



## **How Diocesan Stipends and other Remuneration benefits are determined**

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### **Calculation of the Minimum Stipend**

Since 1981, on the recommendation of the Stipends and Allowances Committee, the Standing Committee has approved the use of a set percentage of Average Weekly Earnings (AWE), published by the Australian Bureau of Statistics, as the basis for setting Diocesan stipends. From the early 1970s to 1976, the stipend rate was set based on the average of the Consumer Price Index (CPI) and AWE movements and from 1976 to 1980 stipends were generally increased by reference to wage increases awarded by the Australian Conciliation and Arbitration Commission, which basically followed the CPI.

Currently, the minimum stipend is calculated on 80% of the AWE 'trend' for males working full-time in NSW. So for 2009, the ministers minimum stipend is  $\$1,218.10 \times 52\text{wks} \times 80\% = \$50,673$ . [Note: during the late 1980s and early 1990s, 85% of AWE was used to set stipends.]

Over the past two decades there has been continued research into the appropriate base for determining stipends. This has resulted in various published reports and serious debate as to the appropriateness of AWE as compared with other measures such as, the CPI, the Labour Price Index and the Wage Cost Index, to name a few. However, both Committees are satisfied that in the absence of any other compelling methodology AWE remains the most appropriate benchmark for setting stipends.

In September 2006, the Standing Committee resolved to continue to use AWE as the stipends benchmark until 2011, at which time it will be reviewed again.

**PLEASE NOTE THAT FOR 2010 THE ABOVE STIPEND CALCULATION METHOD WAS SUSPENDED BY THE STANDING COMMITTEE.**

### **Factors considered when setting remuneration benefits**

The present Diocesan system has evolved over a number of years and tries to make sure that the basic needs of ministers are met, but it must be recognised that the personal, financial and family circumstances of ministers vary widely across the Diocese. Therefore it is unlikely to be a perfect system (and arguably it never will be) which meets the demographic and financial diversity of those serving in the Diocese let alone the parishes who are called upon to freely and generously provide the funds.

The Stipends and Allowances Committee is made up of five parish clergy, one bishop, a clergy spouse and six lay persons who are very mindful of the impact of ministry staff costs on parishes, small and large. The Committee has over a long period of time taken into careful consideration many factors when determining stipend packages, such as –

- that ministry staff should live “neither in riches nor poverty”;
- that “a worker deserves their wages”;
- whether ministers should be paid according to their role, experience and training;

- that ministers and their families should be able to participate within the communities in which they are called to minister, without undue financial strain (e.g., avoiding the need for a clergy spouse to work);
- recommending parishes to provide normal 'employment type' benefits to ministry staff that the general community assumes are paid (e.g., provision of a computer, professional development, phone, internet and travel costs);
- appropriate ways to provide adequately for ministers into retirement (e.g., superannuation);
- recognition that many ministers will have limited superannuation savings to buy their first house at retirement and quite possibly outside of the Diocese, due to cost, which can result in the loss of gifted ministers to do locum work in the future;
- ensuring the Diocese looks after those that are forced out of ministry due to permanent illness by having an income protection policy in place for all clergy;
- recommending prudent access to taxation concessions;
- availability of other forms of income for ministry staff through the social security system;
- appropriateness of using recognised community remuneration benchmarks (e.g., stipend set to 80% of AWE and travel allowance set with reference to NRMA car operating cost data);
- encouraging parishes to be as generous as they are able (e.g., paying more than the minimum stipend when there are more than two dependent children);
- the cost impact of stipend packages on all parishes;
- appropriate use of ministry expense accounts (MEA's);

Please contact Michael Newman on 9265 1680 or email [mwn@sydney.anglican.asn.au](mailto:mwn@sydney.anglican.asn.au) if you require any further clarification on the above.

## **Stipends and Allowances Committee**

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