



Baptist Churches
WESTERN AUSTRALIA

Remuneration, Conditions and Statements of Understanding: Guidelines for Churches and Pastors

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1 Introduction

These Guidelines have been prepared as a service to churches in response to the many requests from governance groups, pastors and congregations for information to assist church decision-making in this important area of church life. There is a pressing need to provide guidance which is practical and consistent with our best understanding both of our distinctive Baptist theology and of prevailing legal requirements.

These Guidelines were originally developed with the assistance of the Churches of Christ conference and the Baptist Union of Victoria and are continually reviewed and updated as necessary.

The document strives to harmonise its recommendations within the respective interests of the pastor's need of an equitable remuneration package and the church's ability to meet the cost of such a package. In this respect, we encourage pastors and churches to recognise each other's needs in the total ministry which they offer together, and work diligently to reconcile their respective interests in the spirit of Christ.

It should be noted that recommendations are based upon the total remuneration provided by the churches, and not just the cash stipend paid. The implications of this principle will become very apparent as the Guidelines are studied in detail.

The BCWA maintains that the remuneration practice of our churches must be able to stand the test given to us by the Apostle Paul that, as Christians, our relationship with the world should be blameless and above reproach. The financial relationship which we have with the world should be seen not only to be within the framework of the laws of our community but should also be within the intention and spirit of those laws.

Where questions and need for assistance arise out of these Guidelines, please contact the Baptist Ministry Centre.

1.1 General Proviso

In making this information available to pastors and churches the BCWA can only make recommendations concerning the method adopted by churches to provide an appropriate remuneration package to pastors. Individual churches must decide how they can best serve the needs of both pastor and church.

These Guidelines are intended primarily for the next time a church makes a pastoral settlement, rather than overhauling a settled position with a current pastor. However, in the interim, churches may still wish to get some aspects of "the house in order", particularly to adopt a Statement of Understanding where there has been no written understanding between pastor and church. The assistance of the BCWA should be sought in this regard.

There are some important points to be made in offering these Guidelines.

Firstly, it is important to recognise that the need to be fully informed by an experienced accountant or tax agent in regard to specific circumstances remains the responsibility of individual pastors and churches. The BCWA cannot accept such responsibility itself. The Tax Office has made it very clear that the interpretations given in regard to Fringe Benefits exemptions are provided having regard for the law as it presently exists.

Secondly, the BCWA stresses once again the need for diligence in abiding by the spirit of the law in regard to the tax legislation and to err towards the conservative interpretation of exemptions, rather than to expose the church to the risk of disrepute and penalty.

Thirdly, these recommendations need to be addressed within the context of an understanding of ministry which recognises the call of the Lord of the Church to pastor and people alike. This remarkable and mysterious relationship under the Headship of Christ must still connect with the realities of living within the parameters of contemporary legal expectations.

This document should be compulsory reading for each church pastor, secretary and treasurer, and should be kept available for reference as amendments are advised from time to time by the BCWA.

2 The Guidelines and the Ministry

The relationship between pastor and church is unique. When pastor and church are brought together by the Spirit of God, a partnership in ministry is forged with bonds that are rooted deep in the heart of God. These roots are also deeply rooted in our understanding of Scripture. In our context, such a call also brings to bear various legal responsibilities put in place by the law of the land. As we seek to forge a ministry in our local context, we need to do so, mindful of both our responsibilities before God and under the local legal authorities.

In drafting these guidelines, the primary aim has been the enhancement of the ministry of the local church through strengthening and clarifying the relationship between pastor and church. Consideration has been given to both the scriptural and theological framework which shapes our thinking, plus any obligations which may fall due under the law, seeking to find appropriate balance, without compromising the integrity of the gospel call.

Risks

In shaping these Guidelines for use by our pastors and churches, it is recognised that there is a danger in reducing the relationship of church and pastor to one of employer and employee only. This is not the intention of this document.

At certain points, however, it is necessary to understand that the legal provisions which govern the employer-employee relationship do have implications for churches and pastors. Such provisions apply to the way in which a church is responsible for the Duty of Care of its pastor as much as to the responsibility which the pastor has to the church.

But the purpose of drawing the attention of pastors and churches to such regulations is not intended to redefine the pastor-church relationship. On the one hand the regulations have to be observed (by virtue of the laws of the land); on the other, the nature of ministry needs to be well understood and preserved (because as Baptists we place a high value on this).

The Importance of Relationships

Baptists have persevered over the years to nurture some very strategic components of ministry which are seen to be grounded in the New Testament. This includes an appreciation that all believers in Christ are members of His Body and gifts for service are given to the church through its members. At the heart of church life is a concern for healthy relationships: with Christ and with each other as a basis for our mission in the world, being His Presence wherever there is pain, suffering and separation from Christ.

God's Spirit at Work

As Baptists we have a special appreciation of the goodness of God in His provision of pastoral leadership for His people. We believe that all Christians are called to service in God's world, and that there is a special value placed on the prompting of the Spirit in drawing pastor and congregation together.

For as the Spirit of God works in the heart and mind of the pastor, there is another prompting taking place within the people producing a common mind and intention. The induction of a pastor into the ministry of the church is, therefore, a time of celebration and gratitude for all that God has done in bringing pastor and people together. There is developed a unique relationship built completely around the initiative of the Lord of the Church. It is a relationship to be treasured and nurtured.

The Church as Carer and Supporter

The divinely inspired connection between pastor and people establishes some very important responsibilities. There are underlying, reciprocal commitments which give a special quality to this teamwork. Just as the pastor responds to the call to provide leadership and care for the congregation, so it is incumbent upon the congregation to provide loving care and support for the pastor.

Jesus taught that the worker is worth his keep while Paul gave clear instructions to the churches to make adequate provision for the care of their leaders. Historically, the early Baptist Confessions of Faith recognised that those who labour *"in the Word and doctrine have a power to receive a livelihood from their brethren, whose duty it is to provide a comfortable subsistence for them."* Indeed, the congregation is failing in its responsibility if adequate care and provision is not made for the pastor.

The Pastor as Leader

In a dramatic departure from secular models, the pastor leads by example, not from a position of strength and power, but in humble dependence upon the goodness and grace of God. It is essentially the way of the cross, a laying down of life in order to lead the people of God into a greater fullness and experience of faith. For this reason, pastoral leadership is a way of life not able to be measured in hours, or successes, or grand achievements.

The pastoral task is one of loving commitment to the congregation with the desire that each believer discover afresh daily the grace of God and the gifts for serving the church and the world. For when the Body of Christ functions healthily, the Gospel is shared, people are won for Christ, and the sick, the lonely and the powerless are touched by the greater presence of God working through His people.

The pastor serves out of his or her own limitations and brokenness. This is not the leadership of perfection or completed spirituality but the leadership which acknowledges the rough edges of the human condition and dares to believe that the Lord is glorified by simple faith and trust. The pastor, acknowledging the need for wisdom and strength, identifies with the people of God in order to lead them in the adventure of living, serving and witnessing creatively and effectively in the world to which He has called us.

It is not just the responsibility of the pastor to be the leadership example in the church. The BCWA Statement of Faith highlights the need for mutual accountability between leaders and church.

"4.3.2 Christ gives leaders to his Church. It is the duty of the local church through the member's meeting to recognise and affirm Christ's call to such leaders, and to set them aside to serve, thereby charging them with the responsibility to lead and delegating prescribed authority to lead. Mutual accountability is to operate between leaders and church."

While these Guidelines carry a range of very practical issues, underlying all of the recommendations is this understanding of ministry. It may appear, at certain points, to be in tension with the requirements of the legal provision of the day. At no stage, however, is there any intention to devalue the energy and integrity of all that transpires between pastor and people in the work of the Kingdom.

3 Establishing a Statement of Understanding

3.1 Common Questions

When church and pastor enter into an agreement by way of a Statement of Understanding such as is suggested in this document, there is a need to grasp the basis of that undertaking.

The Christian community stands in some tension created between the models of the world and the models portrayed in Scripture. Clearly there are some legal implications and standards required in the relationship between church and pastor. As the people of God, we want to ensure that we meet those standards without compromising the scriptural principles which undergird our life as a people. The framework of a legal relationship between church and pastor needs to be underpinned by recognition of equality in sharing ministry together and recognition that the bonds that unite in ministry are far greater than any legal connection.

We address here four questions which are central to entering a Statement of Understanding as presented in these guidelines.

Is a written statement needed when a church calls a pastor?

Yes. It is important for a church and pastor to be clear about their expectations in ministry together, by clarifying the role of the pastor, the terms and conditions of call, and processes by which ministry will be conducted in partnership together.

Many matters are discussed throughout the process of interview leading up to and culminating in the formulation of a specific call. By committing the essentials to writing, both pastor and church lay a foundation for common understanding, which can be conveyed to the church at the time of consideration of the call, but also for the benefit of the governance group of the church, which changes over the course of time. We need to acknowledge that our memories do not always serve us as well as we would like.

It may also be appropriate for a church and pastor to revisit the Statement of Understanding occasionally to evaluate whether it meets the changing needs of the ministry of the church.

What needs to be included in a Statement of Understanding?

Each church is free to shape a Statement of Understanding in ways which suit their particular environment and approach to ministry. However, it is suggested that certain areas ought to be considered by all churches at the time of call. These include:

- The terms of the call: whether it is to be open-ended or of a fixed term.
- The pastoral role and relationship to the church.
- The total remuneration and how it is to be packaged.
- Processes for decision-making, review of ministry, and dispute resolution.
- Dealing with any complaints of misconduct.
- What happens when the ministry is concluded or the fixed term is due for expiry.

Suggested components and structure for a Statement of Understanding are set out in a template 'Statement of Understanding'. With the growth in team ministries, and different church governance structures, there are two Templates available. These templates are to be treated as a guide only and may not be suitable for adoption by a church without being adapted to local conditions. Churches and pastors should ensure that the document meets their particular situation.

- Template A: for Senior/Sole Pastors; or appointments made by the church members' meeting

- Template B: for Pastoral Workers: Associate Pastors; Specialist Pastors or appointments made directly by a group delegated by the members. Eg: Senior Pastor or Council / Governing Body.

Churches and pastors can receive assistance in the preparation of their Statement of Understanding and the church meeting process to call and engage a pastor from BCWA Staff through the Ministry Support Team.

What is the nature of the relationship between church and pastor?

The over-riding principle concerning the relationship between pastor and church is that it is both spiritually formed and nurtured: that it exists for the purpose of furthering the work of the kingdom at a particular time and in a particular place.

It is also to be recognised that in calling and inducting a pastor, church and pastor enter into a legal relationship which invokes particular responsibilities and rights for the parties concerned. The nature of that relationship, whilst spiritually formed, is most likely to be viewed as an employer / employee relationship, either through legislation or by the courts. For the administrative purposes of some legislation: taxation, superannuation, Worker's Compensation, and work health and safety, all "workers" are to be treated the same, regardless of the exact legal nature of the relationship, or how an "employer" or "worker" might seek to define it.

Does the Statement need to be signed?

To make the statement legally binding on the parties concerned, it does not need to be signed. However, by placing signatures on a document, parties attest to it as the final form of the agreement reached, and it will be entered into the minutes of the church meeting.

Check you church constitution to see if there are additional signing requirements that must be adhered to.

Who can sign the document? A pastor has the legal capacity to sign the Statement of Understanding in his or her own right. However, for the church the members need to authorise the signing. This applies for both incorporated and unincorporated churches. The recommended process is:

- for the church members' meeting to authorise at least two persons to sign a Statement of Understanding on behalf of the church;
- to understand that the persons signing are not personally the 'employer', nor are they personally liable for the performance of the contract. They are simply performing a function within the specific authority granted by the church meeting.

There is no need for churches to incorporate for the purposes of engaging a pastor, nor is it recommended that the Council (or other leadership group) of a church enter into a Statement of Understanding personally.

What jurisdiction governs the relationship between pastor and church? State or Federal?

Whilst spiritually formed, the relationship between pastor and church is likely to be seen as an employment relationship. Therefore, it is important to consider which jurisdiction your church falls under: state or federal employment conditions.

The State conditions are covered by Industrial Relations, and Federal conditions through the Fair Work Act. The major factor in determining which jurisdiction your church falls under comes down to if there is significant trading activity. Whilst not defined, a reasonable guide would be to consider your overall sources of income. If income beyond donations, tithes and offerings exceeds 5% of your total income, it is probable that you will be deemed to be trading, and therefore under the federal Fair Work Act.

For entities who 'trade', there are rules and limitations that apply to the use of fixed term contracts which came into effect on 6 December 2023. These rules apply to employers who fall under the federal Fair Work

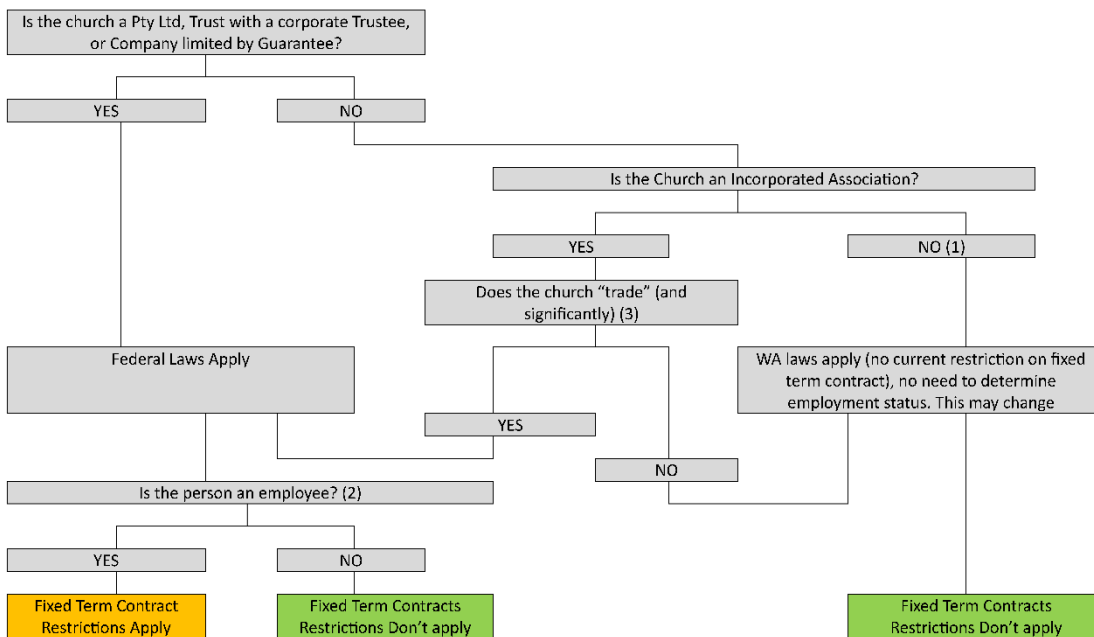
Act, which includes ‘trading entities’. If your church income is received solely from donations, tithes and offerings, you are unlikely to be subject to these rules. If however you gain an income from other sources, such as rental income, or an enterprise (eg: childcare, school, recreation centre, aged care), then these rules likely apply to you.

[Fixed term contract employees - Fair Work Ombudsman](#)

If these rules apply, then you are restricted to a maximum of 2 year period for a fixed term contract, including any extensions or renewals. This means that at the end of the 2 year period, you will need to either conclude the contract, or enter into a permanent arrangement.

The following chart may assist in determining if these limitations apply to you.

Determining if Fixed Term Contract Applies to WA Baptist Churches



(1) Therefore is an Unincorporated Association.

(2) Contentious Issue in relation to religious practitioners (pastors) – no presumption they are not employees / strongly held views for and against. Likely that many will be

(3) Where a church is “just church” unlikely to be trading, where a significant amount of % of income comes from op shop / childcare / kindy etc it might be

4 Elements of a Statement of Understanding

It is essential that the terms and conditions relating to a call be agreed between the church and the pastor prior to an appointment being made. A Statement of Understanding should confirm the practical aspects of the working relationship between the pastor and the congregation.

The following sections give guidance as to the suggested elements of and process for establishing a Statement of Understanding, based on the template Statement of Understanding. References are cross references to the template (A and B) Statement of Understanding.

4.1 Call to Ministry (cl 1.5 and 3.1)

The calling of a Senior / Sole pastor requires a special church meeting. The Statement of Understanding should be presented and approved by the members as part of the Call motions, including the stipend arrangements and their relationship to the BCWA recommended stipends. The need for members approval for other pastoral staff will depend upon the Constitution of the Church. You should check your Constitution for specific clauses related to the call of pastoral staff.

4.2 Probationary Period (cl 3.2)

A probationary period of six months is recommended. This enables both church and pastor to ensure that their mutual expectations are being met and that any concerns are addressed in a timely manner. A review towards the end of the probationary period should help address any concerns and any actions required to satisfy probationary requirements. It is good practice to provide the pastor with confirmation that his or her employment will continue beyond the probation period. If a church decides to terminate the call in the probationary period, you are required to provide written notice of termination.

You will need to check your constitution to confirm the requirements for terminating a call. Many churches will have clauses that require a Member's Meeting to terminate a Pastor's call. In the case where an appointment has been made by the Governing Body, or Senior Pastor, (as delegated by the Member's in the Constitution), the Governing Body may be able to terminate during the probationary period without reference to the members.

4.3 Pastor's Ministry Description (cl 3.3)

It is very important that the incoming pastor is aware of what the church expects from the role. The Pastor's Ministry Description should list the main duties and accountabilities in the role. This should be attached as Schedule 1 to the Statement of Understanding.

Churches are encouraged to seek assistance in the development of a pastoral profile from the Ministry Support Team. The involvement by the church of a BCWA Ministry Support Team Member is strongly encouraged to facilitate pastoral settlement.

4.4 Pastor's Stipend and Benefits (cl 4)

4.4.1 Stipend (cl 4.1, 4.2, 4.4)

It is recommended that a pastor's stipend is made up of various components to take advantage of favourable salary packaging arrangements available to ministers of religion that assist churches to provide a greater level of financial support to pastors. The pastor's stipend should comprise of:

- taxable salary (as is commonly paid to most employees);
- exempt benefits (exempt from PAYG and Fringe Benefits tax);
- housing exempt benefits (if required);
- superannuation.

The recommended stipend (no accommodation provided) for a pastor with BCWA for the financial year 1 July to 30 June is **published annually in late April** on the [BCWA website](#). The recommended remuneration package is intended to apply to a five day working week (38 hours). Churches engaging a pastor part time should adjust the package on a pro rata basis (e.g.: a three day appointment will carry three fifths of the full time recommended package).

The stipend level is set by BCWA, who recommend an increase referencing the annual increase in Consumer Price Index (CPI) and Average Weekly Earnings (AWE).

Recommendations made by the BCWA are applicable to the normal circumstances of a pastoral ministry as indicated in the conditions outlined in these Guidelines. Where a church makes extra demands on the pastor arising from, say the size of the church or the range of ministries required, then consideration should be given by the church to paying the pastor above the recommended levels. Churches should consider paying above the recommended level where appropriate based on:

- the pastor's qualifications;
- the pastor's ministry experience (greater than ten years paid experience);
- responsibility (including size of pastoral team and church);
- capacity of the church to pay.

Depending on the circumstances of the appointment, a stipend in the range of 100-135% of the BCWA recommendation may be appropriate.

Churches are free to pay the stipend and benefits at whichever interval is convenient to both parties, i.e.: weekly, fortnightly or monthly. Please note that the Templates assume a fortnightly pay cycle (cl 4.2).

It is a legal requirement that a payslip detailing the gross stipend paid, and details of any deductions withheld, e.g. PAYG tax, exempt benefits and superannuation contributions, be provided to the pastor by the church treasurer at the time of each payment.

Tithes and Offerings

There will be no assumed or implied expectation that pastors will give any percentage or amount of their stipend to the church. As part of their commitment and leadership of the church community, pastors will want to tithe some of their stipend to the church; however, it is the pastor's choice to decide where and how much of their stipend to tithe.

4.4.1.1 Taxable Salary

BCWA recommends that, for full-time pastors, the stipend be split 40% taxable salary and 60% exempt fringe benefits. A Part time pastor who is working 3 days or less can be paid 100% exempt benefits and may have no taxable salary. This is because they are assumed to have income from another source. Please contact the ministry centre if you need more information. This should be discussed with the pastor to confirm the percentage of exempt fringe benefits that would benefit them.

PAYG tax should be withheld from the taxable salary. The ATO tax calculator can assist with determining the correct amount of PAYG. <https://www.ato.gov.au/rates/tax-tables/>

The net taxable salary should be paid into the pastor's personal bank account, as nominated by them.

4.4.1.2 Exempt Benefits

Exempt benefits are expenses paid by the church on behalf of the pastor. The amount recommended for exempt benefits is based on a percentage of the full annual package and should still be paid during periods of annual leave, personal leave or long service leave taken while in ministry at the church.

Benefits provided to 'religious practitioners' (i.e.: a minister of religion, a full-time member of a religious order, or a person training to become a minister of religion or a member of a religious order) of a 'religious institution' are exempt benefits under section 57 of the Fringe Benefits Tax Assessment Act 1986.

Payments of benefits to these persons are classed as **exempt benefits**.

Religious Institution

One of the criteria to qualify as a 'religious institution' is that the institution must be approved as a 'Charitable Institution' by the ACNC. It is worth noting that if a church is not registered with the ACNC, it cannot take advantage of the exempt benefits provision.

Minister of Religion

In determining whether a person is a minister of religion, the ATO has outlined its interpretation of section 57 of the FBTA in a ruling titled TR 2019/3 'Fringe benefits tax: benefits provided to religious practitioners'. The ATO states in paragraph 14 of this ruling that a minister of religion, except in rare cases, should have all the following characteristics:

- is a member of a religious institution;
- is recognised by accreditation, or has authority from the religious institution to carry out the duties of a minister based on theological training or other relevant experience;
- is officially recognised as having authority on doctrine or religious practice;
- is distinct from ordinary adherents of the religion;
- is an acknowledged leader in spiritual affairs of the institution; and
- is authorised to act as a minister or spiritual leader, including the conduct of religious worship and other religious ceremonies.

Access the above ruling using the following link:

<https://www.ato.gov.au/law/view/document?docid=TXR/TR20193/NAT/ATO/00001>

Pastoral Duties

For a benefit to be exempt, it must be provided principally in respect of pastoral duties. For example, benefits paid to a Minister of Religion providing exclusively admin services to a Religious Institution will not be exempt from taxes.

This definition of a religious practitioner is not restricted to someone who is an ordained minister of religion. It can include associate ministers, Christian workers and lay persons acting in the capacity of a minister of religion.

It is important for churches to consider their own circumstances to determine whether they meet the above requirements.

Exempt Benefits

Any fringe benefits provided to a religious practitioner who is an employee of a religious institution are tax exempt benefits, provided that the benefit is provided to the employee, the employee's 'spouse', or the

employee's 'child'. *Note: For a benefit to be a fringe benefit it must be paid by the employer. This means it cannot be paid in cash to the employee.*

The definition above says 'any' fringe benefits. This means it could be anything, provided it is for the benefit of the employee, the employee's spouse, or child.

Items that do not qualify as tax exempt benefits include (but is not limited to):

- gifts and donations to charities,
- tithes and offerings,
- loans to third parties.

Items that qualify as tax exempt benefits include (but are not limited to):

- groceries,
- clothing and shoes,
- house rental or mortgage payments,
- house maintenance,
- utilities,
- vehicle,
- vehicle maintenance and fuel,
- insurance,
- school/ study fees,
- computer, mobile phone, data usage,
- flights, rental cars, and holiday accommodation,
- shows, movies and restaurant meals,
- club membership fees,
- medical expenses (not covered by Medicare or Insurance),

provided these are private items, for the benefit of the employee, the employee's spouse, or the employee's child.

There are different ways to administer the pastor's tax exempt benefit payments and you can discuss these with BCWA. One of the options is to use the BFS VISA Prepaid Pay Card.

Pastors should be aware of how their exempt benefits can affect some government Centrelink payments.

(Much of the information in this section has been provided by Seward Dawson Chartered Accountants. Further PAYG, FBT, GST and general tax information is provided in their "Church Finance Handbook" available through the BCWA website)

4.4.2 Superannuation (cl 4.3)

There is a legal obligation on all employers (including churches) to make contributions to a complying superannuation fund on behalf of all employees over 18 years, or under 18 years working more than 30 hours per week. The benefits provided through the superannuation are very important for the financial well-being of our pastors in retirement. Superannuation is also able to provide death, disability and sickness/accident cover if cover is selected by the pastor.

The compulsory contribution by the church to meet the legislative requirements is provided in the published [Recommended Stipends](#).

The annual contributions are calculated on the total remuneration package, and subject to any specific individual taxation advice, (which might be appropriate, particularly to pastors who might not be in receipt of the full recommended stipend.) It is recommended that any additional superannuation contribution by the pastor's should be by way of "remuneration sacrifice".

Churches are required to offer a choice to the pastor's about the superannuation fund they pay their contributions. Many pastors use Australian Ethical, and churches are advised to make this their default fund.

At the commencement of the pastor's ministry the church must give the pastor a Superannuation Choice Form. This is available at the [ATO website](#).

4.4.3 Housing Exempt Benefits (cl 4.5)

If a church provides accommodation, Exempt Benefits, as published in the Annual recommendations on the [BCWA website](#), should be adjusted accordingly. It is recommended that where the church provides accommodation (except in the Northwest or remote locations) a reduction in standard Exempt Benefits being equal to the median rental for Western Australia as at 30 June in that given year is applied. Churches may vary the reduction depending on location, but any arrangement should be stated in the Statement of Understanding.

In most instances, the accommodation provided should not be more than 15kms from the church to be considered local.

In addition, where the church does not provide an office at the church for the pastor an additional housing exempt benefit at the equivalent of 25% of the local median rent should be provided to the pastor to allow for an extra room to be used as an office / study.

Accommodation should be maintained in a good condition.

Due to unique circumstances, churches in the Northwest and remote locations are expected to provide accommodation free of charge.

The church is expected to ensure appropriate:

- floor coverings, drapes, blinds and light fittings, antennas etc;
- garage or carport;
- heating - effective and economical;
- cooling - to appropriate areas of the accommodation;
- security, fences, and gates as appropriate;
- building insurance.

The pastor is expected to ensure appropriate:

- garden maintenance;
- general cleaning and household maintenance;
- contents insurance.

Generally, the church leaders should maintain the accommodation to a level that they would be happy to live in themselves and the pastor should maintain the accommodation as if it were their own home.

The church and pastor should undertake an annual review of the accommodation to discuss any maintenance or safety issues arising. The costs for the maintenance and upkeep of the accommodation should be given a priority in the church budget.

The accommodation is the pastor's home and the address of the accommodation should not be publicly advertised. Access to the accommodation by congregation members or for church activities is at the discretion and invitation of the pastor.

Part-time Positions

If a part time pastor is provided with accommodation, a pro rata accommodation amount could be factored into the total days worked in consideration of the pastor having full time use of the accommodation.

4.4.4 Other Expenses and Resources (cl 4.6)

In addition to the pastor's stipend the church should pay the cost of the resources required by the pastor to complete their work. This includes, but is not limited to:

- desktop computer or laptop,
- computer software,
- internet access,
- telephone,
- office / study,
- office expenses,
- professional development,
- travel expenses,
- hospitality.

A conversation about the cost of these resources should form part of the church's annual budget process.

4.4.4.1 External Professional Supervision, Study and Ongoing Development

Pastors need to keep pace with the spiritual and practical demands of contemporary ministry. Therefore, the value of External Professional Supervision, additional study and ongoing development is commended to both church and pastor. It is important that study courses planned or underway are identified at the time of the pastor's appointment.

Churches are encouraged to:

Pay for six External Professional Supervision session per year for a full-time pastor, and 4 sessions for a part-time pastor.

Pay the costs involved for the pastor to attend an agreed number of seminars or courses each year.

Consider favourably any reasonable request from the pastor for study leave which is used for legitimate study purposes, but that a minimum of **40 contact hours** each year engaged in study approved by the Church Governance Group be available for this specific purpose. This is a BCWA recommendation.

4.4.4.2 Telephone and Internet

A pastor will generally use three telephones in the course of their work – church office, home and mobile. The church should pay the total cost of two of these three telephone services as agreed between the church and pastor based on the pastor's phone usage for the ministries of the church.

Internet access should be provided by the church either at the church office or the pastor's home office as agreed with the church.

4.4.4.3 Computer

The church should provide a current desktop computer or laptop as agreed between pastor and church. This should be replaced every three to four years. The appropriate software for the pastor's use (e.g. Microsoft Office suite of programs, anti-virus software) should be installed onto the computer.

4.4.4.4 Office/Study

The church must provide an appropriate office facility for the pastor. This can be located at the church office or as a home study. It must be maintained at an appropriate standard to meet work health and safety requirements.

4.4.4.5 Office Expenses

Upon presentation of receipts the church will reimburse the cost of any relevant office expenses paid for by the pastor such as postage, stationery, office equipment and any other out of pocket expenses. Any expenditure should be within the budget and church Spending Policy.

4.4.4.6 Travel Expenses

It is suggested that an estimate of ministry travel be made by the pastor at the start of each year and that if travel above 12,000 kms per annum is anticipated, an additional reimbursement sum be agreed accordingly based on the ATO cent per km rate for claiming a tax deduction. A further adjustment to the final month's payment can then be made if necessary, when actual ministry travel is known at or near the end of the year.

4.4.4.7 Hospitality

Depending on the nature of the pastor's ministry with the church, hospitality costs can be a significant expense. These additional expenses should be part of the budget conversation between the pastor and the church.

4.4.4.8 Resource Materials

It is expected that any resource materials (such as books, DVDs, specialist software) acquired by a pastor in their time at a church will be retained by them to take to their next ministry. The church is not expected to pay for these materials.

The church may purchase these resource materials to retain for church use once the pastor leaves.

4.4.4.9 Removal Expenses:

Relocation expenses for the pastor, their family, and furniture / effects should be paid by the receiving church when a pastor takes up a new appointment. Wherever possible, these should be paid directly to the contractors or parties involved rather than being reimbursed to the pastor. Adequate transit insurance should be provided and the normal practice of obtaining competitive quotes from cartage contractors will ensure that the overall removal expense is minimised. Unless otherwise agreed on retirement, removal expenses are the pastor's responsibility.

4.5 Working Week: (cl 5)

For most people, a working week means five days. In a ministry situation there can be no hard and fast rules. The effective exercise of pastoral leadership together with the unusual opportunities and demands which are part of "shepherding the flock" create a unique lifestyle which cannot always be adequately described in fixed hours and days of "work."

However, care is needed when a ministry appointment is made to acknowledge the need for a pastor to have appropriate recreation days and for the church to ensure that the pastor has the opportunity to use them conveniently.

BCWA recommend that a full-time 'working week' should be on average 38 hours, plus any **reasonable** additional hours. A pastor should have two days off per week. In many circumstances, pastors will work significant hours on a Sunday (including worship services) – this is part of the working week. Part time pastors will have a cap on their ordinary hours worked per week based on their agreed hours or usual hours.

4.5.1 Volunteer Time

There should be no assumed or implied expectation that pastors with a defined and specified job description will be required to offer their services in a voluntary capacity to achieve any aspects of their stated job description. Most pastors will want to do some volunteer work; however, it is the pastor's choice to decide where to allocate that time. This may be with organisations outside the church.

4.5.2 Time Management

Due to the nature of pastoral work with non-standard work hours, it is important for the pastor to manage their time effectively. Effective time management is a developed skill and a practiced discipline.

A suggested approach is to look at the pastor's potential workday in five blocks of three hours e.g.:

- early morning,
- morning,
- early afternoon,
- late afternoon,
- evening.

A pastor will typically average working three of these blocks of time per day. For example, on the day of a church leadership meeting the pastor may choose to work the morning and early afternoon, skip late afternoon, and come back to the evening meeting.

A positive aspect of pastoral life is the flexibility to determine working hours, which enables a work life balance, for example: picking the kids up from school. The pastor's working week should be agreed by the governing body and any variations approved.

4.6 Leave Entitlements: (cl 6)

The image of God offered to us in Genesis is that of the God who both works and rests. Employment must allow and promote a rhythm in people's work lives that sustains and encourages a holistic life and does not destroy rest, recreation, relationships, and connection with the broader community. The church is responsible for maintaining accurate records of leave taken and accumulated.

4.6.1 Annual Leave (cl 6.1)

The minimum recreational leave entitlements are four weeks annual leave and Government gazetted public holidays. It is recommended that the annual leave cover four Sundays and accumulate at the rate of one week quarterly. **It is the responsibility of the church to maintain an accurate record of leave accruals and usage.**

It should be recognised that pastors need rest and recreation in order to maintain effective ministries. The practice of allowing leave entitlements to accumulate from year to year is undesirable for both the pastor and the church and is to be discouraged; (deferred leave is likely to be ultimately paid at a higher rate than existed at the time when it was first accrued.) Pastors' leave arrangements are normally agreed with the Church Governance Group.

Each church is encouraged to allow its pastor one weekend away from the local church each half year, in addition to the annual leave entitlement. This weekend could be used as a study period, family time or as an opportunity to visit another church.

It is important that churches are able to pay Annual Leave when it is due. This includes the payment of leave that has been accrued and to which the pastor is entitled when they conclude ministry in a church. It is recommended that churches keep the amount of money equivalent to this payment in their bank account. Please contact the Baptist Ministry Centre if this matter is unclear.

The timing of leave is to be by agreement between the governing body and the pastor (or the Senior Pastor / Governing Body and Pastoral Workers).

4.6.2 Personal Leave (cl 6.2)

Personal Leave combines both sick leave (where the pastor is ill or injured or unwell and is unable to perform their duties) and carers leave (where they need time away from their duties to respond to an emergency or provide care for an ill or injured member of their immediate family or household).

Full-time pastors are eligible for ten days per annum and this accrues monthly. Part-time pastors are eligible for a pro-rata amount. The entitlement is normally cumulative year to year but personal leave is not portable, nor is any "entitlement" capable of being paid out in cash. It is essential that the use of personal leave is adequately documented by the church.

The governing body may require the pastor to provide a medical certificate for Personal Leave but must notify them prior to a period of Personal Leave if this is the case.

The governing body may exercise discretion to provide extended paid Personal Leave if all accrued leave has been exhausted. Consideration should be given to any sickness and accident cover available through the pastor's superannuation fund.

4.6.3 Compassionate Leave (cl 6.3)

In the event of the death or a life-threatening event involving a member of the pastor's immediate family, the pastor is eligible for two days paid Compassionate Leave.

Churches can grant additional paid time off as an opportunity for grace to be bestowed on the pastor in recognition of the toll on the pastor of death and trauma. The church may also wish to grant this time off when the pastor has dealt with these issues within the course of their ministry. The amount of additional paid time off granted is at the discretion of the church based on the individual situation.

4.6.4 Public Holidays (cl 6.4)

The pastor is eligible for the Public Holidays gazetted in Western Australia. Pastors are entitled, as per legislation, to be absent from work on all public holidays. It is reasonable to expect a pastor to work certain public holidays. Where circumstances require that the pastor works on a public holiday, an alternative holiday should be arranged, preferably in the same week.

4.6.5 Long Service Leave (cl 6.5)

Each church has a legal obligation to pay long service leave to any pastor (or other employee) who works for them continuously for ten years or more. It is intended that the entitlement of thirteen weeks after ten years' service will stand in the place of the minimum legal requirement.

In recognition of the nature of the pastoral ministry, BCWA has established a long service leave scheme funded by annual monthly contributions per pastor paid by the church. This fund is known as The Baptist Union of Western Australia Inc. Long Service Leave Fund ("the fund"). The fund underwrites a church's obligation to a pastor who has a leave entitlement but more importantly, unlike most other LSL schemes, it offers continuity of service to pastors who move churches.

It is recommended that the church participate in the fund. This provides a continual benefit for those pastors who move churches and for the purpose of long service leave only, service with prior churches counts as continuous service for calculating and taking long service leave.

The rules of the fund are available on the [BCWA website](#).

The Template assumes participation in the BCWA Long Service Leave Fund and will require attention where churches make their own arrangements.

4.6.6 Parental Leave (cl 6.6)

Employees can take parental leave when a child is born or adopted. Rules and entitlements that apply depend on what stage of parental leave the employee is in:

- before parental leave,
- during parental leave; and
- after parental leave.

Parental leave entitlements are a combination of Paid Parental Leave (Australian Government) and unpaid leave and can extend for up to 24 months in certain circumstances. For detailed information, refer to the federal FairWork website; or to state industrial relations system [Parental leave | Department of Energy, Mines, Industry Regulation and Safety \(commerce.wa.gov.au\)](#).

It is recommended that church and pastor consult with the BCWA office should a question of leave for the pastor arise. During this type of leave, arrangements must be made for alternative contact, redirection of phone calls and correspondence etc. If the pastor is able to continue with part of the responsibilities of ministry during this period, the appropriate part time remuneration should be negotiated as a proportion of a five day working week.

Paid Parental Leave is available from the Australian Government under certain conditions. Further information can be found at: [Services Australia](#).

4.6.7 Family and Domestic Violence Leave (cl 6.7)

Under state law, Pastors are entitled to five days unpaid family and domestic violence leave each year. Further information can be found at [Unpaid family and domestic violence leave | Department of Energy, Mines, Industry Regulation and Safety \(commerce.wa.gov.au\)](https://www.commerce.wa.gov.au/energy-mines-industry-regulation-and-safety). The governing body of the church may elect to pay persons effected accessing this leave.

Where federal law applies, Pastors are entitled to ten days paid family and domestic violence leave each year. Further information can be found at the [FairWork website](https://www.fairwork.gov.au/).

Resources to assist in responding to family and domestic violence are also available at [Family and Domestic Violence Services and Resources \(www.wa.gov.au\)](https://www.wa.gov.au/family-and-domestic-violence-services-and-resources).

4.6.8 Unpaid Leave

In certain circumstances pastors may wish to negotiate with their church for unpaid leave (such as when all paid leave has been exhausted). It is at the discretion of the church to approve unpaid leave.

During an extended period of unpaid leave, a pastor who lives in a church accommodation may be required to pay rental back to the church at the amount not exceeding the median rental for Western Australia

4.7 Accreditation/Registration (cl 7)

As part of the [Relationship Agreement](#), churches undertake to ensure that pastors are registered with Baptist Churches of Western Australia within six months of their appointment. Persons can Register as:

- a Local Appointment,
- Accreditation Candidate,
- Accredited Person in Ministry.

The [Registration Guidelines \(incl Accreditation\)](#) summarises the requirements of the [BCWA Accreditation Policy \(including Registration\)](#) and the process. All persons Registered are required to maintain their Registration, which includes:

- current Safe Church Endorsement with BCWA:
 - Safe Church Training,
 - Mandatory Reporting Training,
 - Working with Children's Card,
 - National Police Check,
 - Standards Check;
- external Supervision arrangements being in place;
- Professional Development Plan (PDP);
- ongoing commitment to abide by the BCWA Code of Ethics and Ministry Practice.

BCWA strongly recommends that all persons appointed to Pastoral Ministry undertake Accreditation. The Template Statement of Understanding includes a section on Registration with BCWA.

4.8 Review of Ministry (cl 8)

There are two types of review of ministry:

- Regular Performance Reviews (Appraisals); and
- An overall review of the Ministry of the Church.

4.8.1 Annual Appraisal (cl 8.1)

Providing ongoing and regular feedback is an important element of building the pastor-church relationship and is encouraged. It is important, however, that an annual appraisal (or performance review) is undertaken.

This might include affirming areas of strength, and suggestions for inclusion in the pastor's ongoing development plan. Any expectations should be stated with clarity and in the context of care. As part of the annual appraisal, the Pastor's Ministry Description should also be reviewed to ensure that it continues to meet the needs of both the pastor and church.

An external review conducted in partnership with BCWA should be completed at least every 5 years, or 12 months prior to the end of a call period. Contact a Ministry Support Pastor at BCWA for further information.

4.8.2 Ministry Review (cl 8.2)

It is recommended that each church engage in healthy, positive, ongoing review of its collective life and ministry through a review at least every five years. Such a review should assess:

- the ministries of the church;
- lay participation in relation to the goals and objectives established in the church vision and mission statements;
- pastoral needs; and
- the pastoral profile.

A review cannot be undertaken effectively without the church having given thought to the shape and direction of its ministry within its own community setting. It is important for the church, led and inspired by the pastor, to reflect prayerfully on how it should be engaging in mission. This will necessarily include a consideration of the church as a worshipping, discipling and outreaching people of God. Such a review will necessarily include the manner in which the pastor is exercising the ministry of leadership.

When attention is given to the review of the pastoral role within the context of all that the congregation is undertaking, there should be a clear statement offered to the pastor affirming areas of strength and potential together with suggestions and recommendations regarding aspects of ministry where it is considered that there is room for development and growth. Such expectations should be stated with clarity and in the context of caring fellowship and be reflected as part of the Annual Appraisal process.

The conduct of a review by a church can benefit from the assistance of people outside the church with experience in reviews. The Ministry Support Team is available to advise and assist in planning review of ministry.

4.8.3 Reducing the Pastor's Hours

If the church needs to reduce the pastor's contracted hours a notice period of three months (one month for Template B) is required. During this time the church must continue to pay the pastor for the full hours until the notice period has elapsed at which time the pastor will reduce the hours to the new agreement and the stipend is reduced accordingly.

Where a church finds itself in a situation where it is necessary to begin the difficult process of reducing staff or hours due to financial constraints, the leadership should seek advice and support from BCWA who are able to provide appropriate guidance and support.

4.8.4 Conflict Resolution: Pastor and Church Leadership

Conflict can arise in the church and cause considerable tensions, which if not addressed early enough can lead to a fractured fellowship and considerable congregational pain. Most churches have clear guidelines within their constitution or Complaints Management Policy regarding how to handle disputes and conflict and these should be followed whenever a conflict arises. Where a church does not have these already in place or feel that they are unable to deal with the conflict appropriately, they are encouraged to contact BCWA for assistance.

4.9 Misconduct (cl 9)

4.9.1 Code of Ethics (cl 9.1)

The pastor agrees to abide by the [BCWA Code of Ethics and Ministry Practice](#).

4.9.2 Complaints (cl 9.2)

In the case of a complaint made against the pastor involving alleged misconduct, the pastor agrees to follow the procedure adopted by BCWA.

4.9.3 Notification (cl 9.3)

The [Complaints Management Policy](#) contains clear guidelines for how BCWA will respond to notifications of a complaint or allegation against a registered pastor. In addition to this process, the pastor and the church agree to notify the Director of Ministries of BCWA (“Director of Ministries”) or their delegated representative, immediately a complaint is made against the pastor involving alleged Misconduct.

4.9.4 Suspension (cl 9.4)

If the governing body has been made aware of misconduct, or a claim of misconduct, the governing body can suspend the pastor’s engagement either with or without pay. Suspension without pay is highly unusual and would only apply in a limited number of circumstances. This is a serious action that should not be taken lightly and has the potential to damage reputation and relationships. As such, the governing body shall only take such action following conferring with the Director of Ministries. Following conferral with the Director of Ministries, the governing body will determine what, if any, information is provided to the church congregation as to the reasons for suspension.

4.10 Conclusion of Ministry (cl 10)

There are a wide variety of circumstances under which a ministry may be concluded. The majority of ministries will be concluded because:

- the pastor has responded to a call to another ministry;
- the term of the call has concluded (*where the church is “trading” there are restrictions on fixed term contracts and this may mean that the end of a “term” does not automatically give the church the ability to end the call and terminate employment. Advice is needed in these cases, and we encourage you to contact BCWA.);
- the pastor has retired;
- agreement has been reached by the parties that the ministry will conclude;

- the pastor is obliged by ill health or other personal circumstances to withdraw from ministry prior to the normal retirement age; or
- the church is obliged to conclude the ministry.

There are some circumstances where the conclusion of the ministry is going to be in the long term best interests of both church and pastor, for example:

- Where the emphasis or the direction in which the pastor is attempting to lead the church is no longer in accord with that which was agreed when the pastor was called or, for other reasons, the pastor is in conflict with the expectation of the church and this cannot be easily reconciled.
- Where the pastor no longer has the confidence, and therefore the support, of the church governance group.

Where the mutual agreement of the parties cannot be reached, or the immediate conclusion of a ministry appears necessary, the Church should refer to the BCWA who may appoint a mediator to assist in the resolution of the conditions relating to the conclusion of the ministry.

The following guidelines should be followed when looking at concluding ministry by either the pastor or the church. In difficult situations, BCWA should also be contacted to discuss the best possible approach.

A documented record of the Conclusion of Ministry must be kept.

4.10.1 Payment on Conclusion of Ministry

Any monies paid on conclusion of ministry must be paid as taxable salary. Exempt benefits cannot be paid on a termination payment. All accrued annual leave must also be paid out. Long service leave entitlements must be paid out if the pastor's service period is seven years or more. Savings in the Long Service Leave Fund can be accessed to assist the church in making the cash payment.

4.10.2 Conclusion of Term (10.1)

The pastor must provide the church with a written letter of resignation with the intended notice period. Where the pastor wishes to shorten the notice period and the church is agreeable, the church is only required to pay the actual notice period rather than the full three months as above. If the church wishes to shorten the notice period, the church must pay the full notice period amount as payment in lieu of service.

4.10.3 Conclusion by the Pastor Prior to the Term Expiring (10.2)

The pastor must provide the church with a written letter of resignation with the intended notice period. Where the pastor wishes to shorten the notice period and the church is agreeable, the church is only required to pay the actual notice period rather than the full three months as above. If the church wishes to shorten the notice period, the church must pay the full notice period amount as payment in lieu of service.

4.10.4 Conclusion of Ministry for Serious Misconduct (cl 10.3)

Serious misconduct is a serious breach of the [BCWA Code of Ethics and Ministry Practice](#) and includes theft, fraud, abuse, and violence. Serious misconduct is also constituted by serious breaches of workplace health and safety procedures and duty of care obligations or from the failure to comply with lawful and reasonable instructions from the church leadership. Please refer to your Constitution for any clauses on serious misconduct.

Prior to concluding a pastor's ministry for serious misconduct, BCWA are required to be contacted. This is to ensure that a lawful process is followed. The following will apply:

1. the church should contact the Ministry Standards Pastor regarding the allegation;
2. BCWA will follow the [Complaints Management Policy](#);
3. contact your insurer to discuss whether this is a notifiable event;
4. the pastor may be suspended (with or without full pay) pending an investigation.

In a case of conclusion of ministry for serious misconduct the church may conclude the pastor's call without notice or payment of any kind other than accrued benefits.

4.10.5 Conclusion of Ministry by the Church (cl 10.4)

Concluding a pastor's ministry at the church by termination should always be a last resort. The church's constitution must be followed and would usually involve gaining approval from the church membership via a majority vote at a specially called meeting.

The church must provide the pastor with written notice of the day of termination of employment. The church must provide notice of termination or payment in lieu of that notice as per the notice requirements in the Statement of Understanding (recommended period being three months for Template A, or one month for Template B).

The church can fairly dismiss a pastor for unsatisfactory conduct or performance if the pastor has been clearly warned (either verbally or in writing) that they are not doing the job properly and that they must improve their conduct or performance, or otherwise be dismissed. In addition, the pastor must be given a reasonable amount of time to improve their performance or conduct and must also be offered training or an opportunity to develop their skills. Where the pastor did not subsequently improve their performance or conduct, the church must tell them that it has grounds for the dismissal and explain the grounds. The pastor must then have an opportunity to respond before the dismissal is affected. This process can be summarised as follows:

Step One: issue a clear warning that the pastor is not performing his/her job properly and must improve to avoid dismissal;

Step Two: give the pastor a reasonable time to improve and training and other support to develop skills;

Step Three: explain the grounds for proposed dismissal and give the pastor an opportunity to respond and then decide based on all the information.

Any unreasonable refusal by the church to allow the person to have a support person present to assist any discussions relating to dismissal will be a factor against the church in determining whether a dismissal was unfair.

Dismissal during the probation period can be conducted more simply but care still needs to be taken.

4.11 Redundancy

A church may conclude the ministry of its pastor on the grounds of redundancy only where the church has made a definite and genuine decision that the pastor's position within the structure of the church no longer exists or will no longer exist and is not required to be filled, and the church has or intends to declare the pastor's position redundant. The BCWA does not expect such a situation to arise. The ground of redundancy should not be considered without **advice from the BCWA**.

4.12 Work Health and Safety (WHS) (cl 13)

The church has a duty of care to provide a safe and healthy working environment for the pastoral staff, volunteers and other workers and as a minimum will operate within the requirements of the Western Australian Work Health and Safety Act 2020 (WHS Act) and the Work Health and Safety (General) Regulations 2022 (WHS Regulations). This Work Health and Safety legislation is supported by Codes of Practice, Guidance Notes, and other information to assist employers in meeting the WHS legislative requirements.

The link below is to WorkSafe WA where WHS legislation and supporting information such as codes of practice, guidance notes, checklists etc. can be found:

<https://www.commerce.wa.gov.au/worksafe>

Breaches of the WHS legislation can result in a range of penalties which are specified in the legislation. The church as an organisation can be liable where breaches occur.

A pastor who makes, or participates in making, decisions that affect the whole, or a substantial part, of the church activities is classified as an 'officer' under the WHS Act. Officers can be prosecuted if they fail to comply with their due diligence obligations to ensure the church complies with its health and safety duties.

These obligations are to ensure:

- workers and other persons are protected from harm;
- the church has safe systems of work.

Individual church leaders (including board / governing body members) can also be classified as 'officers' under the WHS Act and have specific duties and liabilities and can be prosecuted (even when they are volunteers).

Employees and volunteers in the church can be fined or prosecuted if they fail to comply with health and safety duties when carrying out work for the church.

5 Other Considerations

5.1 Husband and Wife Joint Ministries:

Remuneration for joint ministries should be negotiated prior to appointment, with payment to be based on the agreed number of days or part days to be worked by each pastor. During negotiations with the church at the commencement of the ministry, the pastors should resolve the respective proportions of stipend package which each is to be paid. **This decision should be minuted in the records of the church governance group and advised to the pastors by letter in order to satisfy taxation requirements.**

As is the case of any team ministry, the respective roles of each pastor: husband and wife, should be discussed with the church governance group, and resolved to the satisfaction of all parties so that there can be no misunderstanding later.

In relation to superannuation and long service leave, the church would make contributions for each pastor based on the stipend agreed with each pastor.

5.2 Pastor with Child Care Responsibilities

It is expected that pastoral responsibilities will be exercised without children present at inappropriate times. If special circumstances make it difficult for pastoral duties to be exercised without children present, it would be reasonable for a variation in time commitment to be negotiated with hours suitably spread to allow for the necessary care of children. Churches should be sympathetic to genuine cases of need within a pastoral family.

In general, the pastoral ministry of a female pastor will follow the same structure as for a male, but special circumstances may need to be considered when there are children involved. It is essential that consideration of these matters be given at the time of the appointment to avoid any complications later.

5.3 Insurances

5.3.1 WorkCover

Employers, including churches, who employ workers are required to have workers compensation insurance from an approved provider. Workers compensation cover ensures workers who suffer a work-related injury or illness are compensated for lost earnings, medical expenses and other associated costs.

Exempt Benefits do not apply to pastors who will not be returning to work.

The remuneration and exempt benefit is to be declared by the church for Worker's Compensation.

Churches are to contact the BCWA within 24 hours when a situation may develop into a claim.

5.3.2 Contents

Pastors are responsible for the insurance of their household contents and belongings.

Pastors' personal belongings which are used predominantly for ministry purposes such as computer or theological library may be insured under the insurance program of the church with Baptist Insurance Services. This cover is available regardless of where the computer / library is stored and used. This would result in a minimal additional cost to the church; it is recommended that the church not seek reimbursement from the pastor for this premium.

5.3.3 Motor Vehicle

Insurance of the pastor's motor vehicle is their own responsibility but would normally be paid out of the exempt benefits account. Expenses paid from exempt benefits accounts cannot then be claimed as tax deductions.

5.3.4 Liabilities

Pastors should be careful not to give advice which is outside their area of competence, e.g. a pastor would be unwise to give advice about taxation matters, unless they were qualified to give such advice. In the event that someone wishes to pursue legal action against the pastor there is adequate liability insurance protection under Baptist Insurance Services, provided the pastor was acting under the auspices of the church.

Churches are encouraged to check the details of their insurance coverage, particularly where Pastors have extended roles, such as Counselling, or Supervision of other Pastors.

5.4 Record Keeping Requirements

Employment regulations require that certain employee records are kept and in a form that must be legible, in English. The records should be kept in the pastor's personnel file and stored in a secure location.

5.4.1 Employee Records

The church must keep records in respect of each pastor (and other paid employees) regarding the following:

- Statement of Understanding;
- ATO Tax File Number declaration;
- the amount of leave that an employee takes and the balance remaining for all types of leave e.g.: annual, personal, long service, etc. (most payroll software will record leave entitlements);
- termination of employment (where applicable). In particular, the record must specify whether the employment was terminated by consent, notice or summarily and the name of the person who acted to terminate the employee;
- annual stipend increases. While not required, it is considered best practice to advise the pastor in writing of any pay increase including the percentage increase, the date of effect, the basis of the increase (usually a BCWA assembly recommendation) and details of the new annual stipend amounts.

The church must make copies of the pastor's employee records available for inspection and copying upon the request of a pastor or former pastor to whom the record relates. The church has three business days within which to make the copy available after receiving the request or must post a copy of the record to the pastor within fourteen days after receiving the request. If the records are not kept at the premises where the pastor works or worked, the church must comply with the request as soon as practicable. Further, the church must advise the pastor where the records are kept if the pastor asks.

The church must not alter a pastor's employee record, other than as permitted under the Regulations or allow any other person to do so.

The church must keep employment records for seven years after the employee has left. If your church does not have very good electronic records, printed copies of employment records and decisions should be kept.

5.4.2 Payslips

Payslips may be in electronic form or kept in hard copy. Each pay slip must specify the following:

- employer's name (church);
- the Australian Business Number of the church;
- the employee's name (pastor);
- the period to which the pay slip relates;
- the date on which the payment to which the pay slip relates was made;
- the gross (taxable salary) amount of the payment;
- the net (taxable salary less PAYG withheld) amount of the payment;
- the annual rate of pay;
- any amount paid to the employee that is a bonus, loading, allowance, penalty rate, incentive-based payment or other separately identifiable entitlement; and

- if an amount is deducted from the gross amount of the payment, the pay slip must also include the name, or the name and number, of the fund or account into which the deduction was paid.

The church is required to make superannuation contributions for the benefit of the pastor, so the pay slip must also include:

- the amount of each contribution that the church made during the period to which the pay slip relates, and the name, or the name and number, of any fund to which the contribution was made; or
- the amounts of contributions that the church is liable to make in relation to the period to which the pay slip relates, and the name, or the name and number, of any fund to which the contributions will be made.

While not required by law, it is a good idea to include details of Exempt benefits on the payslip for your pastor's benefit.

5.4.3 Workplace Health and Safety (WHS)

The church should maintain up to date and accurate records of all WHS activity. Documentation should include risk assessments, action plans to address any risks or potential risks, records of employee illness or injury (medical certificates) and file notes of any incidents which have the potential to lead to a claim.

5.4.4 Other Records

The church should keep records of any documentation with regards to the church / pastor relationship such as annual appraisal form, action plan, records of discussions around conflict, poor performance, recruitment / search committee notes etc.

5.5 Unlawful Discrimination and Sexual Harassment

The church must comply with its obligations under state and commonwealth legislation to provide a workplace free of unlawful discrimination and sexual harassment.

Applicable legislation is as follows:

Equal Opportunity Act 1984 (WA) and the Equal Opportunity Regulations 1986 (WA)

It is unlawful to discriminate against a person on the grounds of sex, marital status, pregnancy, sexual orientation, family responsibility or family status, race, religious or political conviction, impairment, age, or publication of details on the Fines Enforcement Registrar's website, or involving sexual or racial harassment or, in certain cases, on gender history grounds.

The Equal Opportunity Act 1984 (WA) does include categories of Religious Exemption for religious personnel and general religious bodies (as well as others). These exemptions can be applied to the appointment of pastors, or other leaders who perform spiritual oversight such as Elders, Deacons, Ministry Leaders and other personnel (paid or volunteer) – provided that their duties or functions relate to religious observance or practice. The Religious Exemption would not generally apply, for example, to general support staff such as office managers, secretaries, property managers etc.

Age Discrimination Act 2004 (Cth)

It is unlawful to discriminate against a person on the grounds of age.

Disability Discrimination Act 1992 (Cth)

It is unlawful to discriminate against a person on the grounds of disability.

Racial Discrimination Act 1975 (Cth)

It is unlawful to discriminate against a person on the grounds of race, colour, descent, national or ethnic origin.

Sex Discrimination Act 1984 (Cth)

It is unlawful to discriminate against a person on the grounds of sex, marital or relationship status, gender identity, sexual orientation, pregnancy or potential pregnancy, breastfeeding, or family responsibilities (in some circumstances).

The Sex Discrimination Act 1984 does include provisions that provide [exemptions for religious bodies](#). These are similar to those in the Equal Opportunity Act 1984 (WA).

*Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022 (Cth)**Human Rights and Equal Opportunity Commission Act 1986 (Cth)*

This Act includes grounds on which complaints of discrimination in employment can be made to the Human Rights Commission. Employees are required to ensure that their conduct does not constitute unlawful discrimination or sexual harassment.

Unlawful discrimination occurs:

- directly - when a person with an attribute (i.e., personal characteristic or feature) is treated less favourably than someone without that attribute;
- indirectly - when an unreasonable condition, requirement or practice is imposed that someone with an attribute does not or cannot comply with whereas people without that attribute do or can.

In determining whether a person discriminates against another, their motive is irrelevant.

Sexual harassment occurs where a person;

- makes an unwelcome sexual advance, or an unwelcome request for sexual favours to another person; or
- engages in any other unwelcome conduct of a sexual nature in relation to another person in circumstances where a reasonable person would expect the other person to be offended, humiliated, or intimidated.

There is a positive duty on the employers to eliminate workplace sexual discrimination and harassment, as far as reasonably practicable. A risk management process should be in place to identify potential hazards about sexual discrimination and harassment and put in appropriate controls to manage the risk associated with the hazard identified.

Proactive controls in leadership, communication and consultation, risk management, work design, training, and reporting should be in place.

The Human Rights Commission has published the following guide for complying with the positive duty requirements under the Sex Discrimination Act 1984.

https://humanrights.gov.au/sites/default/files/2023-08/quick_guide_for_complying_with_the_positive_duty_2023.pdf

If an employee believes that they have been discriminated against or sexually harassed, the complaints management process of the church should be followed initially, potentially with support from BCWA. Should the matter remain unresolved, the employee will be entitled to pursue the matter under equal opportunity legislation through the West Australian Equal Opportunity and Human Rights Commission or the Australian Human Rights Commission, as the case may be. There are also claims that may be made in other courts or tribunals (including the Fair Work Commission or WA Industrial Relations Commission).

Document History and Version Control Record

Document Title:		Remuneration, Conditions and Statements of Understanding: Guidelines for Churches and Pastors	
Source Documents:			
Associated Documents:	Internal	BDSu-T-Statement of Understanding A BDSu-T-Statement of Understanding B Assoc CC-Po-BCWA Complaints Management Policy BCWA Code of Ethics and Ministry Practice	
Associated Documents:	External	Home » Western Australian Industrial Relations Commission (wairc.wa.gov.au) Welcome to the Fair Work Ombudsman website	
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V 1.0	1 July 2018	Mark Wilson	Previous Editions updated annually since 2013.
V 2.0	28 Mar 2024	Victor Owuor	Document heavily revised with new links to documents hosted on internal and external websites. References updated BCWA Policy Documents.