



CANDIDATES IN FORMATION - ENTITLEMENTS AND LOANS

Approved by Diocesan Council

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1. Purpose

- 1.1 This policy details the entitlements and loans applicable to Formation Students.

2. Scope

- 2.1 This policy applies to Formation candidates and those who administer them.

3. Student Allowances and Other Entitlements

- 3.1 Formation candidates only become eligible for the allowances below once they commence in the program, having been accepted into the formation program by the Archbishop, and having satisfied all the medical, psychological and financial conditions for candidacy.
- 3.2 All allowances are subject to the annual Diocesan Council Budget.
- 3.3 Formation candidates eligible for bursaries and/or allowances have the option to opt out of receiving any or all bursaries and allowances for which they are eligible.
- 3.4 **Living Allowance.** Formation candidates are eligible for the Living Allowance from the time they commence in the program.
- 3.5 Candidates in fulltime formation will be paid a Living Allowance at the rate of \$600 per month¹. Part time candidates who are not employed fulltime will be paid pro rata.
- 3.6 **Book and Resource Allowances.** All candidates studying Theology at an approved tertiary educational institution are entitled to the Book Allowance to be paid at the rate of \$120 per subject, per semester¹.
- 3.7 Book Allowance is provided on a reimbursement basis.
- 3.8 **Foundation Resources Allowance.** Formation candidates in their first year will receive a Foundation Resources allowance each semester in the first year of \$300¹. A list of suitable resources will be maintained by the Warden of the Wollaston Theological College.

¹ Applicable from FY 22/23



- 3.9 The Foundation Resources Allowance is provided on a reimbursement basis.
- 3.10 **University Amenity and Parking Fees.** University amenity fees and university parking fees will be paid by the Diocese on a reimbursement basis.

4. Financial Bursaries

- 4.1 Diocesan Council has established a needs-based bursary fund to provide bursaries to fulltime formation candidates who, having been accepted into the formation program by the Archbishop, are unable to fully meet the financial conditions for candidacy. Bursaries are not provided to cover the cost of academic fees.
- 4.2 Financial bursaries aim to bring the financial situation of the family of a formation candidate up to the Henderson Poverty Line as assessed by a qualified Financial Planner appointed by the Diocese. Unless otherwise approved by Diocesan Council on an individual basis, bursaries are capped at 30% of stipend (not including any standard clergy allowances, and subject to taxation and Centrelink-related advice).
- 4.3 An application process will be maintained by the Warden of the Wollaston Theological College and Diocesan Chief Financial Officer who will have delegated authority to approve bursaries that are within the funding provided for this purpose by the Diocese.

5. Interest Free Loans

- 5.1 Set out below are the guidelines for fulltime formation candidates who need loans or temporary advances during their period of training. Funds available from the Diocese for this purpose are limited.
- 5.2 Loans to fulltime formation candidates are granted based on need with the agreement of the Archbishop and in consultation with the Chief Financial Officer.
- 5.3 Loans can be used for
- unexpected capital items, or
 - one-off, unforeseen, non-recurring expenses.
- 5.4 Loans will not be approved to offset family living expenditure during the period of formation.
- 5.5 Formation candidates enter into loan agreements when funds are advanced. Those who own a home are required to agree to a caveat being placed on their property. Should the property be sold the loan is to be repaid in full. Those who do not own property, give a personal undertaking to repay the loan by signing the loan agreement.
- 5.6 The maximum amount advanced each year (for a maximum of 4 years) to a formation candidate is equivalent to 20% of the annual clergy stipend. Formation candidates should not borrow more than they need to meet their requirements.
- 5.7 The loan is interest-free (subject to information below) and free of indexation. Stamp duty and any legal costs incurred in drawing up the loan agreement are paid by the Diocese.
- 5.8 Formation candidates are required to repay the loan so that funds can be released for further loans. Repayment is to commence once the formation candidates has finished training and is in receipt of stipend. The minimum monthly repayment is to be no less than 10% of the current monthly stipend – pro rata for those in part time ministry. Repayments will be deducted from the monthly stipend by the Payroll Officer. If the loan is not repaid within seven years following the commencement of stipended ministry, then it may be necessary for the clergy person to obtain an external loan in order to pay the balance of the loan owing to the Diocese. Formation



candidates are also encouraged to make repayments prior to being in receipt of a stipend where possible.

- 5.9 Formation candidates who leave the training programme before Ordination must either repay the loan within 12 months or make other acceptable arrangements with the Archbishop and the Chief Financial Officer. Should the formation candidate leave the training programme and the loan not be repaid within 12 months, the Diocese may charge interest on the loan at normal commercial rates. The financial consequences of taking temporary leave from the training programme should also be discussed with the Archbishop and Chief Financial Officer.
- 5.10 In the event of death of the formation candidate, the loan will be written off.
- 5.11 Should the formation candidate/clergy at some point leave stipended ministry in the Diocese before repaying the loan, they must continue their loan repayments and keep the Diocesan Office informed of their current address.
- 5.12 In the case of demonstrated need, variations to the above loan arrangements may be made with the approval of the Chief Financial Officer in consultation with the Archbishop.