

Report on the review of the Assessment System

(This report was received by the Synod of the Diocese of Sydney in October 1983.)

Introduction

1. On 23 February 1976, the Standing Committee appointed a committee to review the parish assessment system and other matters relating to assessments.
2. The Review Committee has made four interim reports one of which led to the making of the Parishes Ordinance in 1979. This *report is an edited version of the Review Committee's final report*, considered by the Standing Committee last November. That report may be inspected by arrangement.

Preliminary

3. In a diocese, there are expenses to be met which result from the pastoral, administrative and governing structure which is made up of the bishop on the one hand and the Synod on the other. The stipend and allowances of the bishop, the cost of maintaining his registry and the cost of holding Synod sessions must be paid.
4. In addition to these basic costs, our Synod has agreed to incur further expenditure on administration, mission and ministry. For 1982, this expenditure may be summarised as follows –

	\$
Diocesan Services	538,000
Superannuation, long service leave and other obligations	522,050
Training of Ordinands	244,000
Education, Evangelism, Chaplaincies and Social Work	990,800
Church-Related Activities	33,500
Contingencies	30,680
	<u>2,359,530</u>

5. The Diocese is fortunate in its endowments. To meet these costs, \$1,427,743 was available mainly from assets originally known as "glebes" but now referred to generally as the "Diocesan Endowment". The balance of the \$931,787 is raised by assessment on parishes and provisional parishes.
6. Why not rely solely on income from the endowments? The abolition of assessments is possible if expenditure is cut to the amount of endowment income. For instance in 1982, assuming that diocesan services had to be provided for and that the superannuation etc. of clergy and training of ordinands was regarded as an obligation, there would have been no funds remaining for all the bodies listed under the headings Education, Evangelism, Chaplaincies, Social Work and Church-Related Activities. For this reason, the assessment system must be retained. This leads to the question as to the most appropriate method for raising the requisite funds.
7. The making of assessments is fundamentally different from the imposition of taxes. Nevertheless similarities exist.
8. Elsewhere¹ it has been observed that desirable criteria of any taxation system are simplicity and equity. A tax is said to be "simple" relative to other taxes if its cost of administration is small. A tax is said to be equitable if it meets commonly accepted standards of "fairness" – whatever they may be.
9. The present assessment system is far from simple. The cost of administering it within St. Andrew's House is minimally estimated at \$20,000. The Review Committee was established inter alia because of the recognition of this cost and the desire of the Standing Committee to reduce it as far as possible. In addition, there is an even greater cost incurred at the parish level – the time spent in filling out assessment returns. This may not be great in a single-church parish which has the benefit of an experienced accountant as treasurer. In a multi-church parish or in a parish where such a person is lacking, the position is often different.
10. Much of the cost referred to in the previous paragraph could be eliminated by an assessment on each parish of a single amount (the "*lump sum method*"). Under this method, if (as in 1982) \$931,787 needs to be raised, each of the 237 parishes would pay 1/237th of this amount (assuming that no assessment is imposed on provisional parishes or new housing areas), that is \$3,932. An assessment of this sort, although "simple", would be regarded by many as "unfair" and for this reason was rejected as being unacceptable.
11. Most notions of "equity" or "fairness" include the concept of "ability to pay". It is said the wealthy should pay more than the less wealthy or the poor.

¹ Taxation Review Committee (the "Asprey" Committee) full report 31 January 1975 Chapter 3.

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12. Unfortunately, when the concepts are applied to the parish situation real difficulties are encountered. The fundamental problem is what is "wealth" in a parish context? Wealth could be related to any one or more of the following factors –

- (a) total income;
- (b) total attendance;
- (c) giving per attender;
- (d) assets held on trust for the parish; and
- (e) socioeconomic structure, etc.

"Wealthy" and "poor" are unsatisfactory and can be deceptive terms in the description of parochial units.

13. Systems other than the lump sum method and those under which the levy is a proportion of receipts ("*rate systems*" – the present system is one) were considered. One possibility is for the assessment to be levied on expenditure (or certain kinds of expenditure) within the parish. This was rejected as –

- (a) the result will not be significantly different from the present system; and
- (b) there is no point in making change for the sake of change.

14. Another possibility is for an assessment to be imposed on the number of members of the Anglican Church of Australia in each parish. This was rejected as it would be –

- (a) unfair; and
- (b) near impossible to administer.

15. A variation to the latter method is for an assessment to be made relative to the number of communicants each year. This might suit, say, a church where there are two communion services each month only but not the average parish church where there are as many or more services each Sunday. Another alternative is for assessments to be contributed relative to each church rather than each parish. This system, however, will only add to the problems of administering the multi-church parish.

The Method of Assessment

16. Although it is considered that the assessment should be levied in relation to a parish, a number of questions remain. The first and foremost is what should a parish be expected to contribute to maintaining the pastoral and administrative structure and the projects approved by the Synod? (This is not the same question as that discussed in items 3 to 6.)

17. The Review Committee accepted as a premise that each parish is (or ought) to comprise a congregation which meets on Sunday, supports a fulltime person to minister to it and provides and maintains a church building and a place of residence for the minister. The basic expenses may vary from parish to parish to a significant extent.

18. There is a case for the view that, since each parish is part of the one diocese and benefits to a more or less even extent from the pastoral and administrative services and projects, each parish should make the same contribution to the cost. This view, if applied strictly, leads to the lump sum method of assessment. The argument against this view is that –

- (a) all parishes are not "equal"; and
- (b) equity or fairness demands that some should contribute more than others.

19. The lump sum method could be adapted on a modified basis. A common basic sum ("the base sum") would be payable by each parish and a further assessment paid on assessable receipts in excess of a particular amount.

20. The alternative to the lump sum method and the *modified lump sum method* (more fully described in Appendix 1) is a system which involves a *rate applied to assessable receipts*. The rate may be fixed or may escalate. However, in the opinion of the Review Committee the rate should be fixed.

21. The situation is complicated by the existence of provisional parishes and new housing districts.

22. The differences between parishes and provisional parishes have become blurred. Four basic differences remain.

- (a) It is believed by some that the relationship between the minister in charge of a parish and the Archbishop differs from that between the minister in charge of a provisional parish and the Archbishop.
- (b) A provisional parish does not have the right of "presentation".
- (c) A provisional parish elects only one lay person to the Synod.

- (d) A provisional parish pays only half the assessment of a comparable parish and does not pay any levies (long service leave and public liability insurance).

23. None of (a), (b) or (c) provide any rational grounds for providing for a lower assessment on a provisional parish.

24. There is a basis for a lower assessment on a provisional parish arising from the implications of clauses 6 and 8 of the Parishes Ordinance 1979 concerning the requirements to be met before a provisional parish can be declared a parish.

25. Some of those requirements are common to parishes as well as to provisional parishes. One kind of provisional parish is in a growing or newly established area and the members of the church in that area need to devote their resources to getting and paying for what is regarded as essential buildings. For this reason, it is proper and appropriate for the provisional parish to be relieved of the burden or part of the burden of meeting assessments.

26. The other kind of provisional parish is an area which is no longer able to support ministry and maintain essential buildings, or where buildings have become unsuitable. It is equally proper and appropriate for such an area to be relieved of the burden or part of the burden of meeting an assessment.

27. There are a number of parishes which ought to be provisional parishes. It is inconsistent to claim that a parish should be a parish on the one hand (so that all rights and privileges may be exercised) but that it should be "helped" on the other. Responsibilities go with rights and privileges. The continued classification of a provisional parish as a parish only goes to obscure what is usually a social or pastoral problem. No solution is seen to this problem but it is hoped that common sense and reason in the future will prevail.

The Base

28. Once one departs from the lump sum method it is necessary to decide upon –

- (a) the base, that is, the items on which the assessment will be levied; and
- (b) the rate which will be imposed on the base.

29. The present base is defined in the Assessment Authorisation Ordinance 1975 ("the 1975 Ordinance" see Page 159 of the Handbook). The 1975 Ordinance replaced an ordinance passed in 1959. It improved the scheme of the 1959 Ordinance but did not effect any significant changes. Thus, the present system has remained unchanged for over 20 years. During that time, however, the number of claimants has increased and the amount needed by each claimant has increased significantly. The effect of this trend has been softened (and, possibly, the trend has accelerated) by increased endowment income.

30. In general terms, the present assessment is levied on (and hence the base is) the amount (if any) by which the gross receipts of a parish for the relevant year exceed the allowable deductions of that parish for that year (clause 5 of the 1975 Ordinance).

Gross Receipts

31. The "gross receipts" of a parish are defined in clause 3 of the 1975 Ordinance.

32. The intention is to encompass all receipts of an "income", as distinct from those of a "capital", nature. The definition can be improved and an alternative is suggested in the draft amending ordinance.

33. A sample was taken of 25 parishes selected at random. The receipts of those parishes for the year ended 31 December 1980 are in Appendix 2. The fairly low level of income from property (less than 10% of offertories) and the level of giving directed to missionary purposes (about 16% of offertories not so directed) are of interest.

Allowable Deductions

34. The deductions which can be made from gross receipts are listed in clause 4 of the 1975 Ordinance.

35. As a general rule, the existing deductions are often unfair and benefit "wealthy" parishes. Although an assessment is made by the Synod, the assessment is recommended to the Synod by the Standing Committee and is in turn recommended to the Standing Committee by a subcommittee of the Standing Committee known as the Financial Priorities Committee. Each year, that Priorities Committee receives requests for funds which are substantially in excess of the funds available assuming that the rates of assessments are not increased.

36. Mostly, the Priorities Committee is able to do little more than recommend cost-of-living increases. Any attempt to reduce the level of support for any particular organisation and to increase the level of support for another (a true exercise in priorities) is usually strongly opposed. In the end, the Priorities Committee fixes on a sum to be raised by assessment and the burden of meeting that sum is apportioned across the parishes.

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37. However, if a parish has an allowable deduction but another parish has expenditure of a similar magnitude but which is not deductible, the former parish bears less of the burden than the latter. For example, assume that parish A and parish B have gross receipts of \$50,000 each. A has an interest commitment of \$15,000 per annum in respect of borrowings on a house for a curate. B, instead of taking on such a commitment, has engaged a curate and has leased a house for him and his family. Because of its interest commitment, A cannot afford to engage a curate. However, A has a deduction of \$15,000 whereas B does not. Thus the burden of the assessment is unfairly passed from A to B.

38. Further, many deductions can be used by "wealthy" parishes only. A congregation which is struggling to meet its financial commitments cannot take on borrowings with a substantial interest bill. Thus the benefit of the interest deduction is not available to the struggling parish.

39. It is clear that many of the deductions have been added on an "ad hoc" basis without any real thought being given to the consequences.

40. Many of the deductions contain lower limits which must be reached before the deduction is available but these lower limits have not been raised. For example, in 1955 a deduction was included in respect of "the cost of a specific article" for use in certain buildings, but a deduction was allowed only if the cost exceeded \$50. The sum of \$50, if related to increases in the Consumer Price Index, is equivalent to \$224 or if related to increases in the minimum recommended stipend for clergy is now \$397. Yet the deduction has remained the same.

41. The existence of the deductions gives rise to many of the problems in completing the parish returns and involves most time in checking returns in St. Andrew's House.

42. A summary of the expenditure for the year ended 31 December 1980 of the sample of 25 parishes selected at random is to be found in Appendix 3.

43. Deduction (a) of clause 4 of the Ordinance is assessments paid by the due dates. This is an inducement to pay promptly in that, if the assessment is not paid within time, the deduction is lost and the parish suffers a "penalty" equal to the rate at which the relevant assessment is imposed calculated on the amount involved. The effectiveness of the inducement is limited in that the St. Andrew's House staff (very properly) do not usually disallow a claim in respect of payments which are marginally late and in that thereafter there is little further inducement to pay. This aspect is considered later. The deduction favours the "wealthy" parish if the rate is an escalating rate but not if the rate is a flat rate. The Review Committee favours the abolition of the deduction if the recommendations of the Committee as to rates are adopted.

44. Deduction (b) is one-half of any arrears of assessments paid in accordance with an arrangement under clause 8. This deduction is similar to that discussed in paragraph 43 and should be abolished also.

45. Deductions (c), (d) and (e) relate to contributions to Sydney Diocesan Superannuation Fund, to the General Synod Long Service Leave Fund and to the Sydney Diocesan Sickness and Accident Fund, other than arrears. These are part of the cost of supporting a clergyman. Again, the existence of the deductions favours the "wealthy" parishes. The Review Committee sees no justification for any of them and recommends that each be abolished.

46. Deductions (f) and (g) are for gifts for buildings or for specific articles for use in buildings. The first problem with these deductions is that the figures of \$500 and \$50 have not been changed since 1955. The equivalent sums based on the Consumer Price Index now are \$2,250 and \$225 respectively. The deduction seeks to deal with the problem which arises where, say, someone gives a significant sum for a particular purpose and the parish council is left with the problem of raising the funds necessary to pay the assessment which (but for the deduction) the gift will attract. This problem exists only where the gift is large or the rate of assessment is very high. There is a case for abolishing both deductions. Because of the problem just referred to the following new deduction should be included –

"Any gift by one donor of \$2,000 or more for the purpose of expenditure on buildings, or purchase of, land, or reduction of debt thereon or towards cost of a specific article for use in any building (being church trust property) within the parochial unit or the grounds thereof."

The figure of \$2,000 should be raised annually in the light of inflation.

47. Deduction (h) is for gifts to purchase land for a church and to build a new church. The deduction contains a limit of \$30,000 which has decreased the benefit available, as the limit (which would hardly buy a single block of land in most parts of Sydney) has not been increased since 1975. The deduction should remain but "\$30,000" should be replaced with "\$50,000 or such greater amount as the Standing Committee may approve in relation to a particular site or building".

48. Deduction (i) is for interest on moneys borrowed. This deduction should be abolished. In the first place, it favours "wealthy" parishes which are able to service substantial borrowings. The figures in Appendix 3

confirm this. In the second place, each parish (to be a parish) must have the basic buildings – whatever state those buildings may have been allowed to fall into. Why should other parishes in the Diocese assume part of the burden for assessments of a parish which borrows for some purpose (however worth while)?

49. Deduction (j) is for expenses incurred in trading activities. These commonly include fetes, stalls, clubs etc. and a number of other commercial activities and income-producing properties. A deduction for expenses incurred in trading activities needs to be considered in the context of the definition of "gross proceeds" (see paragraph 32). Gross receipts from trading activities are assessable. If this remains, expenses incurred in trading activities must be deductible. A simpler course is to exclude trading receipts and expenses entirely and to assess only the surplus of those activities. This would avoid the consequence of the present system that losses from trading activities are a deduction.

50. Deduction (k) is fund-raising expenses. There is no justification for this deduction and it should be repealed.

51. Deduction (l) is \$300 for each church centre other than the principal church where the gross receipts less available deductions of that centre during the financial year do not exceed \$1,000. It seeks to provide assistance for the parish in which there are a number of small centres of worship apart from the main church centre. The cost of providing a ministry in such a parish is greater than the cost of providing a ministry in a single church parish because of the additional travel which the minister must undertake. However, the figures of \$300 and \$1,000 are arbitrary and the deduction provides greater benefit for a "wealthy" parish than for a "poor" parish. The deduction should be repealed.

52. Deduction (m) permits a deduction of one-fourth of the stipend of an assistant minister, etc. for each centre in a multi-church parish. It seeks to deal with the problem referred to in item 51 but in a different way. The deduction favours the "wealthy" parish much more than the "poor". If a parish can afford an assistant, it receives a deduction of at least one-fourth of his stipend but if it cannot, no deduction is given. Further, if there are two parochial units with one clergyman each rather than one parochial unit with two churches and two clergymen, there would be no deduction at all. The deduction is inequitable and its repeal is strongly recommended.

53. Deduction (n) is for amounts paid to missionary societies and other extra parochial bodies. Three alternatives were considered –

- (a) to repeal the deduction;
- (b) to amend the deduction so that it applies to amounts received as against amounts paid; and
- (c) to leave the deduction as it is.

On balance it is considered that the deduction should remain.

54. Deduction (o) is for amounts applied by way of poor relief. The deduction should remain.

55. Deduction (p) is for amounts given to other parochial units. This deduction should remain provided such amounts are included as assessable receipts of the recipient.

56. Deduction (q) is for amounts applied towards the support of any specific candidate training for the ordained ministry of the Anglican Church of Australia. This deduction should remain.

57. Deduction (r) is for testimonials and gifts to clergy and lay workers from moneys given for that purpose. No change should be made.

58. Deduction (s) is for amounts received (totalling more than \$1,000) solely for the purpose of restoring or repairing a church more than 100 years old and being of major historical significance. Its purpose is to meet the problem (!) of a substantial gift or grant towards the restoration of an old building. A grant of, say, \$50,000, but for the deduction, will leave the parish concerned with the problem of meeting a sizeable bill for Synod assessments in addition to meeting the cost of restoring an old church. Although safeguards have been built into the deduction it is not clear that these have always been applied. The deduction should be retained but –

- (a) the conditions should be adhered to;
- (b) the limit of \$1,000 (set in 1975) should be revised annually; and
- (c) the words "or donated specifically" should be added after the words "amounts received solely" appearing at the beginning of the subclause.

59. Deduction (t) is for moneys received for the reinstatement of a building totally or substantially destroyed by fire, flood, tempest or any other disaster, to such an extent as may be approved by Standing Committee. It should be amended by adding the words "other than pursuant to a policy of insurance" after "received".

60. The creation of further deductions is not recommended.

Alternative Systems

61. In this report, three systems have been considered – the lump sum system, the modified lump sum system and the rate system.

62. The main advantage of the lump sum system is its simplicity. Administrative costs are kept to a minimum. It allows no ambit for disputes. It does not permit avoidance or evasion. On the other hand, it is contrary to most commonly held notions of equity. Another consequence is that it favours the consolidation of smaller parochial units into larger units.

63. The modified lump sum system preserves the advantages of the lump sum system in the case of most parochial units and goes towards overcoming the disadvantages of the lump sum system. On the other hand, in the case of parochial units which are liable for the additional levy on the top slice of assessable receipts, the system would lead to further administrative costs and disputes and would permit avoidance and evasion.

64. The rate system satisfies most notions of equity and, provided the rate is a flat rate, avoids the problem pointed out in item 12 and does not favour or disfavour the consolidation or division of parochial units. On the other hand, it has the potential for administrative costs and for disputes, and encourages avoidance and evasion.

65. A majority of the members of the Standing Committee favours a *rate system with a rebate* and a minimum assessment. The purpose and effect of this rebate is to assist the "poor" parishes. Other members consider that a "rebate" is to introduce, by the back door, the kind of problem pointed out in items 12, 18 and 27, and that a "poor" parish should become a provisional parish and obtain similar assistance by means of the reduced rates applicable to provisional parishes.

66. The abolition of many of the allowable deductions will result, in the case of the modified lump sum system and in the case of the rate system, in a system which is fairer and simpler and, hence, will help reduce some of the administrative costs and the areas of disputes.

Avoidance and Evasion

67. Technically, avoidance occurs where a parish organises its affairs so that its liability for assessments is reduced, and evasion occurs where a parish deliberately fails to disclose assessable receipts.

68. Both avoidance and evasion are practised and the Review Committee recorded its view that such conduct is selfish and un-Christian. The effect is to shift the burden of assessments to others, including those least able to pay.

69. The Review Committee considered sanctions which could be imposed in relation to avoidance and evasion. After reviewing the alternatives, it made no recommendation in this regard.

70. In some ways the very casual approach taken by diocesan legislation relative to financial matters facilitates evasion. Section 41(9)(c) of the Sydney Church Ordinance requires the churchwardens of each church to prepare a statement of all moneys received and expended by them during the relevant financial year, to have the same audited and to produce the statements and the auditor's report to the annual vestry meeting. Only one copy need be prepared and produced. If the ordinance is followed literally, there is no opportunity at the vestry meeting for questions or debate as the relevant information is not available. All that the meeting can do is receive the statements, "pass or otherwise determine upon" them and give directions as to the printing and distribution of them. This practice is so inappropriate that a number of parishes have departed from it and either have accounts available at the meeting or distribute accounts prior to the meeting. The Sydney Church Ordinance should be amended so as to require that the audited accounts shall be available to members of the church no later than the Sunday immediately preceding the vestry meeting.

Arrears and Non-payment

71. In the opinion of the Review Committee, the failure of a parochial unit to pay an assessment is usually a pastoral problem due to inadequate funds, or unwillingness to pay, or disorder in the government of the parochial unit.

72. If inadequate funds is the cause, it is highly likely that the parochial unit or its minister or both need the assistance or encouragement of the assistant bishop. If a parochial unit is unwilling to pay an assessment, there must be some resentment which, again, should be carefully investigated and allayed by the assistant bishop. If there is disorder in the government of the parochial unit, again the assistant bishop should be involved.

73. If a parochial unit has failed to pay an assessment for three months, the archdeacon should be required, by ordinance, to contact the minister and churchwardens to ascertain and, if possible, resolve the problem. If the non-payment persists for a further three months, the archdeacon or relevant assistant bishop should be required to interview the minister and the churchwardens. The minister and churchwardens should

be required to carry out any recommendations which the assistant bishop and archdeacon may make or show cause to the archdeacon or assistant bishop why the recommendation should not be implemented. Should non-payment continue for a further three months the Standing Committee should be required to consider what measures should be taken to deal with the problem and use the powers delegated to it under the Anglican Church of Australia Trust Property Act, 1917, if appropriate, to facilitate the resolution of the problem and payment.

74. The recommendations in the previous paragraph may be opposed. However, the Review Committee emphasised the point made in items 71 and 72; non-payment of an assessment indicates a pastoral problem and, however distasteful the problem may be, the problem must be dealt with.

Single Assessment System

75. A majority of the Review Committee favoured a single assessment system in lieu of the dual assessment system which is currently in operation.

76. One of the effects of a single assessment system is that a parish's right of presentation would be dependent upon its having paid all its assessments. Another effect would be to reduce administration expenses.

77. Under the dual system which is currently in operation the right of presentation is only dependent upon the payment of General Assessment which amounts to approximately 75% of total assessments. The Standing Committee decided that there should be no change.

Concession for Provisional Parishes

78. The present system of assessing provisional parishes at half rates is an unsatisfactory method of providing relief to provisional parishes. Some provisional parishes have greater assessable receipts than some parishes. The assessment at half rates is, in effect, a subsidy for property income in some cases. The concession available to provisional parishes should be an additional rebate, probably related to the rebate applicable to a parish (see item 65).

Assessment of New Housing Districts

79. New housing districts do not currently pay assessments. Like provisional parishes, they make no contributions to long service leave or public liability insurance. The old provisional districts used to pay assessments. Some new housing districts have receipts in excess of some provisional parishes and it is recommended that new housing districts should lodge annual accounts together with annual returns and pay assessments. An appropriate rebate should be given, similar to, but greater than, that discussed in item 78.

Transitional Arrangements

80. Any changes to existing ordinances should operate prospectively and not retrospectively. Thus, any changes made at, say, the October 1983 session of Synod should come into effect on 1 January 1984 in relation to the financial year commencing on that date.

81. The repeal of the deduction for interest needs special attention as some borrowings may have been on the assumption that the deduction is available. On the other hand, inequities result if the deduction is allowed for past borrowings but not for future borrowings. The following deduction for interest is recommended –

- Year 1 - 80% of the interest paid
- Year 2 - 60% " " " "
- Year 3 - 40% " " " "
- Year 4 - 20% " " " "
- Year 5 - no deduction for interest allowed,

where year 1 is the first year of operation of the Ordinance.

Recommendations

- 82. That a rate with rebate system be adopted in the place of the present system (item 65).
- 83. That the recommendations in items 34 to 59 of the report regarding the retention, modification and abolition of allowable deductions be adopted.
- 84. That there be a minimum assessment on all parishes (item 65).
- 85. That the Sydney Church Ordinance be amended so as to require that the audited accounts are available to members of the Church no later than the Sunday immediately preceding the vestry meeting (item 70).
- 86. That the procedure for action on arrears of assessments, outlined in item 73 of the report, be adopted.

87. That the concession available to a provisional parish be an additional rebate probably related to the rebate applicable to a parish (item 78).

88. That new housing districts be assessed and the concession available to a new housing district be of a similar form to but a greater amount than the concession available to a provisional parish (item 79).

89. Bills for ordinances – the Assessment Authorisation Amendment Ordinance 1983 and the Sydney Church Ordinance Amendment Ordinance 1983 have been prepared to enable the Synod to consider implementing these recommendations.

W. G. S. GOTLEY
Diocesan Secretary

24 August 1983

APPENDIX 1

Extract From the Report of the Assessment Review Committee

The base sum is the contribution which each parish should make to the cost of providing the benefits which it receives from the diocesan services and the rate on the excess seeks to introduce some notion of equity where the assessable receipts are high. For example, the base sum could be \$2,000, the rate 20% and the particular amount \$40,000. The result may be illustrated as follows

<i>assessable receipt</i>	<i>base sum</i>	<i>further assessment</i>	<i>total assessment</i>	<i>Effective rate on assessable receipts</i>
\$20,000	\$2,000	-	\$2,000	10%
\$30,000	\$2,000	-	\$2,000	7.5%
\$40,000	\$2,000	-	\$2,000	5%
\$50,000	\$2,000	\$2,000	\$4,000	8%
\$60,000	\$2,000	\$4,000	\$6,000	10%
\$80,000	\$2,000	\$8,000	\$10,000	12%
\$100,000	\$2,000	\$12,000	\$14,000	14%

We shall refer to this system as the "modified lump sum method".

The advantage of the modified lump sum method is that if the "particular amount" is set fairly high, the need for assessment returns to be prepared or checked is limited to a minor fraction of the parishes in the diocese and, generally speaking, to those most likely to have the necessary expertise freely and readily available. This advantage is lost if the "particular amount" is set fairly low.

The disadvantage of the modified lump sum method is illustrated by the table. Viewed as a portion of the assessable receipts, the assessment is regressive in the case of all parishes where the assessable receipts are less than the "particular amount".

APPENDIX 2
Receipts: 1980 Sample of 25 Parishes

<i>Parish</i>	<i>Donations</i>	<i>Property</i>	<i>Missions</i>	<i>Interest</i>	<i>Trading</i>	<i>Other</i>	<i>Total</i>
Avalon	41,087	4,484	2,394	684	6,040	7,101	61,790
Beecroft	37,337		6,728	80	265		44,410
Beverly Hills	38,414		11,847	248	100	1,240	51,849
Brighton	21,868		4,453	117	8	2,198	28,644
Caringbah	57,884		25,440	530		1,284	85,138
Carlingford	83,289		19,358	297	4,033		106,977
Carlton	19,976			768		1,830	22,574
Dulwich Hill	18,418		951		3,927	2,000	25,296
Erskineville	9,348		205	2,192	1,900	8,453	22,098
East Lindfield	31,576	3,345	5,476	2,671		6	43,074
Frenchs Forest	73,938	9,945	1,895	703	6,386		92,867
Jamberoo	8,298	3,635	594	392	2,112	4,874	19,905
Lalor Park	38,076	2,885		559	60	134	41,714
Newport	15,247		1,252	197	3,800	1,421	21,917
Pymble	61,419		8,577	1,217	14	1,210	72,437
Regents Park	24,391		5,918	136			30,445
Rockdale	13,832	2,030	243			246	16,351
Smithfield	18,028		1,676	1,054	1,673	2,021	24,452
Sth Canton	22,147	1,889	3,403	284			27,723
Sutherland	34,569		13,790	473	769	1,821	51,422
Broadway	62,840	10,597	13,308	2,079	4,818	283	93,925
Darling Point	55,522	29,271	3,360	2,250		6,623	97,026
Toongabbie	27,848	2,670	1,737	195		573	33,023
Willoughby E	29,850	932	2,471	392		1,461	35,106
Woollahra	28,375	6,722		10,296	29	1,247	46,669
TOTAL	873,577	78,405	135,076	27,814	35,934	46,026	1,196,832
PER CENTUM	73	7	11	2	3	4	100

APPENDIX 3
Payments: 1980 Sample of 25 Parishes

<i>Parish</i>	<i>Stipends</i>	<i>Missions</i>	<i>Super & LSL</i>	<i>Assess</i>	<i>Bldg. Fund</i>	<i>Other</i>	<i>Total</i>
Avalon	20,024	3,344	320	3,048	24,335	10,719	61,790
Beecroft	22,909	7,104	1,154	2,716	2,545	7,982	44,410
Beverly Hills	24,618	15,710	627	3,088		7,806	51,849
Brighton	12,485	4,528	393	2,224		9,014	28,644
Caringbah	34,668	31,132	627	4,165	669	13,877	85,138
Carlingford	45,132	22,037	766	5,923	19,180	13,939	106,977
Carlton	12,485	225	396	1,832		7,636	22,574
Dulwich Hill	12,223	1,527	393	1,641		9,512	25,296
Erskineville	12,877	278	320	936		7,687	22,098
East Lindfield	20,066	8,343	393	3,122		11,150	43,074
Frenchs Forest	39,139	10,136	686	6,112	15,122	21,672	92,867
Jamberoo	13,188	1,123	393	950		4,251	19,905
Lalor Park	29,281	1,809	607	3,095		6,922	41,714
Newport	12,648	3,072	393	1,274		4,530	21,917
Pymble	19,388	16,024	393	4,209	7,085	25,338	72,437
Regents Park	12,239	8,829	686	2,056		6,635	30,445
Rockdale	11,755	243	686	911		2,756	16,351
Smithfield	12,220	1,958	393	1,600		8,281	24,452
Sth. Carlton	13,145	3,332	380	1,951	1,299	7,616	27,723
Sutherland	18,875	13,030	393	3,120	177	15,827	51,422
Broadway	40,077	15,268	607	7,817		30,156	93,925
Darling Point	39,951	3,360	627	7,078	12,728	33,282	97,026
Toongabbie	14,166	2,045	393	1,533	2,618	12,268	33,023
Willoughby E.	14,390	4,295	393	2,816		13,212	35,106
Woollahra	13,259	2,260	392	2,868		27,890	46,669
TOTAL	521,208	181,012	12,811	76,085	85,758	319,958	1,196,832
PER CENTUM	44	15	1	6	7	27	100