

# Standing Committee of Synod

## Stipends and Allowances Committee's review of alternative methods of determining minimum stipends

### Executive Summary

1. The Standing Committee has requested that the Stipends and Allowances Committee report on alternative methods of determining minimum stipends. The history has been that during the 1970s changes in the level of recommended minimum stipends were related to movements in the Consumer Price Index (CPI) and since the early 1980s the basis used has (generally) been Average Weekly Earnings (AWE).
2. The Stipends and Allowances Committee is aware that, particularly over some recent years, the Standing Committee has been dissatisfied with this Committee's recommendations for increases based on the movements in AWE, even though that was the formula approved by the Standing Committee. Although for the time being the Standing Committee has resolved to continue the use of AWE, in 2002 it recommended a lesser increase than was indicated by the movement in AWE.
3. This report reviews five alternative methods for determining minimum stipends (other than AWE) and concludes that there is no simple answer as to which method is the most appropriate.
4. Nevertheless, the Stipends and Allowances Committee has concluded that, while not perfect, for the present the continuation of the comparison with AWE remains the most appropriate method of determining the annual movement in the recommended minimum stipend.
5. The Stipends and Allowances Committee also concluded that several other matters (in particular the level of allowances and benefits provided, the level of superannuation contributions paid and any arrangements to assist with the provision of a minister's housing during retirement) are beyond the scope of this report. The Stipends and Allowances Committee intends to bring a separate report to the Standing Committee on these matters in due course.

### Introduction

6. In September 2002 the Stipends and Allowances Committee recommended a minimum stipend for 2003 of \$40,423. This number had been calculated using the formula that had been confirmed by the Standing Committee the previous year, ie. 80% of the latest AWE, being the data for May-02 released by the ABS in Aug-02.
7. The recommended minimum stipend for 2003 proposed by the Stipends and Allowances Committee represented a 5.1% increase over the figure of \$38,468 applicable for 2002 (which in turn had been calculated as 80% of the AWE data for May-01 released by the ABS in Aug-01).

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### *Glossary of terms -*

ABS	Australian Bureau of Statistics
AWE	Average Weekly Earnings, produced quarterly by the ABS
CPI	Consumer Price Index, produced quarterly by the ABS
HES	Household Expenditure Survey, produced approximately every 5 years by the ABS
WCI	Wage Cost Index, produced quarterly by the ABS

8. At its meeting on 23 September 2002 the Standing Committee rejected this recommendation and approved a minimum stipend for 2003 of \$39,622 (calculated as a 3% increase over the 2002 minimum stipend).
9. At its meeting on 9 December 2002 the Standing Committee adopted the following principle for setting stipends and allowances –
 

“That Average Weekly Earnings continue for the time being to be the basis upon which changes in the minimum stipend are calculated, **and requests that the Stipends and Allowances Committee report to the Standing Committee by May 2003 on alternative methods of determining minimum stipends**”.
10. In May the Stipends and Allowances Committee sought the leave of the Standing Committee to report instead by 29 September 2003.

### History of minimum stipends

11. From the early 1970s until 1976 the minimum stipend of a minister was generally increased each year on the basis of the average rate of increase of the CPI and the AWE.
12. From 1976 to 1981 minimum stipends were generally increased in line with the national wage increases awarded by the Australian Conciliation and Arbitration Commission, which in turn were generally based on movements in the CPI.
13. In 1981 it was decided that stipends should be set by reference to AWE as this was a reliable indicator of wage and salary levels for a mixed basket of occupations and at the time high increases in CPI were raising affordability issues. The minimum stipend was initially set at 80% of the latest published AWE (seasonally adjusted), then increased to 85% in 1988, although this then reverted to 80% in 1993 when the superannuation contribution was increased by 5%.
14. Since 1994 the Stipends and Allowances Committee has used AWE (trend series) which are considered more reliable as a guide to the underlying direction of wages than the seasonally adjusted figures.
15. Reviews in March 1998, September 2001 and September 2002 have all concluded that the use of AWE (trend) remained the most appropriate basis for calculating the recommended minimum stipend, although the Stipends and Allowances Committee has kept the issue under review. On each occasion prior to 2002 when the Standing Committee has reviewed this decision, it has confirmed that AWE should remain the basis upon which the recommended minimum stipends are calculated.

### Basis for determining minimum stipends

16. Before considering alternative methods or formulae for determining the minimum stipend it is appropriate to consider the framework in which the stipend is paid. At its meetings on 23 September and 9 December 2002 the Standing Committee, following the recommendation of the Stipends and Allowances Committee, adopted the following principle for setting stipends and allowances –

“Stipends, allowances and benefits are paid for the exercise of office and allows the ministers to do their work effectively in the sphere to which they are called. The rate of stipend determined should allow ministers to live without undue financial worry and to maintain themselves and their families at a standard, which might be described as neither poverty nor riches.

Stipends, allowances and benefits should not be regarded as pay in the sense in which that word is understood in the world of commerce and industry today. Nor should stipends be thought of as reward for services rendered so that the more valuable the service in somebody's judgement or the more hours worked or the

more qualified the person, the more should be the pay.”

17. It has been accepted that the recommended minimum stipend is appropriate to cover the circumstance of a minister, his spouse and 2 children, but that the actual stipend is a matter for negotiation and determination by the parish council and should be increased above this figure where appropriate, and especially where the minister has more than 2 children.
18. The Stipends and Allowances Committee recognises that there can be a tension between what is appropriate to be paid for the exercise of the office and what a parish may consider affordable. In order to maintain the integrity of the adopted principle, the Stipends and Allowances Committee has not taken into account the ability of any particular parish(s) or organisation(s) to afford the recommended stipend.
19. Part of the evaluation process for each of the alternative methods discussed below should be to assess whether it is consistent with the principle spelt out above – to enable ministers “to do their work effectively .....live without undue financial worry and to maintain themselves and their families at a standard which might be described as neither poverty nor riches”.
20. To the extent that the stipend for a future period is to be based on available historical data from the chosen series or reference point, there needs to be a decision as to whether there should be –
  - a) an attempt to forecast the future value of the relevant data,
  - b) an adjustment to the actual stipend when the new data becomes available, or
  - c) an acceptance that the stipend will be set based on the most recent available data at the time of the decision.
21. Any one of the following formulae (or other similar methods) could be used to *determine* the recommended minimum stipend, or the formula could be used merely to arrive at a *suggested* figure and the Standing Committee (or some other body) given *discretion* to determine the actual figure taking account of whatever other factors or subjective considerations it sees fit.
22. Of course, if the process is to involve a *suggested* figure plus the exercise of a *discretion* the result thereafter may have moved away from the underlying formula to the point that the formula will need to be modified. (This is in fact what has happened most recently when the Standing Committee arbitrarily chose a figure of 3% by which to increase stipends, with the result that the 2003 minimum stipend is in fact 78.4% of AWE, rather than the 80% that had previously been adopted as the appropriate benchmark.)
23. In practice the Stipends and Allowances Committee accepts that while it is helpful to the Standing Committee to know that the recommendations coming before it have been determined on an agreed basis using a formula approved by the Standing Committee, it rightly remains the prerogative of the Standing Committee to accept, reject or vary those recommendations.

## The bigger picture

24. In this overall discussion, the effect of factors other than the minimum stipend is relevant. The stipend is only one component of what is “paid for the exercise of office”. The principle adopted last year by the Standing Committee was that the stipend, allowances and benefits, when taken together, should be such that they “allow the ministers to do their work effectively”.
25. Realistically therefore, the level of allowances and benefits should be included in the assessment of whether what is being paid for the exercise of office meets the test adopted above. In fact, however, most of the allowances and benefits referred to in the *Guidelines for the Remuneration of Parish Ministry Staff for 2003* are not quantified at all. The two that are quantified are the travel allowance (which is related to the cost of owning and operating a

motor vehicle) and the superannuation contribution (which has remained a set percentage of the minimum stipend). The other matters referred to in the *Guidelines* are not quantified and it is acknowledged the practice varies from situations where the item is paid in full by the parish, to others where the minister is allowed to have it paid from his ministry expense account (if the parish operates one on his behalf). The method of providing housing is particularly significant because the way it is provided can have significantly different financial impacts on the minister. The practice with respect to other allowances and benefits also differs greatly, with some parishes not providing anything, some only part and some paying for these items in full, in addition to allowing the minister to utilize their ministry expense account for this purpose.

26. The taxation implications of the manner in which the stipend, allowances and benefits are actually paid also has a significant effect on the minister's ability to "live without undue financial worry, and to maintain themselves and their family ...". On the one hand the minister may enjoy some benefits (eg exemption from Fringe Benefits Tax) and on the other, some disadvantages (eg in relation to Capital Gains Tax).
27. Two particular matters of concern to the Stipends and Allowances Committee that may not be adequately addressed through the present stipend structure are –
  - a) The adequacy of the present superannuation arrangements, and
  - b) Arrangements to assist with the provision of a minister's housing during retirement.

The Stipends and Allowances Committee intends to bring a separate report to the Standing Committee on these matters in due course.

## The objective

28. The Stipends and Allowances Committee considers that in seeking to establish a basis upon which to determine minimum stipends, a number of objectives need to be considered –
  - a) the relevant information needs to be summarised in a way that fairly reflects the movement over time in all the underlying factors that affect a minister's ability "to do their work effectively ..... and to maintain themselves and their families at a standard which might be described as neither poverty nor riches",
  - b) a formula or other measurement method is needed to capture all that information in a fair, relatively simple, objective and transparent methodology,
  - c) a means of communicating what factors have been addressed is needed, so that the Standing Committee can then make informed deliberations if it determines that other issues (such as 'ability to pay' or a change in the nature of the ministry for which the stipend is paid) should be considered.
29. In fact, the Stipends and Allowances Committee has concluded it is not possible to provide a single measure that fairly reflects all the underlying factors, let alone one that is fair, simple, objective and transparent. Therefore, a choice will need to be made as to which of the available tools provides the most acceptable measure upon which to base the recommended minimum stipend, knowing that it will not satisfy all requirements.
30. The principle adopted by the Standing Committee – to enable ministers "to do their work effectively" – cannot be solely addressed by asking what is happening to wages in the community.

## The information available

31. Consider the following –
  - a) Wealth is more than income (it also reflects the impact of taxation on that income, as well as other benefits, capital gains, gifts, bequests, etc).

- b) Household income itself can be more than an individual's income (particularly because of the increasing proportion of 2 income families).
  - c) An individual's income is more than their wage (it also includes allowances, interest and dividends, etc).
  - d) An individual's level of expenditure depends on more than their income (savings and borrowings impact on expenditure).
  - e) Expenditure itself is a function of quantity and range of things bought and the price of each item.
32. The relationship between some of these factors is demonstrated by the following paraphrase of the ABS's summary of findings published in the latest release of HES data in June 2000 –
- "In the 5 years since the previous survey average Australian household expenditure increased by 16%. Part of this increase can be attributed to inflation – over the same period the CPI had risen 10%. However, over the same 5 years average weekly household income had increased by 22%."
33. Measures of inflation only track the change over time in the price of particular items, plus the change in the mix of items bought. For example, the CPI will not reflect the fact that over a long period the average number of cars per household has increased. That is, on average each household now has more cars than it did, say, 20 years ago. Over that time the CPI will measure the fact that car prices have moved, and it will reflect the fact that the proportion of the household's expenditure directed at cars has changed, but it will not incorporate the fact that a growth in income and wealth has enabled the household to simply buy more cars. However, the CPI is backed up by a review approximately every 5 years by a survey of household expenditure, and the HES does take into account the varying proportion of the household's expenditure devoted to cars.
34. Measures of wages vary because they take account of different factors. Some reflect the 'value' of the position or role in the relevant market place, the cost to the employer of a constant type of labour. Some others measure what an individual is paid, and these therefore incorporate the effects of the amount of overtime worked, the gaining of additional skills and qualifications, and a change in the structure of the workforce.
35. There is simply no objective and comprehensive measure available to measure the effect of the many other factors effecting the minister's financial position relative to others in the community in which he is called to live. Factors such as the low marginal rate of income tax, the significant level of other benefits provided that are exempt from fringe benefits tax, the discounts available on private school fees, and the level of superannuation contributions provided. A further and more significant difference is that the minister is provided with accommodation, but is thereby effectively denied participation in the housing market on the same basis as most other people in the community, with its attendant exemption from capital gains tax on the principal place of residence. This latter difference is of critical importance when the minister retires because for most other people their tax free equity in their home provides a significant portion of the wealth they can draw on in retirement.

### Alternative methods considered

36. Given the difficulties outlined in the previous section and the impossibility of finding a single measure that fairly reflects all the underlying factors, the Stipends and Allowances Committee gave consideration to a number of alternative methods that were readily available with a view to assessing their relative suitability to meet the objective that the stipend be sufficient to allow ministers "to do their work effectively". This section offers a brief summary of the main alternatives and the particular features of each one are then further explained in the latter sections of this report.
37. The CPI provides a general measure of inflation in the economy and as such could be used to determine the increase in the recommended minimum stipend from year to year.

38. Consideration was also given to the use of a more specific index, such as CPI excluding housing. However, apart from the difficulty of obtaining data appropriate to the Sydney market, and the circumstances of Anglican ministers, it was felt that such data would be less transparent and objective and therefore this method was not pursued.
39. The AWE data provides an indication of average wage levels in the economy, and therefore the recommended minimum stipend could be determined in relation to the latest average earnings.
40. The WCI provides a measure of the relative change over time in the wage and salary costs of a representative basket of jobs, and therefore this index could be used to determine the increase in the recommended minimum stipend from year to year.
41. The HES provides data on the expenditure of households resident in private dwellings throughout Australia, and this information could be used as a basis to derive a figure for the minimum stipend needed to enable the household to sustain that level of expenditure.
42. Changes in other specific measures of wages in particular occupations or industry types (eg, public service employees) could be used to determine the increase in the recommended minimum stipend from year to year.
43. Comparison with the rate of increase in minimum stipends in other dioceses or denominations could be used to determine the increase in the recommended minimum stipend from year to year.

## Review of CPI

44. The CPI measures quarterly changes in the price of a 'basket' of a wide range of goods and services which account for a high proportion of expenditure by metropolitan households. As such the CPI is not directly related to wages or salaries in the community, and cannot provide an objective reference point for any of these. It is, however widely accepted as the most reliable general indicator of changes in the prices of goods and services.
45. The 'basket' of goods and services measured is arranged into eleven groups –
  - food
  - alcohol and tobacco
  - clothing and footwear
  - housing
  - household furnishings, supplies and services
  - health
  - transportation
  - communication
  - recreation
  - education
  - miscellaneous

and the data is available in a form that allows the calculation of the movement in each factor separately, or in the total excluding one or more groups. While the specific composition of and weighting given to each group may be subject to some influence by the government of the day (from both sides of politics), it is primarily determined by the ABS from information collected as part of the 5-yearly HES.

46. In addition to the overall national data, a separate series of indices is available for Sydney.
47. The CPI is widely regarded as the principal measure of inflation in the economy, and when expressed as a percentage increase over time, is often used as a reference when arguing for a particular increment or rate of change in some other variable, such as salaries.

## Review of AWE

48. The AWE survey published by the ABS provides quarterly measures of average weekly earnings of employees based on information collected from a random sample of employing organisations. The specific statistic used is Average Weekly Earnings, States and territories: Trend – males, full-time adult ordinary time earnings, NSW.
49. In addition to the broad national data, figures are available for specific groups and the average ordinary time earnings of full-time adult males in NSW has previously been selected as the most appropriate for setting minimum stipends.
50. The average earnings of a group of full-time employees (and hence the AWE statistics used to calculate minimum stipends) are affected by a number of factors outside the role of any one individual. Shifts in the AWE may be due to –
- a) changes in the composition of the full-time workforce (eg proportionally more managerial staff and less production line workers),
  - b) changes in average hours paid per employee (eg more part-time or job-share positions are taken outside the sample population of full-time positions), and
  - c) movements in the structure of ordinary time earnings (eg when overtime penalty payments or benefits such as leave loading are rolled into ordinary wages and salaries as part of an enterprise or workplace agreement).
51. In February 2001 the ABS commented as follows -

“Although they are often used [as indicators of change in wage rates] the AWE series are significantly affected by changes in the composition of the work force which undermine their use as indicators of change in wage rates. While the AWE series continue to provide a reliable measure of the average wage bill because they reflect factors such as the upwards shift in the skill level of the workforce, they do not represent changes in wage costs on a ‘constant quality’ basis. The AWE series can also be affected by the rolling-in of some entitlements into wages and salaries as a result of some workplace agreements.

The WCI series provide each quarter direct measures of change in wage and salary rates on a constant quality basis and are far superior measures of this change.”

52. It could be argued that each of the above factors noted in paragraph 50 is reflected in the average pews of the average Anglican church, notwithstanding those in our pews who are unemployed.
53. One peculiar feature of this measure of wages is that the data is almost always subject to change after it is first published, and sometimes the changes are quite significant. The practical effect of this is that each year’s movement in stipend will always include a factor to adjust the starting figure from what was set based on the data then available to the correct starting point based on the final revised data for that same quarter.

## Review of WCI

54. The WCI measures quarterly changes in ordinary time hourly wage and salary rates excluding bonuses. These indexes are not affected by changes in penalty payments (which fluctuate depending on the number of hours paid at penalty rates) and allowances (which fluctuate according to how much work is performed under special work conditions, eg, height allowance, dirt allowance, heat allowance). The base date for the index is the September quarter 1997 (index = 100.0).
55. Individual indexes are compiled for various combinations of state, sector (private/public), broad industry group and broad occupation group.
56. The WCI was introduced by the ABS in an attempt to provide a more reliable indicator of

wage growth. It measures the changes over time in wage and salary costs for employee jobs, unaffected by changes in the quality or quantity of work performed. On the other hand, AWE measures the wages or salaries received by employees, which will include payment for changes in the nature and quantity of work performed.

## Review of HES

57. Although including many of the same components as the CPI, the HES is fundamentally different in that it is compiled from a detailed survey of the expenditure of households resident in private dwellings throughout Australia. The survey is now conducted every 5 years, the latest being in 1998-99. The next survey will be conducted in 2003-04 with the data due to be released in mid-2005.
58. The ABS use the results from the HES to determine the relative weighting to be given to each of the components in the CPI.
59. The results of the HES are expressed in absolute dollars (rather than % increases). As such, this data could be used to determine a new minimum stipend if it was felt that a complete overhaul and clean start was needed to arrive at a figure in line with the principle that the stipend should be such as to "allow ministers to live without undue financial worry".
60. The HES data is only compiled every 5 years and so could not be used as a basis to determine the annual movement in minimum stipends. However, the CPI provides a readily accessible quarterly measure of the movement in the price of a basket of household expenditure items derived from the HES.
61. The Stipends and Allowances Committee considers there would be merit in it conducting a periodic 'benchmark' review of minimum stipends every 5 years, using the latest HES data.

## Review of wages in other occupations

62. There are numerous benchmarks that could be chosen, with a broad measure of public service wages, or Department of Education teachers salaries being two examples suggested.
63. Conceptually the only advantage a benchmark wage or salary from another occupation would offer over the broader WCI would be if the benchmark role chosen was 'closer' to a minister's vocation than the sample of all occupations included in the WCI. On the other hand, however, it is difficult to envisage a role which would be accepted as 'close' given the unique nature of the ministry and the principle that the minimum stipend is "paid for the exercise of office".

## Review of stipends in other dioceses

64. While this may appear on the surface to be an appropriate reference point to use, there may in practice be some significant issues that may make it less attractive. Fundamentally of course, it does not remove the need to determine an appropriate level of stipend, or an increase in the stipend, it merely means that someone else undertakes this responsibility.
65. The main difficulties that may be anticipated include –
  - a) No knowledge of the basis used to determine increases in other Dioceses, some may be applicable to Sydney, others not.
  - b) Impossible to maintain a principle underpinning the payment of the Sydney stipend if the changes may be based on factors not affecting that principle.
  - c) Data may not be readily available, or incomplete, at the time required.



- d) Cannot provide a measure of specific factors peculiar to Sydney, and if the basis of the data from other dioceses is not known it may be impossible to calculate the adjustment required for any specific local factors.
66. Although such data may provide an interesting comparison from time to time, it is suggested that it would not be appropriate to base increases in recommended minimum stipends on this sort of comparative data, unless it had already been established that all the other dioceses chosen were working to the same principle that we have adopted, ie. that the minimum stipend is “paid for the exercise of office ... (to) allow ministers to live without undue financial worry”.

## Summary of the findings

67. The key findings in relation to each of the alternatives considered are summarised below –
- a) The latest annual movements in the CPI could be used as a method for determining the adjustment in recommended minimum stipends each year, and such an adjustment would appear to be consistent with the principle adopted by the Standing Committee that stipends “should allow ministers to live without undue financial worry”. The Stipends and Allowances Committee is aware, however, that in 1981 the Standing Committee decided that CPI was not an appropriate index on which to base movements in recommended minimum stipends, and adopted the use of AWE instead. If CPI were to be reconsidered an appropriate benchmark would need to be determined, from which annual increases were applied.
  - b) The use of the Household Expenditure Survey (HES) could be relevant to a one-off exercise to undertake a complete “zero-based” review of recommended minimum stipends, but it can not provide a basis for calculating the amount of the annual adjustment in recommended minimum stipends.
  - c) The use of a Wage Cost Index (WCI) series provides a direct measure of changes in wage and salary costs across the community on a constant quality basis. The WCI is not designed to take account of changes in average (per employee) wage payments which occur because of average rising skill levels (due to increases in education and training which lowers the proportion of lower paid jobs). Neither is the WCI designed to take account of increases in the cost of living. Consequently, with the use of WCI there would be a gradual increase in standards of living in which the clergy and their families would not participate.
  - d) Using a review of wages in other occupations would involve some difficult and arguable decisions as to what occupations are the most comparable. In addition, this method is not consistent with the principle of a payment for the exercise of office.
  - e) The review of stipends in other diocese’s could be relevant to a broad one-time review of recommended minimum stipends, but it is not a good basis for determining an annual adjustment because of the number of unknown factors involved and the inability to maintain consistency with the underlying principle.
  - f) The AWE continues to provide a measure reflecting the community’s earnings from employment. While it is no sense a perfect measure it still remains a valuable tool for identifying the community’s expectations to live in the Diocese of Sydney.

## Movements in actual minimum stipends

68. The attached table shows the movement in the recommended minimum stipend over the past 19 years since 1985, together with the basis used (generally a percentage of AWE) in calculating those stipends. For comparison the table also shows the movement in the CPI over the same period.
69. From 1985 to 1994 the recommended minimum stipend rose by 69.2% and in each of those years the stipend was calculated as 80% of the AWE at the time. Over the same period the

CPI rose by 71.0%.

70. From 1995 to 2002 the recommended minimum stipend rose by 37.9% and throughout most of that period the stipend was calculated as 80% of the AWE at the time. However, over the same period the CPI rose by only 27.2%.

## Movements in indexes

71. The three main indexes (AWE, WCI and CPI) are summarised in the attached table, and their relative movements over the last 4.5 years are shown on the attached graph.

## Recommendations

72. The Stipends and Allowances Committee concludes that, while not perfect, the continuation of the comparison with AWE remains, for the present, the most appropriate method of determining the annual movement in the recommended minimum stipend. The Committee also believes that a return to using CPI as the basis for calculating the annual changes in the recommended minimum stipend would result in an erosion of the minister's living standard over time, relative to others in the community.
73. The Stipends and Allowances Committee recommends that minimum stipends continue to be set at 80% of the latest actual Average Weekly Earnings, States and territories: Trend – males, full-time adult ordinary time earnings, NSW.
74. In view of the future work identified below, the Stipends and Allowances Committee recommends that no change in the method of determining the recommended minimum stipend occur that would result in a diminution of the standard of living for ministers relative to others in the community. Therefore it is recommended that AWE continue to be the method used to determine the recommended minimum stipend for 2004.

## Future work

75. The Stipends and Allowances Committee recognises that there is still more work to be done in the area of remuneration packaging for ministers. Accordingly, it proposes to consider the following issues –
- a) Greater attention be given to specifying an appropriate minimum level for each of the allowances and benefits referred to in the *Guidelines for the Remuneration of Parish Ministry Staff* when these are issued each year.
  - b) Mechanisms be put into place to ensure that the extra “adjustments” recommended in the *Remuneration Guidelines* (such as an adjustment for additional children and an adjustment for geographical and cultural variations and variations in ministry expectations) be given some teeth, in order to ensure that ministers in their particular circumstances are paid an adequate package to enable them to continue ministering without undue financial burden.
  - c) The issue of housing for ministers in the Sydney Diocese needs to be adequately addressed. The Committee recommends that consideration be given to providing ministers, particularly those in their first ten years of ministry, with mechanisms which facilitate their entering the property market so that they can establish their position early enough to ensure that there is adequate provision for their retirement housing.

PHILIP GERBER  
**Stipends and Allowances Committee**  
22 September 2003

## History of Recommended Minimum Stipends

	S&A C'ttee recomm. stipend	Stipend \$	based (generally) on	actual AWE \$	stipend % of AWE	Stipend % inc.	Stipend cum %	Stipend cum %	CPI % inc. (calendar year)	CPI cum %	CPI cum %
Jan-03	40,928	39,622	3% increase over 2002	971.70	78.4%	3.0%	140.3%	42.0%			
Jan-02	38,468	38,468	80% of AWE	924.70	80.0%	4.2%	133.3%	37.9%	2.8%	117.5%	27.2%
Jan-01	37,687 *	36,922	80% of AWE	887.60	80.0%	5.4%	123.9%	32.3%	3.3%	111.6%	23.8%
Jan-00	36,050 *	35,030	80% of AWE	837.90	80.4%	4.3%	112.5%	25.6%	6.0%	104.8%	19.8%
Jan-99	33,570	33,570	80% of AWE	799.30	80.8%	3.4%	103.6%	20.3%	1.9%	93.2%	13.0%
Jan-98	32,465	32,465	80% of AWE	772.10	80.9%	3.1%	96.9%	16.4%	2.3%	89.6%	10.9%
Jan-97	31,485	31,485	80% of AWE	752.60	80.5%	2.6%	91.0%	12.8%	-0.3%	85.4%	8.4%
Jan-96	30,700	30,700	80% of AWE	721.90	81.8%	7.9%	86.2%	10.0%	2.1%	85.9%	8.7%
Jan-95		28,460	80% of AWE	671.60	81.5%	2.0%	72.6%	2.0%	6.5%	82.1%	6.5%
Oct-94		27,900	80% of AWE	671.60	79.9%	2.4%	69.2%		2.8%	71.0%	
Apr-94		27,235	80% of AWE	656.10	79.8%	1.1%	65.2%				
Oct-93		26,950	unchanged	644.00	80.5%	0.0%	63.5%		1.3%	66.3%	
Apr-93		26,950	unchanged after extra 5% super	639.00	81.1%	-6.0%	63.5%				
Oct-92		28,670	85% of AWE	647.70	85.1%	4.6%	73.9%		0.3%	64.2%	
Apr-92		27,413	85% of AWE ?	632.80	83.3%	1.3%	66.3%				
Oct-91		27,048	85% of AWE	610.10	85.3%	1.6%	64.0%		1.5%	63.7%	
Apr-91		26,628	85% of AWE	602.40	85.0%	2.4%	61.5%				
Oct-90		26,016	85% of AWE	582.70	85.9%	3.3%	57.8%		6.4%	61.3%	
Apr-90		25,188	85% of AWE	568.50	85.2%	5.1%	52.8%				
Oct-89		23,964	85% of AWE	547.00	84.2%	4.9%	45.3%		8.9%	51.6%	
Apr-89		22,848	85% of AWE	519.20	84.6%	4.6%	38.6%				
Oct-88		21,852	85% of AWE	496.20	84.7%	6.6%	32.5%		9.2%	39.2%	
Apr-88		20,496	82.5% of AWE	477.60	82.5%	5.1%	24.3%				
Oct-87		19,500	80% of AWE	463.20	81.0%	2.0%	18.3%		7.3%	27.5%	
Apr-87		19,116	80% of AWE	456.70	80.5%	4.5%	15.9%				
Oct-86		18,300	80% of AWE	443.90	79.3%	3.2%	11.0%		9.7%	18.8%	
Apr-86		17,724	80% of AWE	425.90	80.0%	5.5%	7.5%				
Apr-85		16,800	80% of AWE	406.20	79.5%	1.9%	1.9%		8.3%	8.3%	
Jan-85		16,488	80% of AWE	392.40	80.8%						

**stipend \$** = Recommended minimum stipend determined by the Standing Committee.

**actual AWE \$** = Actual Average Weekly Earnings (trend - males, full-time adult ordinary time earnings, NSW) -

- since 1995 when stipends have been increased from January each year, the AWE data shown is for May the prior year, reported by the ABS in mid-August.
- prior to 1995 the AWE data for November the prior year (released mid-February) has been compared with stipend set April, and AWE data for May compared with stipend in October.
- frequently AWE data is revised several times by the ABS after it is first released, AWE data shown since 2001 is the originally published figure, but prior to 2000 the AWE data is the revised figure now shown in the statistical spreadsheet downloaded from the ABS website in August 2003.

**cum %** = This figure is not the simple sum of the annual % increases, rather it allows for the compounding effect of previous increases.

**NSW PS** = NSW Public Sector pay increases (applicable from various dates during the calendar year shown in the left hand column above).

**non-Exec.** = non-Executive staff.

**Exec.** = Executive staff.

**CPI** = Consumer Price Index: All groups, Sydney (annual movement based on the index for the December quarter each year).

\* Stipends and Allowances Committee recommendations included projections of the likely increase in AWE from May to November in the applicable years, but Standing Committee removed the element of the projection and approved an actual increase based on the latest actual AWE data.

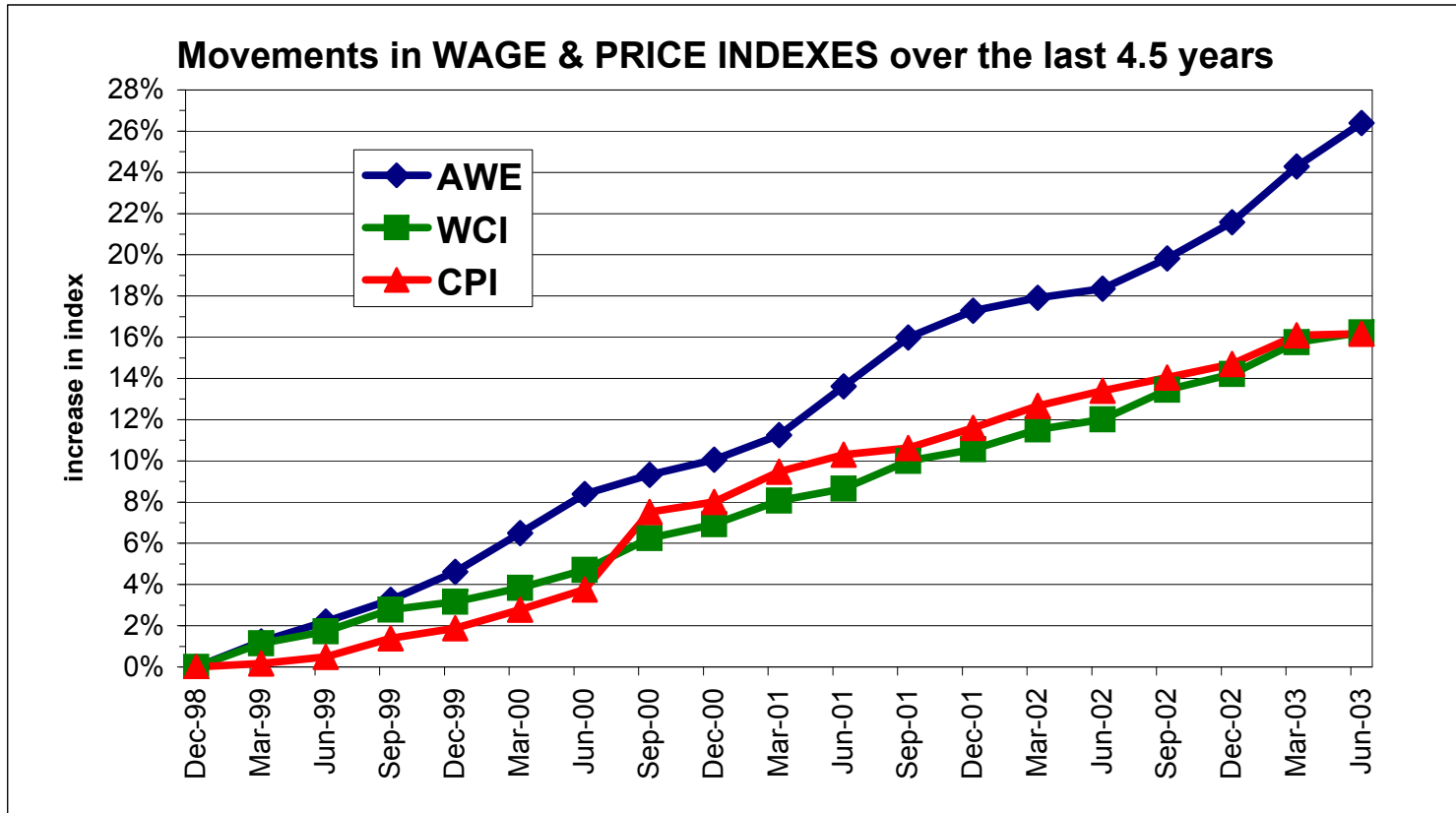
## WAGE & PRICE INDEXES

quarter ended	AWE		WCI		CPI	
	\$	annual % inc.	index	annual % inc.	index	annual % inc.
Jun-03	1,036.30	6.8%	121.0	3.8%	142.2	2.4%
Mar-03	1,019.00		120.5		142.1	
Dec-02	996.80	3.7%	118.9	3.3%	140.4	2.8%
Sep-02	982.40		118.1		139.6	
Jun-02	970.40	4.2%	116.6	3.1%	138.8	2.8%
Mar-02	966.80		116.1		137.9	
Dec-01	961.60	6.6%	115.1	3.4%	136.6	3.3%
Sep-01	951.00		114.5		135.4	
Jun-01	931.50	4.8%	113.1	3.8%	135.0	6.3%
Mar-01	912.10		112.5		134.0	
Dec-00	902.40	5.2%	111.3	3.6%	132.2	6.0%
Sep-00	896.30		110.6		131.6	spike re introduction GST
Jun-00	888.70	6.1%	109.0	2.9%	127.0	3.3%
Mar-00	873.20		108.1		125.8	
Dec-99	857.70	4.6%	107.4	3.2%	124.7	1.9%
Sep-99	846.60		107.0		124.1	
Jun-99	837.90		105.9		123.0	
Mar-99	830.10		105.3		122.6	
Dec-98	819.90		104.1		122.4	
last 4.5 year increase =		26.4%		16.2%		16.2%
average annual increase =		5.9%		3.6%		3.6%

**AWE** = Average Weekly Earnings, States and territories: Trend - Males, full-time adult ordinary time earnings, NSW (p.14 ABS booklet)  
*(Data is actually for quarters ending Feb, May, Aug & Nov and is frequently revised several times after first publication.)*

**WCI** = Wage Cost Index: Ordinary time hourly rates of pay excluding bonuses, NSW (p. 12 ABS booklet)  
*(Reference base Sep-97 = 100.0)*

**CPI** = Consumer Price Index: All groups, Index numbers, Sydney (p.6 ABS booklet)  
*(Reference base 1989-90 = 100.0)*



## Average Weekly Earnings

data for quarter ended	reported Aug-03	reported May-03	reported Feb-03	reported Nov-02	reported Aug-02	reported May-02	reported Feb-02	reported Nov-01	reported Aug-01	reported May-01	reported Feb-01	reported Nov-00	reported Aug-00
			\$										
May-03	<b>1036.30</b>												
Feb-03	1018.00	1019.00											
Nov-02	999.00	998.90	996.80										
Aug-02	981.20	981.70	982.40	<b>975.60</b>									
May-02	970.40	970.40	971.40	970.90	<b>971.70</b>								
Feb-02	966.60	966.60	965.60	966.70	966.80	967.00							
Nov-01		962.50	962.70	963.70	961.60	961.80	<b>971.00</b>						
Aug-01			951.00	951.00	951.00	950.30	951.50	953.20					
May-01				931.50	931.50	931.50	930.60	930.60	<b>924.70</b>				
Feb-01					912.10	912.10	911.60	912.00	911.60	<b>903.20</b>			
Nov-00						901.40	901.20	901.20	902.40	901.90	<b>906.80</b>		
Aug-00							896.30	896.30	896.30	897.40	897.70	900.00	
May-00								888.70	888.70	888.70	887.40	<b>887.60</b>	889.50
Feb-00									873.20	873.20	873.20	872.90	872.90
Nov-99										857.80	857.20	857.70	857.90
Aug-99											846.00	846.00	846.00
May-99												837.90	<b>837.90</b>
Feb-99													830.10
Nov-98													

shaded figures are used in stipends sheet

**Bolded** figures highlight where the number first reported varies by more than \$5 from the final value.

Attached Table & Graph based on value outlined

Minister's stipend for 2003 -

Committee's recommended annual stipend using benchmark 80% of May-02 AWE reported Aug-02	\$ 40,423	
actual recommended minimum stipend approved by Standing Committee	\$ 39,622	
actual recommended minimum stipend as percentage of AWE for May-02 (reported Aug-02)		78.4%
actual recommended minimum stipend as percentage of latest AWE (Nov-02 reported Feb-03)		76.4%

reported  
May-00

870.30  
857.70  
846.60  
837.90

830.10
819.90

## Summary of 2003 Stipends in other Australian Dioceses

	<i>stipend for minister/rector</i>
<b><i>alphabetical</i></b>	
Adelaide	27,924
Armidale	26,171
Ballarat	36,126
Bathurst	33,300
Bendigo	29,796
Brisbane	34,885
Bunbury	35,400
Canberra/Goulburn	37,611
Gippsland	32,400
Grafton	38,393
Melbourne	29,712
Newcastle	33,480
Northern Territory	28,742
North Queensland	32,839
North West Australia	34,800
Perth	35,400
Riverina	36,440
Rockhampton	36,785
Sydney	39,622
Tasmania	32,156
The Murray	30,048
Wangaratta	30,869
Willochra	30,048
<b><i>ranked</i></b>	
Sydney	39,622
Grafton	38,393
Canberra/Goulburn	37,611
Rockhampton	36,785
Riverina	36,440
Ballarat	36,126
Bunbury	35,400
Perth	35,400
Brisbane	34,885
North West Australia	34,800
Newcastle	33,480
Bathurst	33,300
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