

# Policy for Drummoyne Presbyterian Church on setting remuneration (including housing allowances) for Ministry Staff

## Aim

The aim is to provide church and employee with a workable and transparent rationale for remuneration.

## Scope

This policy does not cover ordained and inducted ministers. The NSW Presbyterian Assembly sets minimum remuneration for inducted ministers. This policy should be read in conjunction with those regulations and provide guidance for how the regulations for ministers might be reasonably extended to non-inducted staff at DPC.

Under Australian Law, only employees whose work activity is similar to a minister of religion can receive their remuneration broken into taxable and non-taxable components in the way described in this policy. They will be referred to in this policy as “ministry staff”. Other employees and ministry trainees are beyond the scope of this policy.

This policy may be varied from time to time by the congregation at a congregational meeting.

## Rationale

While the NSW Presbyterian Assembly sets minimum remuneration for inducted ministers, there are no minimum remuneration standards for other persons employed by congregations.

The remuneration for inducted ministers consists of the following components

Stipend

Travelling Allowance (a contribution to the expenses of the minister using his own vehicle for ministry purposes).

Provision of a suitable house or a comparable housing allowance.

Superannuation

Ordained Presbyterian Ministers are 4 years trained, and have not only met academic requirements but have been examined as to the suitability of their life and doctrine. They are accountable to the denomination in an ongoing way and are required to take up responsibilities within the denomination at regional and state level. Accordingly, ministry staff will be remunerated on a sliding scale as follows:

	Stipend	Travelling Allowance	Housing allowance.
Inducted minister (4 year trained)	100%	100%	100%
4 year trained (unordained)	95%	95%	100%
3 year trained (unordained)	80%	80%	100%
1-2 year trained (unordained)	70%	70%	100%

If staff are employed part-time they would be remunerated at pro-rata amounts.

All ministry staff (other than inducted ministers) must be employed on a written contract agreeable to the congregation and employee. The contract will specify whether the employee is being offered either “housing” or a “housing allowance”.

Where “housing” is part of the contract the Committee of Management must provide a residence (e.g. the Manse, the Cottage at 10 Bowman St – it does not need to necessarily be a “house”) and the Committee maintain the property; in lieu of a church owned property the Committee of Management must locate and rent a suitable property and meet those costs normally met with a church provided house.

## How do we work out a housing allowance?

(i) Location. In congregations with a regional ministry (such as the Chinese Presbyterian Church who draw members from across Sydney) it is argued that ministers could live anywhere in Sydney and so a cross-metropolitan average for rent is used; in these situations ministers are free to live where they wish and usually commute to work from a distance and keep typical business hours. However, “parish-based” churches tend to want something different. They usually want their ministry staff to live closer to

the centre of ministry. There are lots of ministry opportunities when ministry staff live close (hospitality, home groups, kids going to school locally, bumping into people at the shops, etc...). Part of the issue here is that ministry is not really a job but "freeing people up from work" to "be themselves" in their relationships with Christian and non-Christian people in the area. Living closer maximises those relationships, hospitality opportunities, etc.

(ii) The type of dwelling. When congregations build new manses the denomination has stipulated minimum requirements, we are not bound by these but they are informative: it must have enough bedrooms for an average family, plus an adequate size study, plus two living areas (so the family can watch TV in one while the minister runs groups or does interviews in the other), two bathrooms, a garage.

Determination of an appropriate housing allowance will always be a subjective and difficult process particularly because not all employees have the same size families or requirements. For our purposes, the cottage at 10 Bowman St will be deemed to be a suitable dwelling. However, because of its location (near shops & major public transport) it attracts a slightly higher rental than a similar dwelling in another part of Drummoyne. Our advice is that an equivalent dwelling three blocks toward the Drummoyne Public School would attract 10% less rental. Accordingly, **the housing allowance for a full time minister will be set to be equivalent to 90% of the current market rental of the 10 Bowman St cottage.** The housing allowance will be reviewed at least annually by the Committee of Management. The housing allowance will be submitted each year for approval at the Annual Congregational Meeting.

If an employee rents in the area and is required to move or if the rent increases to an amount greater than the fulltime minister's housing allowance the Committee of Management will pay reasonable relocation costs - this is consistent with the arrangements for ministers. If the employee wishes to move for other reasons they will bear the costs or relocation.

Where an employee's contract stipulates "housing" rather than "housing allowance" the employee cannot simply ask to be paid a housing allowance instead without a renegotiation of their contract involving approval by the congregation.

### **Questions**

*If an employee is being paid a housing allowance can they live wherever they choose?*

This will be a matter of negotiation between the minister and the employee.

*If we set a housing allowance and the employee rents a property for less than this amount what happens?* Usually the contract will specify "housing allowance up to \$XXX" so that if the actual rental is less, the housing allowance paid would be less.

----- end of policy -----

## Notes from Committee

- a) The current market rental for 10 Bowman St is \$600 pw, so the housing allowance would be \$540 pw.
- b) The Housing Allowance policy directly effects Anna Moss and Darryl Soh.
- c) In retrospect the figures for staff packages and the various components within them have been drawn up at various times in a fairly ad hoc manner. In reviewing the housing allowance the Committee has taken the opportunity to standardize staff remuneration. In regularizing staff packages there are small changes to the different components of Anna's and Darryl's packages however the net result is an increase.
- d) Additionally, the NSW Presbyterian Assembly in July 2008, because of increasing petrol price rises, has taken the unprecedented step of increasing the travel allowance mid year (normally there is an annual CPI increase across all package components effective from the 1<sup>st</sup> Jan). Effective from 1<sup>st</sup> August 2008 the travel allowance for city based minister's increases by \$10.05 per week.
- e) The increase in staff packages based upon a-d above are Darryl (\$67), Anna (\$46), Craig (\$8) and Ian (\$7) per week. Craig & Ian are only effected by the increase in the travel allowance.
- f) The Session also recommends we increase Anna Moss from a 2 to 3 days per week position. This is supported by the Committee.
- g) The proposed changes would be take effect from the 1st September 2008.

The overall increase to the budget for staff remuneration (including Anna's position increasing to 3 days per week) would be \$1644 per month, representing an increase to 2008 expenditure of \$6576. The Committee anticipate that based on this increase the 2009 budget will show a deficit of the order of \$20,000; but the 2010 budget should show a surplus to roughly balance this as Ian will complete his contract at DPC at the end of 2009 in anticipation of taking up a ministry position in rural NSW. Reserves from surpluses in recent years should cover this temporary shortfall.

### **Proposed motions at congregational Meeting:**

That the Congregation...

- ... Receive the Committee document "Policy for Drummoyne Presbyterian Church on setting remuneration (including rental allowances) for Ministry Staff".
- ... Note that the policy sets the housing allowance for a full time minister at \$540 per week, being the equivalent of 90% of the current market rental of the 10 Bowman St cottage.
- ... Change the remuneration for Assistant to the Minister 1 (Darryl Soh), effective from the 1<sup>st</sup> September 2008, to be 80% of the stipend & travel allowance rate as set by the NSW Assembly for ministers; and set the housing allowance to be 100% of the housing allowance as established by the DPC Committee of Management.
- ... Change the remuneration for Assistant to the Minister 3 (Anna Moss), effective from 1<sup>st</sup> September 2008, to be 70% of the stipend & travel allowance as set by the NSW Assembly for ministers; and set the housing allowance to be 100% of the housing allowance as established by the DPC Committee of Management.