

## **14/94 Retirement Housing for Parish Clergy**

(A report from the Standing Committee.)

### **Introduction**

1. In 1994 the Synod resolved as follows (resolution 14/94) -  
“This Synod noting -
  - (a) the requirements for compulsory retirement of clergy under the Sydney Diocesan Retirements Ordinance 1969;
  - (b) the consequential need for clergy to provide for their retirement accommodation; and
  - (c) the difficulty of acquiring such accommodation partly because of the usual custom of parishes providing church-owned residences for their clerical staff;

requests the Standing Committee to investigate alternative methods of providing accommodation or alternative remuneration packages to clergy holding the licence of the Archbishop or their widows and stipendiary lay workers during their ministry so that they may finish their working lives with some equity in a residence.”.

### **Committee to Investigate**

2. In April 1994, the Standing Committee appointed a committee comprising the Rev Joe Burrows, Canon Terry Dein, Mr Rod Dredge, Dr Kim Hawtrey and the Rev Dr Lindsay Stoddart to investigate the matters referred to in resolution 14/94.
3. The committee undertook a survey of clergy to gauge the magnitude of the problems which clergy have in providing for retirement accommodation. 512 non-retired clergy were surveyed and responses were received from 350. The responses showed that while an encouraging number of clergy had already developed some level of real estate investment, some 18% of respondents in the 35-50 age group may be heading for a problem at retirement and some 21% of respondents in the 51-64 year age group may have a serious problem in providing for retirement accommodation.
4. The committee concluded that while the problem of providing retirement housing was not as widespread as first thought, the problem was sufficiently serious for further action to be considered. The committee made a number of recommendations, including the following -
  - (a) that the current parish clergy housing arrangements be deregulated to permit greater choice and flexibility for clergy, including the option of renting or purchasing in the private housing market if they so desire;
  - (b) that the Diocese promote a change of culture which, among other things, includes greater openness to alternative models for clergy accommodation;

- (c) that the existing quality control mechanism of physical rectory inspection be supplemented by a new requirement that all housing arrangements under the proposed deregulated system be subject to formal approval by the Archbishop.

5. The "current parish clergy housing arrangements" referred to in paragraph 4(a) above are those reflected in clause 6(d) of the Parishes Ordinance 1979 and clause 8(a) of the Presentation and Exchange Ordinance 1988 which require that parishes have a residence approved as suitable by the Archbishop for the free use by the minister.

#### **Response of the Standing Committee**

6. The Standing Committee's response to the committee's recommendations included the following -

- (a) inviting the Archbishop to respond to the proposed "deregulation" of housing for parish clergy;
- (b) inviting the Archbishop and the Regional Bishops to seek out parish clergy and lay ministers in the 50 to 65 age bracket who could have significant financial difficulties on retirement, to counsel them and provide help, and seek any increase in the Synod grant for the Archbishop's Pastoral Relief Fund that might be necessary to help in serious cases; and
- (c) inviting the Sydney Diocesan Superannuation Fund ("SDSF") to respond to a suggestion that the Fund run financial planning seminars each year for parish clergy and lay members of the Fund who are over 50 years of age.

7. The Archbishop subsequently advised that while he was sympathetic to the circumstances which prompted the recommendation that housing arrangements be made more flexible, there were certain issues which needed to be borne in mind -

- (a) the provision of rent free accommodation by a parish allows clergy to move freely from one parish to another;
- (b) it may be difficult for a minister who lives in his own house to sell a house in one area and buy in another; and
- (c) clergy who live in their own house may be reluctant to move to another area.

8. At the suggestion of the bishops, the Standing Committee wrote to churchwardens of the principal church of each parochial unit seeking their comments on the proposed deregulation of clergy housing.

#### **The Responses of Churchwardens**

9. The response rate of 22.2% from churchwardens was relatively poor. 70% of those who responded agreed that clergy housing arrangements should be deregulated.

10. A common comment, even among those who supported deregulation, was that in deciding whether clergy housing arrangements should be deregulated the primary consideration should be effective ministry and administration of the parish.

11. A number of comments were made by churchwardens about the proposal -

- (a) some were concerned about the barriers in clergy mobility if it became common for clergy to live in their own house;
- (b) encouraging ministers to purchase their own home within their parish was considered to be impractical, particularly in more expensive areas of Sydney;
- (c) noting that parishes differ in financial status and that financial status can change quickly, concern was expressed that the proposal would add to the problems of struggling parishes.

### **Conclusions**

12. Having further considered the matter, the Standing Committee does not propose proceeding with the deregulation of the current policy which requires that ministers live in rent-free accommodation provided by the parochial unit. There are 3 main reasons for this.

- (a) The issues referred to by the Archbishop and identified in paragraph 7 and the comments made by the churchwardens referred to in paragraph 11 illustrate that the general deregulation of parish housing may give rise to consequences which inhibit ministry within parishes. Care needs to be exercised before proceeding with de-regulation.
- (b) The Archbishop already considers and, where appropriate, approves alternative housing arrangements. Thus, there is already flexibility in the system for such arrangements, but with adequate controls.
- (c) Difficulties associated with retirement housing are better addressed by emphasising to ministers the need to plan for their retirement many years in advance. Financial planning seminars for ministers organised by SDSF have been held in the Diocese, and will continue to be held from time to time (the next series of seminars will be held in October 2000). These seminars seek to advise ministers about the need for financial planning and the practical steps which they can take to provide for their retirement. The seminars are advertised widely.

For and on behalf of the Standing Committee

MARK PAYNE  
*Diocesan Secretary*

1 August 2000