200,000	Reconciliation
# = Net receipts estimated		325,875	with
@ = Relief entitlement for 1 Ass't Minister		4,319,000	Annexure A
Parishes	Net Receipts 1999 \$	2001 Recoveries \$	Parish Assistance Fund \$
1 Albion Park	142,900	12,180	0
2 Ashfield	71,002	9,807	421
3 Asquith	112,407	11,173	7
4 Auburn - St. Philips	55,656	9,301	0
5 Austinmer	183,614	20,364	0
6 Avalon	155,139	12,584	0
7 Balgowlah	150,948	12,445	0
8 Balmain - St Johns	62,182	9,516	130
9 Bankstown	56,724	9,336	0
10 Baulkham Hills	191,965	13,799	0
11 Beacon Hill	69,927	9,772	386
12 Beecroft	159,941	12,742	0
13 Bellevue Hill	103,211	10,870	153
14 Belmore	97,472	17,522	245
15 Belrose	161,124	12,781	0
16 Berowra	116,689	11,315	0
17 Berrima	154,000 #	12,546	0
18 Berry	118,773	11,384	0
19 Beverly Hills	159,083	19,555	0
20 Blackheath	83,947	17,698	460
21 Blacktown	174,830	17,748	0
22 Blakehurst	70,252	9,782	396
23 Bomaderry	148,000 #	12,348	0
24 Bowral	245,957	22,422	0
25 Brighton/Rockdale	129,000 #	11,721	0
26 Broadway	389,347	40,835	0
27 Bulli	113,575	18,676	0
28 Burwood	168,000 #	13,008	0
29 Cambridge Park	220,752	28,431	0
30 Camden	305,478	31,850	0
31 Campbelltown	303,097	46,076	0
32 Campsie	62,577	9,529	143
33 Canterbury	85,930	10,300	428
34 Caringbah	252,000	22,621	0
35 Carlingford	474,929	51,124	0
36 Carlton	181,507	20,295	0
37 Castle Hill	813,852	41,785	0
38 Centennial Park	962,898	75,314	0
39 Chatswood	320,720	32,353	0
40 Chester Hill	58,391	9,391	5
41 Clovelly	72,868	9,869	483
42 Concord West & North	86,502	10,319	419
43 Concord & Burwood	84,346	10,247	453
44 Cooks River	77,450	10,020	563

Parishes	Net Receipts 1999 \$	2001 Recoveries \$	Parish Assistance Fund \$
45 Corrimal	71,496	9,823	437
46 Cremorne	124,716	14,565	0
47 Cronulla	105,637	10,950	115
48 Croydon	274,877	16,535	0
49 Dapto	257,564	27,283	0
50 Darling Pt	344,401	18,829	0
51 Dee Why	177,091	13,308	0
52 Denistone East/Marsfield	213,000 #	21,957	0
53 Drummoyne	69,574	9,760	374
54 Dundas	128,770	18,554	0
55 Dural	161,756	12,802	0
56 Earlwood	98,833	10,725	223
57 East Lindfield	84,559	10,254	450
58 East Sydney	436,904	21,882	0
59 Eastgardens	109,315	11,071	56
60 Eastwood	185,776	13,595	0
61 Emu Plains	169,515	19,899	0
62 Enfield	92,193	10,506	329
63 Engadine	223,471	28,521	0
64 Enmore With Stanmore	100,948	10,795	189
65 Epping	228,895	15,018	0
66 Fairy Meadow	125,787	11,615	0
67 Figtree	612,790	41,991	0
68 Five Dock/Haberfield	136,029	11,953	0
69 Forestville	162,909	12,840	0
70 Frenchs Forest	79,530	10,088	530
71 Gladesville	438,694	28,782	0
72 Glebe	120,347	11,435	0
73 Glenbrook	188,386	20,522	0
74 Glenquarie	86,198	10,309	424
75 Gordon	151,076	12,450	0
76 Granville	75,034	9,940	554
77 Greenacre	103,000 #	17,704	157
78 Greenwich	91,534	10,485	339
79 Gymea	182,014	20,311	0
80 Hornsby	96,244	10,640	264
81 Hunters Hill	190,000 #	21,198	0
82 Hurstville	162,988	19,684	0
83 Hurstville Grove	194,707	20,730	0
84 Huskisson	92,503	10,517	324
85 Ingleburn	111,677	11,149	19
86 Jannali	338,741	32,947	0
87 Keiraville	72,232	9,848	462
88 Kellyville	98,570	10,717	227
89 Kensington	98,930	10,729	221
90 Kiama	152,115	19,325	0
91 Killara	227,257	14,963	0
92 Kingsford	79,302	10,081	533
93 Kingsgrove	65,231	9,617	231
94 Kurrajong	151,832	12,474	0
95 Lakemba	63,313	9,553	167
96 Lalor Park	100,552	10,782	196
97 Lane Cove	97,661	10,687	242
98 Lawson	104,549	10,914	132
99 Leura	65,623	9,630	244
100 Lindfield	296,638	24,094	0
101 Lithgow	121,117	11,461	0
102 Liverpool	160,889	19,614	0
103 Longueville	141,597	12,137	0
104 Lugarno	76,870	10,001	572
105 Manly	490,125	30,479	0
106 Manly Vale	89,693	10,424	368

Parishes	Net Receipts 1999 \$	2001 Recoveries \$	Parish Assistance Fund \$
107 Maroubra	91,362	10,479	342
108 Marrickville	147,000 #	19,156	0
109 Menai	372,292	19,750	0
110 Merrylands West	72,994	9,873	487
111 Milton	143,604	12,203	0
112 Miranda	405,904	32,178	0
113 Mittagong	123,191	11,529	0
114 Mona Vale	96,792	10,658	255
115 Moorebank	117,348	11,336	0
116 Mosman - St Clement	426,880	35,233	0
117 Mosman - St Luke	151,569	12,466	0
118 Mowbray	95,079	17,443	283
119 Mt Druitt	153,953	20,008	0
120 Mulgoa	88,694	10,391	384
121 Narrabeen	320,840	25,516	0
122 Neutral Bay	153,826	12,540	0
123 Newport	99,882	10,760	206
124 Normanhurst	169,956	19,914	0
125 North Epping	80,613	10,124	513
126 North Sydney - St Thomas	672,145	50,168	0
127 Northbridge	80,000 #	10,104	522
128 Northmead	296,583	17,251	0
129 Nowra	153,998	19,387	0
130 Oak Flats	108,298	11,038	72
131 Oatley	113,721	11,217	0
132 Oatley West	69,447	9,756	370
133 Paddington	90,342	10,445	358
134 Padstow	68,034	9,709	323
135 Panania	188,619	13,688	0
136 Parramatta	401,306	27,548	0
137 Parramatta North/Harris Park	185,865	21,062	0
138 Peakhurst/Mortdale	139,635	12,072	0
139 Penrith	218,223	22,129	0
140 Penshurst	96,567	10,651	259
141 Picton @	38,000 #	13,233	0
142 Port Kembla	65,162	9,614	228
143 Pymble	412,085	35,368	0
144 Randwick	241,851	15,445	0
145 Richmond	137,864	18,855	0
146 Riverwood-Punchbowl	201,498	28,418	0
147 Roseville	232,826	21,988	0
148 Roseville East	114,025	11,227	0
149 Rozelle/Lilyfield	261,590	22,937	0
150 Ryde	446,477	35,880	0
151 Sans Souci	134,502	18,744	0
152 Seaforth	92,815	10,527	319
153 Shellharbour	232,066	21,963	0
154 South Carlton	100,159	10,769	202
155 South Coogee	92,837	10,528	318
156 South Hurstville	101,706	10,820	177
157 South Sydney	169,268	13,050	0
158 Springwood	296,600	31,557	0
159 St. George	68,296	9,718	332
160 St. Ives	788,723	62,102	0
161 St. Marys	67,238	9,683	297
162 Strathfield & Homebush	160,000 #	12,744	0
163 Summer Hill With Ashbury	108,000 #	11,028	77
164 Sutherland	172,541	13,158	0
165 Sutton Forest	124,304	11,566	0
166 Sydney - Christ Church	282,511	23,628	0
167 Sydney - Holy Trinity	119,687	11,414	0
168 Sydney - St Philip	258,886	16,007	0

Parishes	Net Receipts 1999 \$	2001 Recoveries \$	Parish Assistance Fund \$
169 Sydney - St. James	824,165	49,589	0
170 Sylvania	135,000 #	11,919	0
171 The Oaks	66,029	9,643	257
172 Thornleigh	175,903	20,733	0
173 Toongabbie	139,252	18,900	0
174 Turrumurra	273,271	16,482	0
175 Turrumurra South	203,898	21,034	0
176 Vaucluse	191,292	13,777	0
177 Wahroonga - St Andrew	312,807	24,628	0
178 Wahroonga - St Paul	177,263	13,314	0
179 Waitara	62,965	9,542	156
180 Watsons Bay	182,967	13,502	0
181 Waverley	102,000 #	10,830	173
182 Wentworth Falls	173,000 #	13,173	0
183 Wentworthville	121,523	11,474	0
184 West Lindfield	148,155	12,353	0
185 West Pennant Hills	446,086	34,499	0
186 West Pymble	119,539	11,409	0
187 West Wollongong	151,336	26,140	0
188 Willoughby	252,233	23,252	0
189 Willoughby East	112,206	11,167	10
190 Windsor	198,732	20,863	0
191 Wollongong	246,222	29,271	0
192 Woodville Road	383,826	33,812	0
193 Woollahra	119,684	11,414	0
194 Yagoona	157,578	12,664	0
	35,555,548	\$3,349,338	\$19,990
Provisional Parishes			
195 Abbotsford @	63,377	15,028	4,862
196 Annandale	31,862	8,515	3,822
197 Arncliffe	61,076	9,480	4,787
198 Artarmon	61,205	9,484	4,791
199 Auburn - St Thomas	60,932	16,316	4,782
200 Balmain - St Marys	61,803	9,503	4,810
201 Bexley With Bexley North	108,000 #	11,028	4,770
202 Bondi	75,672	9,961	5,268
203 Bondi Beach	22,661	8,212	3,519
204 Bossley Park	61,608	16,961	4,804
205 Cabramatta	185,000 #	13,569	3,546
206 Cataract/Ambarvale	119,000 #	11,391	4,595
207 Coogee @	65,750	16,475	4,941
208 Crestwood	93,750	17,399	4,997
209 Culburra Beach	63,435	9,557	4,864
210 Denham Court	56,432	9,326	4,633
211 Doonside	52,560	9,198	4,505
212 Dulwich Hill	142,000 #	12,150	4,230
213 Eagle Vale	58,062	9,380	4,687
214 Ermington @	38,652	15,581	4,047
215 Erskineville @	41,640	16,302	4,145
216 Fairfield @	62,404	16,364	4,830
217 Georges Hall	73,418	9,887	5,194
218 Gerringong	124,214	18,404	4,512
219 Glenmore Park	68,529	16,566	5,032
220 Harbord	67,404	9,688	4,995
221 Helensburgh	76,719	9,996	5,268
222 Hornsby Heights	96,282	10,641	4,957
223 Hoxton Park	70,979	9,806	5,113
224 Jamberoo	39,793	8,777	4,084
225 Katoomba	62,191	9,516	4,823
226 Kenthurst	56,157	9,317	4,624

Parishes	Net Receipts 1999 \$	2001 Recoveries \$	Parish Assistance Fund \$
227 Kingswood	90,527	10,451	5,048
228 Kirribilli	110,281	11,103	4,734
229 Leichhardt	130,659	11,776	4,410
230 Lidcombe/Berala	69,615	17,225	5,068
231 Liverpool South	44,754	8,941	4,248
232 Lord Howe Island	14,081	7,929	3,236
233 Malabar	153,446	12,528	4,048
234 Minto	75,317	16,790	5,256
235 Narellan	107,387	17,849	4,780
236 Naremburn/Cammeray	50,433	9,128	4,435
237 Newtown	46,367	8,994	4,301
238 North Ryde	59,256	9,419	4,726
239 North Sydney - Christ Church	127,239	11,663	4,464
240 Oakhurst	78,633	10,059	5,237
241 Petersham	69,971	9,773	5,080
242 Pitt Town	73,099	9,876	5,183
243 Putney	59,740	9,435	4,742
244 Quakers Hill	146,697	19,146	4,155
245 Regents Park	14,702	7,949	3,256
246 Revesby	53,562	9,232	4,539
247 Riverstone	49,730	9,105	4,412
248 Robertson	53,999	9,246	4,553
249 Rooty Hill	173,742	20,661	3,725
250 Sadleir	87,210	10,342	5,101
251 Seven Hills	106,241	10,970	4,798
252 Smithfield	56,247	9,320	4,627
253 St. Clair	57,733	9,369	4,676
254 St John's Pk with Canley Hts	263,149	23,612	2,303
255 South Creek	58,041	9,379	4,686
256 Strathfield - St Andrew	65,187	9,615	4,922
257 Sydney - St. Michael	155,389	12,592	4,017
258 Westmead	73,918	9,903	5,210
259 West Ryde	52,000 #	9,180	4,487
260 Wilberforce	189,000 #	23,278	3,482
261 Wollondilly	87,374	10,347	5,098
	\$5,427,293	\$799,969	305,885
Cathedral - Assistant Ministers		14,305	
TOTALS	\$ 40,982,841	\$4,163,612	\$ 325,875
Less- Provision for changes/relief etc		-44,612	
GRAND TOTALS	\$ 40,982,841	\$4,119,000	