



Anglican Church of Australia

Acting Primate: The Most Reverend Dr Phillip Aspinall

2 April 2020

The Hon Scott Morrison MP
Prime Minister

The Hon Josh Frydenberg MP
Treasurer of Australia

Parliament House
Canberra ACT 2600

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Dear Prime Minister and Treasurer

Government initiatives in response to the Coronavirus (COVID-19) pandemic

On behalf of the Anglican Church of Australia (ACA) I thank you for your leadership in these difficult times and appreciate your government's commitment to ensuring the security, safety and wellbeing of all Australians.

The financial stimulus and job retention initiatives will go a long way to support those whose livelihoods have been impacted as a result of the implementation of the government's guidelines on travel restrictions, public gatherings and physical distancing.

The Anglican Church of Australia has supported and complied with the requirement to close places of worship. Our clergy and church workers have responded in creative ways to ensure that ministry and pastoral care continue to be extended to our congregations and the wider community.

I draw your attention to the impact of these changes on the long-term viability of churches in our communities. We fully expect that a number of the churches that have closed their doors will not open again. We want to ensure that our churches will be able to make a positive contribution to rebuilding our communities when the time comes and seek your government's support to ensure this will happen.

We have reviewed the two key initiatives available to not-for-profit entities and charities announced in the last week – the Boosting Cashflow for Employers package and the JobKeeper package.

Unfortunately, some of the administrative structures of our church limit access to these packages, prohibiting support to parishes and local communities where the additional funds will have the greatest impact. We request that the administrative processes to access the packages be revised to provide more equitable access.

Anglican Church of Australia Funding Model

To understand the problems accessing these packages it is necessary to understand the funding model operating across the Anglican Church of Australia.

There are 23 dioceses in the Anglican Church of Australia employing more than 2,200 clergy and lay workers across 1350 parishes supporting more than 2,000 places of worship.

Each parish is required to generate the funds to employ clergy and lay church workers to support worship and ministry in that parish. Although the diocesan bishop licences clergy to a parish there is no central funding for their employment at diocesan level. Parishes are able to employ additional clergy and church workers according to the funds available.

Parish income is primarily generated from voluntary giving by members of the congregation. In some cases this is boosted by income from the management of opportunity shops and hire of church building to community groups. In larger parishes there may be additional income sources from commercial rental properties and other investments.

The requirement to close places of worship and public gathering restrictions has significantly impacted the financial viability of Anglican parishes:

- income from offertories collected at regular Sunday services has stopped completely;
- the financial impact of job losses on members of the congregation has meant voluntary contributions through electronic giving is expected to decline;
- Op Shops and other community activities have ceased operating in response to current restrictions, including protective measures for volunteers who are generally older and in high risk groups;
- income from hire of facilities, including use of the church hall by community groups, has stopped;
- income from commercial rentals has ceased or rent relief has been requested.

Attached (appendix 1) to this letter is an example of the financial impact on one small parish in Sydney. It shows a 60% anticipated reduction in income from all possible sources in 2020. On this basis it cannot afford to pay one full time member of clergy and the part time church worker it employs. This real example will be reflected in almost all the 1300 parishes across Australia.

Where income levels cannot be maintained there will parish closures and disruption to community stability and resources.

To continue operating parishes will be forced to:

- drawdown on reserves where available;
- reduce employee costs (standing down clergy and administration staff, reducing hours to part-time or reducing stipend and allowances);
- reduce operational costs (impacting on local businesses eg. cleaners, maintenance workers, general supplies);
- liquidate assets where available, even if this incurs significant losses (equity investments, property);
- seek additional funding or write-off of loans from Dioceses and/or banks

Access Government Initiatives

The Boosting Cashflow for Employers and JobKeeper packages announced by the Commonwealth Government cannot be accessed by all parishes across Australia. Access depends on the payroll administrative arrangements in place in each diocese.

The majority of Anglican dioceses operate a centralised payroll to pay parish clergy and workers. This has been introduced for administrative efficiency, usually on a no service fee basis. In this case the ATO recognises the diocesan entity as the employer of parish clergy and workers. However, the cost of the parish payroll is the responsibility of the parish. The Diocese pays the parish clergy and workers directly and recoups the cost from the parish.

Each parish is recognised as a Basis Religious Charity (BRC) by the ACNC and should be entitled to directly access funding through under the government's new initiatives.

However, access to the package is currently restricted to employers. Where the diocese is recognised by the ATO the maximum funding provided will need to be shared across all parishes in that diocese.

In the few dioceses where each parish is recognised by the ATO as the employer, each parish will receive the maximum funding directly.

The different administrative arrangements in the Church mean that access to funding is not equitable.

Access to these funding available through these initiatives will ensure that clergy and lay church workers can continue to be employed and contribute to the viability of churches in future.

A summary of issues facing in the ACA regarding each initiative follows:

Boosting Cash Flow for Employers

- The eligible employer will be different from diocese to diocese.
- Where payroll is centralised and the diocesan office is the eligible employer, the diocese would receive a maximum of \$100,000 cash flow boost payment irrespective of the number of parishes. For larger metropolitan dioceses with 200 parishes this would not provide the support required to make a positive impact on cashflow at parish level;
- In comparison, where payroll is decentralised and each parish is an eligible employer, then each parish is eligible for the maximum of \$100,000.
- The ACA seeks an equitable application of this initiative to enable all parishes to be recognised as employers and provided with access to the Boosting Cashflow for Employers payments.

JobKeeper Payment

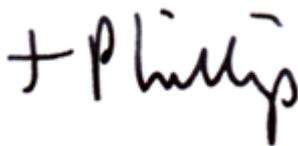
- Where the diocese is the eligible employer, the impact on turnover at a parish level would not be immediately reflected in diocesan financial reporting, and the diocese would not meet the requirement to demonstrate a 30% reduction income to apply for the JobKeeper payment.
- Where a diocese is the eligible employer other sources of diocesan income would mask the significant decreases in parish income.

- It is estimated that the majority of parishes will incur at least a 50% reduction in income, directly impacting on the ability to retain clergy and church workers.
- The ACA seeks an equitable application of this initiative to enable all parishes to be recognised as employers and provided with access to the JobKeeper payment.

Your consideration of accommodating this request would be greatly appreciated. I would be pleased to expand upon the issues raised in this letter.

Ms Anne Hywood, General Secretary of the General Synod of the Anglican Church of Australia is available to provide more information as required. She can be contacted by email: generalsecretary@anglican.org.au or (tel) 0412 103 734.

Yours sincerely



The Most Reverend Dr Phillip Aspinall
Archbishop of Brisbane & A/Primate of the Anglican Church of Australia

cc: Archbishop of Melbourne
Archbishop of Sydney
Archbishop of Perth
Archbishop of Adelaide
Bishop of Armidale
Bishop of Ballarat
Bishop of Bathurst
Bishop of Bendigo
Bishop of Bunbury
Bishop of Canberra & Goulburn
Bishop of Gippsland
Bishop of Grafton
Bishop of Newcastle
Bishop of North Queensland
Bishop of North West Australia
Bishop of Riverina
Bishop of Tasmania
Bishop of The Murray
Bishop of The Northern Territory
Bishop of Wangaratta
Bishop of Willochra
Administrator of Rockhampton
Diocesan Registrars, Anglican Church of Australia

Impact of Coronavirus (COVID-19) Pandemic on parish operations in the Anglican Church of Australia

Income	Expected Income for 2020	Revised Income for 2020 due to COVID-19	Variance \$	Variance %
Offertory – plate giving ¹	\$50,000	\$8,000	(\$42,000)	(84%)
Offertory – electronic giving ²	\$35,000	\$27,000	(\$8,000)	(23%)
Op Shop receipts ³	\$60,000	\$20,000	(\$40,000)	(68%)
Community Hall Hire ⁴	\$20,000	\$5,000	(\$15,000)	(75%)
TOTAL	\$165,000	\$60,000	(\$105,000)	(63%)

¹ Worship services stopped from March 2020.

² Some parishioners will move to electronic giving / some will withdraw giving due to reduced income

³ Assumes operational for only 4 months of the year.

⁴ Bookings for community gatherings stopped from March 2020 and unlikely to resume.