Anglican Diocese of Adelaide

	Deductions Policy v3.0		
Body adopting policy:	Diocesan Council	**Date of adoption or last review:**	23/04/2025
Related Documents:	Assessment Ordinance 1985	**Review schedule:**	23/04/2028

Context

The Assessment Ordinance under section 18 defines "Assessable income" of a parish as meaning the annual income of the parish less expenses of such nature as the Diocesan Council shall from time to time determine.

This Policy sets out items that the Diocesan Council has approved as exempt income and deductible expenses for the purposes of calculating the Assessable income of a Parish.

1. Preamble

In allowing these deductions it is recognised that deductions do not change the amount of assessment income to the Diocese but rather they impact on how assessment is shared between parishes.

2. Policy Principles

The principle behind this Policy is to support the following priorities:

1. Encouraging Growth through mission activities.
2. Support for Parishes undertaking Diocesan functions.
3. Maintenance of Property.

The policy also recognises that monies received by a Parish on behalf of an external organisation and forwarded within a reasonable time frame to that organisation should not be included when determining Parish Income.

3. Deduction Categories

3.1. Encouraging Growth through mission activities

These deductions recognise expenses incurred by a parish for activities that seek to grow the Church and thereby providing benefits to the wider Anglican Community.

(a) The total of the combined employment costs for

a. specific Youth, Family and Children's ministry positions; and
b. mission or outreach approved by the Bishop or Bishop's delegate

are deductible up to an amount equivalent of a base clergy stipend and allowances per parish per year.

(b) Financial support to "Church Plants" to grow a new parish or congregation or for the "re-potting" of an existing parish or congregation by a sponsor parish. To encourage sponsored parishes and congregations to become independent the deductions are limited to a maximum period of 5 years.

(c) The sponsoring parish is eligible for deductions of the actual costs of a church plant or re-potting up to an amount equivalent to a base clergy stipend and allowances for each year.

(d) To be eligible for a deduction under this category any initiative must be approved by the Bishop.

3.2. Support for Parishes undertaking Diocesan functions

These deductions relate to parish expenses that assist the broader objectives of the Diocese.

(a) Grants paid to other Anglican parishes or congregations external to the sponsor parish within the Province of South Australia or to projects of the Diocese of Adelaide are deductible.

(b) The stipend and allowances of staff in training positions approved by the Bishop are deductible, including Assistant Curates, Student Ministers and Ministry Traineeships both pre-ordination and up to 5 years post-ordination.

3.3. Maintenance of Property

Whilst maintaining property is considered a core responsibility of Parishes it is also desirable to encourage a planned maintenance programme.

(a) Parishes that hold property will be allowed an annual deduction of up to $30,000 for maintenance expenses for a minimum expenditure of $5,000.

(b) Deductions will not apply for operational expenditures such as minor maintenance, rates and taxes, insurance and so forth which should be met from parish operational funds.

(c) Expenditure (including interest on loans) for new capital works will not be deductible.

(d) Higher rates of deduction may be approved by the Diocesan Council for

a. the repair and maintenance of buildings registered on the State or Local Heritage list, or
b. For major works.
Diocesan Council has the sole discretion to set the rate of deduction.

(e) Any deduction under this Policy shall be applied at the point of spending.

3.4. Donations to Mission or Charitable organisations

Payments made by the Parish to external agencies conducting mission linked to the work of the Anglican Church and to funds that attract tax deductibility will be allowed as a deduction against assessable income.

3.5. Direct expenses

Expenses directly related to fundraising activities of the Parish or costs incurred in deriving income from leasing property and investments will be allowed as a deduction. (These cannot be greater than the revenue from each source.)

3.6. New Parishes or congregations

New Parishes or congregations without property will be allowed a deduction for payments into an approved special purpose fund for the construction or purchase of a building for church purposes.

Notes:

4. Income to be excluded from assessment

- Grants received by Parishes from the Diocese, Anglicare-SA or Government.
- Any monies received by the Parish on behalf of a separately constituted Mission or charitable organisation as approved by Diocesan Council or the Secretary of Synod.
- Payments received from insurance claims or the long service leave fund.
- The capital proceeds from the sale of any property held in trust for the Parish where it represents a transfer of assets from property to cash or other investments held in trust for the Parish. However any income earned from cash or investments will be considered assessable income.

Any expenditure related to any excluded income or non assessable is not allowable as a deduction for assessment.

5. Unusual circumstances

Parish representatives may seek clarification regarding special circumstances in any area of deductions. They are initially encouraged to contact the Diocesan Office for guidance and then if necessary apply in writing to the Secretary of Synod.

6. Implementation

Diocesan Council reserves the right to withdraw a specific assessment deduction in the circumstance where a parish makes that payment from income not declared in their assessable income.

7. Stipends & Allowances:

The stipends and allowances referred to in this policy are those approved by the Diocese of Adelaide for the year of the expense.

Appendix A

List of external agencies for which deductions under clause 3.4 of the Deductions Policy are applicable.

ABM
Bush Church Aid
Theological Education & Ordination Formation
Anglicare SA
CMS
Christmas Bowl
Community Aid Abroad
Australian Fellowship of Evangelical Students