

LUTHERAN CHURCH
OF AUSTRALIA
QUEENSLAND DISTRICT

Governance Review Project

2017 – 2018 for
Convention of Synod
June 2018

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Dear Co-workers in the Mission of God,

Grace and peace in Christ to you.

On the front page of this booklet you have a photograph of your sisters and brothers in Christ who represented the governance councils of our Lutheran Church in Queensland when they met on a Saturday in March this year, to finalise work that began in October last year. Their purpose was to complete the many hours of study and conversation that had been undertaken by our governance leaders, concerning how to best improve the way we govern ourselves in our District.

This booklet provides the background and content of the proposed model for governance that was the focus of that final workshop. Many models and options had been considered over a number of meetings from October 2017 to March 2018. The final workshop upheld the proposed model in this booklet as the best pathway forward for governing our work as God's people in the Lutheran Church of Australia Queensland District.

This final workshop was comprised of the full District Church Council and executive members of the Lutheran Youth Queensland Council, the Council for Ministry and Mission; Council for Lutheran Education Queensland and the Council for Lutheran Services Queensland. At a subsequent meeting of the District Church Council, it was resolved to present this Model to the June 2018 Synod for consideration.

At the final workshop, those present anticipated that if the proposed model was supported by the delegates at the District Convention, then there will be a lot of work to be done regarding By-Laws and Authorities and Delegations, which would need to be presented to a subsequent Convention of District Synod for consideration, before a new model could guide our work in the District.

The photo at the bottom of the page was taken just before the photo on the cover of this booklet. Both were taken at the end of the day's workshop. The photo below shows the group engaged by our District Church Council secretary Margit Hubbers, and shows a "common focus" of those who gathered. It also shows a sense of hopefulness and joy in the work that had transpired throughout the day. Who would have thought that a day spent in governance review would have such a tremendous effect on people?

But this "common focus" is what the final governance model is intended to communicate: a stronger focus on collaboration in mission; more nimble decision-making processes in the governance structures of the Church; a smooth transition from the past to the future, whilst anticipating the need for future review of governance structures.

And at the heart of this work was what is held in common by all who gathered on that final workshop, which is also what is held in common by all the people of the LCAQD: this is our faith in the Risen Lord who promised, "I will build my church and the gates of hell will not prevail against it." (Matthew 16:18)

I express my thanksgiving to God for the many hours that so many people of our District Church have given to this work and I want to thank everyone who has participated.

May the Lord of the Church bless this work and guide our deliberations both now and at our June 2018 Synod in Bundaberg.

In Christ,

Paul
Bishop LCAQD.
May 2018.



1. BACKGROUND TO THE GOVERNANCE REVIEW PROJECT

At our Convention of Synod at Grace Lutheran College Redcliffe in June, 2017, we adopted a Strategic Charter for our District Church. This was the first time that the governing Councils of our District had worked together to produce for delegates at Synod, a shared vision for working together as God's people of the Lutheran Church in Queensland.

In response to this shared vision, following the Convention, the LCAQD Church Council commenced a review of governance in the District, taking hold of the opportunity to improve the way we organize ourselves at the District level. Our current arrangements have not substantially changed since 1966 and are in need to robust revision to address modern governance standards as well as the governance standards set by our own Lutheran Church of Australia.

After preliminary work, including the appointment of a Reviewer, Les Stahl, a historic gathering of all those involved in the governance of our District was held on the 28th October 2017. This meeting of key 'leaders' within our District:

- Discussed what good governance is
- Discussed how best to address organisational change
- Agreed on a key set of principles to underpin our good governance of the future
- Discussed both the positive aspects but also the key issues and challenges of our current governance arrangements within the District
- Discussed three possible new ways of organizing ourselves under Synod so that our church can better carry out its core mission and ministry governance functions.

In the months following, representatives of all key stakeholder groups, identified for this review, met with reviewer Les Stahl including:

- DCC Executive
- DCC Members (who also represented the voice of Congregations to Les)
- Council for Mission & Ministry
- Lutheran Education Queensland Council
- Lutheran Services Council
- Queensland Lutheran Early Childhood Services
- Lutheran Youth Queensland Council
- Lutheran School Council Chairs
- Senior Managers of the District, and
- Members of DCC Standing Committees and Congregations in an 'Open Forum'.

A number of key principles to be followed, in planning an improved governance structure for the District, were identified. Also, a number of potential improved structural arrangements were suggested to the Reviewer. Following several briefing papers for the Reference Group for this Review and also a paper for DCC, Les drafted a 'Reflections Report' for consideration by all members of each District level Council.

The District Church Council received the report on the first stage of the review (The Way Forward Report) on 22 December 2017. This report identified six options for a governance model for the District. In addition, there were 16 other recommendations on ways to enhance various aspects of the District's governance.

The second stage of the Review was commenced in January 2018 and included two workshops. The workshops considered the recommendations about a governance model and other recommendations. Recommendations arising from these workshops were made to the DCC.

All members of the District Governance Councils and the DCC were invited to the first of the Options Workshops, which was held on February 17th, 2018. The second Options Workshop involved the members of the DCC and the Executive members of the Governance Councils, and was held on March 24th, 2018.

The DCC received a report from Options Workshop #1, which indicated the support for one of the six possible governance models. "Option D" was the preferred model, but there remained a number of concerns about implementation risks and less than full support for all aspects of the model. The goals of Options Workshop #2 were to address the implementation risks, and lack of certainty, that were identified with governance Option D during Workshop #1. It would do so by drawing on the expertise of the people in the Workshop to begin to:

- identify ways of overcoming these issues and concerns
- generate shared solutions
- increase confidence that the implementation of a new governance structure can be successfully implemented

Between the Workshops, the DCC had undertaken a review of the preferred option in the light of the feedback from Options Workshop #1. This resulted in a "modified Option D" being agreed to by the DCC on March 22nd, as the basis for ongoing discussion. Consequently, the first part of Options Workshop #2 was given over to reflecting upon the "Modified Option D" and to developing feedback for the DCC.

On May 2nd, DCC resolved to present this final preferred model to the June 2018 Synod for consideration.

There are three key elements that are central to this preferred model being presented to Synod:

a. The intention to collaborate in our shared mission:

The proposed model has been supported by the governing councils of the District. This support for proposed model is, in part, because it makes possible a greater capacity to collaborate and share resources across the mission communities of our Church.

b. The focus on "parish" collaboration:

The proposed model presumes that all the mission communities of the Church, such as congregations, schools, aged care services, early childhood centres, all work together especially within "parish" areas. The oversight of the whole District mission is through a District Church Council with representative members from these various mission communities. A parish is not simply a set of congregations but describes the ministry communities of our Church in a particular area.

c. Flexible Programme:

The proposed model anticipates that governance review is an ongoing task. The last time it was formally done in our District was for the 1966 Union. Those involved in the Governance Review Project appreciate the need for a smooth transition from current governance structures, whilst providing for future review.

2. THE REASONS FOR CHANGE:

Over the past decade, across Queensland, most of the major Christian denominations have undertaken comprehensive review of their governance structures, as they have sought to strengthen their missionary work as organisations in contemporary Australian culture. This governance review project in our Lutheran Church in Queensland, is part of this wider focus amongst the Churches in our state.

Secular requirements for governance in Australia continue to evolve with increasing regulatory requirements forecast to continue. The rise of the Australian Charities and Not-for-profit Commission (ACNC) is evidence of this trend along with increasing compliance requirements whether from a company, taxation, accounting, working with children, working with people with disabilities, working with the elderly or an accreditation point of view – just to name a few of the increasing compliance trends.

The governance of organisations and services is also being 'professionalised' with 'governors' not only expected to have demonstrable competencies in governance but preferably to have governance qualifications and to have in place an ongoing program of professional development. The rise of the influence of the Australian Institute of Company Directors (AICD) and the Governance Institute of Australia (GIA) are but two examples of this trend.

The Church has historically been good at governance and indeed a 'leader' in governance over the centuries. But in our modern period, work needs to be done. Secular governance practices have significantly improved over the last fifty years. Secular 'Governance' requirements today are very different from what they were 50 years ago – or even in the year 2000. Now there are many more governance 'regulations' and 'guiding principles' within Australia.

Today, secular society is increasingly requiring organisations that manage services, particularly services that access public monies or provide services to members of the public, to have significant and effective governance arrangements in place. Organisations that are companies or charities are particularly regulated.

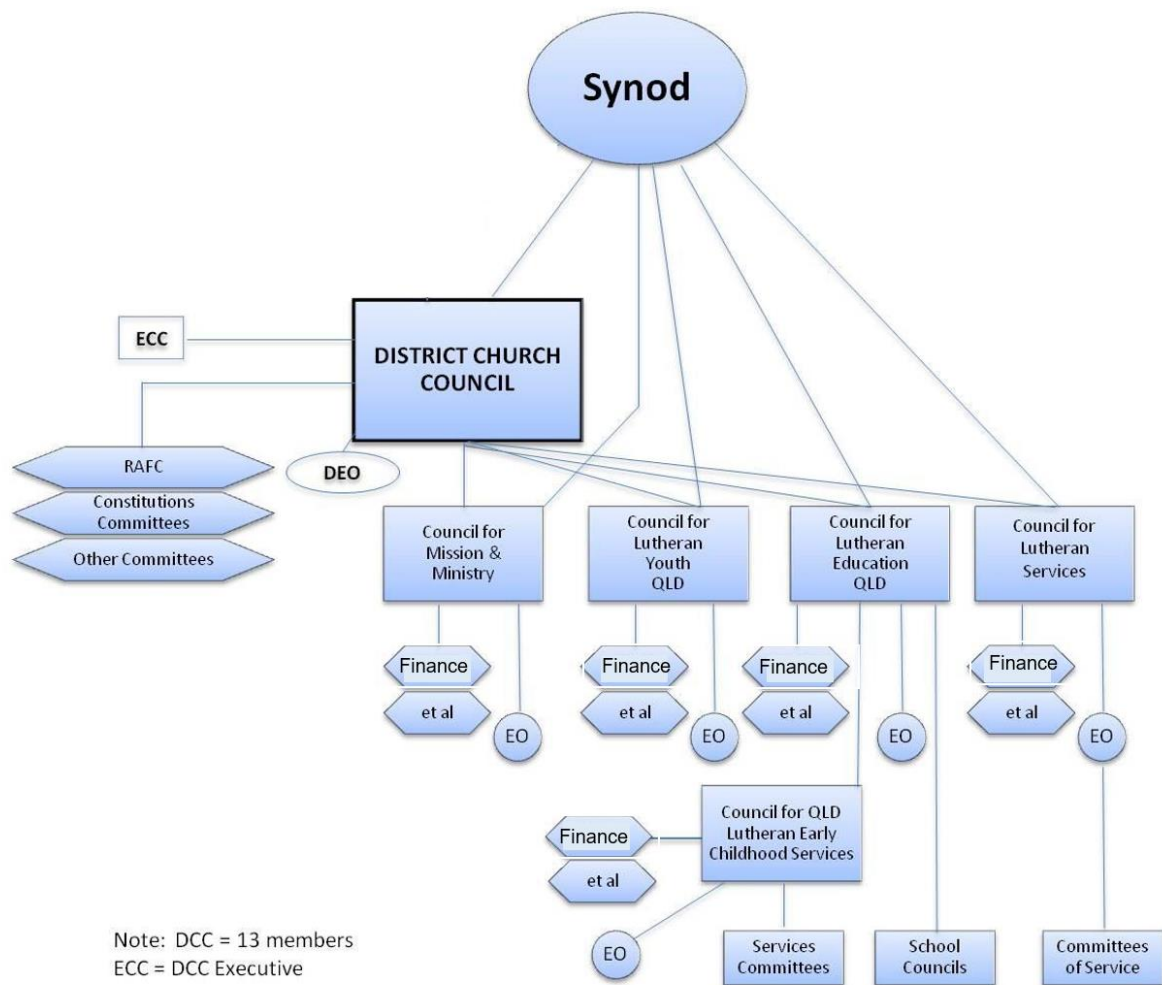
Given the multi-million-dollar, significantly government funded, not-for-profit businesses that LCAQD has operating in its name (e.g. Lutheran Education & Lutheran Services) it is prudent for LCAQD to ensure it is meeting these secular standards of best practice.

The good news is that the Church already upholds many of these standards of good practice including standards of respect, honesty, integrity, commitment, competency, stewardship, diligence and ethical behaviour. The Lutheran Church of Australia has a set of minimal governance standards that are outlined in its Governance Framework document. In its Strategic Direction 2013 to 2018 document the Lutheran Church of Australia only lists three strategic priorities for the Church. The third priority is "We are at all levels well governed, run with effective structures and processes, financially sustainable, professional and accountable".

At the early stage of the 21st century, it is vital for our LCAQD to address how it should restructure itself so that it meets both church and modern secular requirements of good governance.

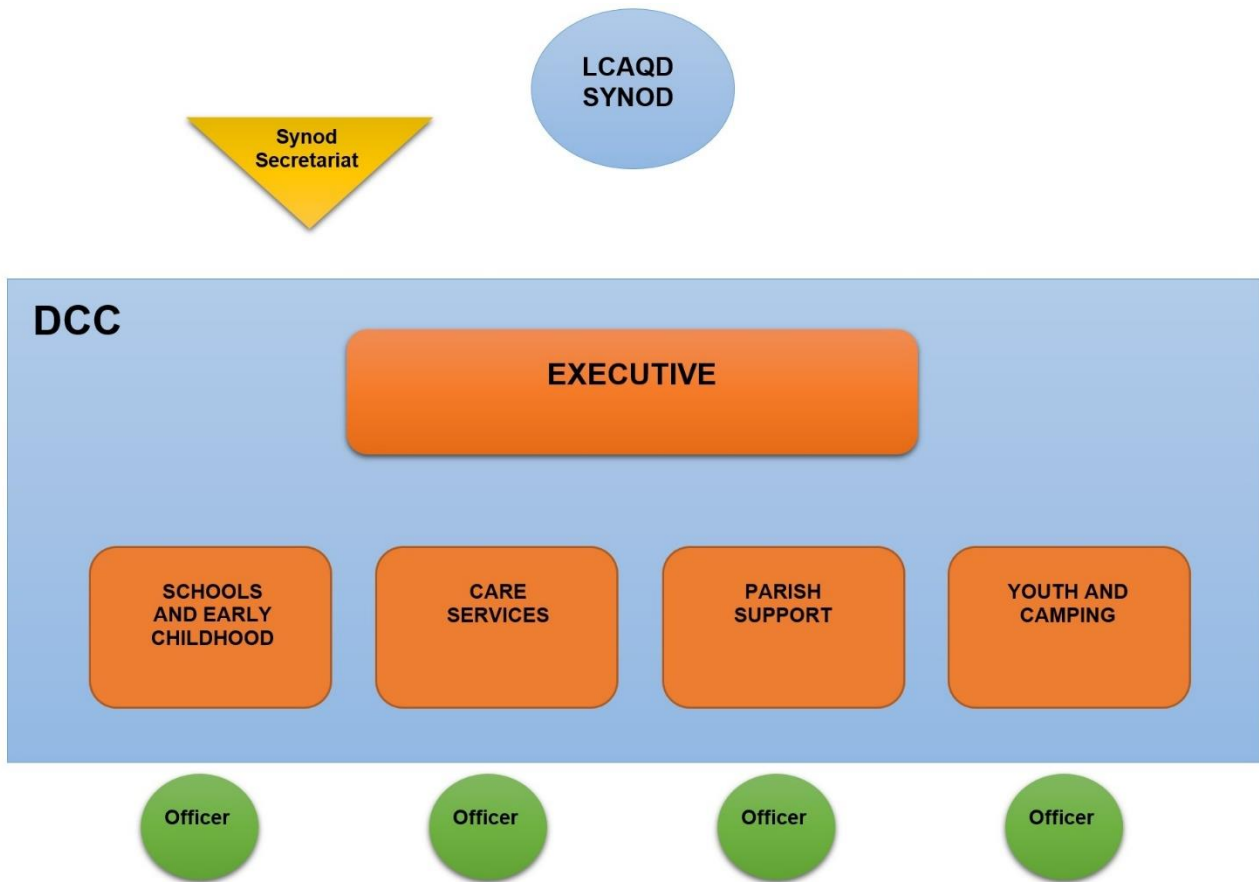
3. THE CURRENT STRUCTURE OF THE LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT

Current LCAQD Structural Arrangements



4. PROPOSED GOVERNANCE MODEL

(Finalised at the last Governance Workshop of DCC and LCAQD Departmental Representatives March 24th, 2018)



BASIC SUMMARY OF ELEMENTS OF PROPOSED MODEL

1. MEETINGS:

Full DCC meets at least twice a year.

DCC Executive meets six times per year.

Each Oversight Council meets at least six times per year.

2. FULL DCC MEMBERSHIP:

The DCC includes all members of Oversight Councils plus Bishop, 2 Assistant Bishops.

3. EXECUTIVE MEMBERSHIP: 11 members.

The DCC Executive is made up of the LCAQD Bishop, the two LCAQD Assistant Bishops and 2 representative persons from each of the four Oversight Councils.

4. OVERSIGHT COUNCIL MEMBERSHIP: 7 members.

Each Oversight Council is made up of six members and one pastor.

5. SYNOD SECRETARIAT:

Includes Bishop and Executive Officer. Other office staff as required from time to time.

5. DETAILED DESCRIPTION OF THE PROPOSED OF MODEL

1. DCC

In this proposed model, the LCAQD would have four Oversight Councils within a full DCC. This includes an Executive of the DCC. The District Bishop and two Assistant Bishops and all members of the Oversight Councils are members of the full DCC.

The District Bishop would be a member of DCC and of the Executive and he would also be an ex-officio member of each 'Oversight Council'.

In this proposed model, the full DCC meets at least twice a year and is responsible for strategic oversight, constitutional compliance matters for Synod, submitting budget and reports to Synod. The full DCC would appoint at least two small standing committees:

- (a) a Governance Committee (incorporating Constitution)
- (b) a Finance and Risk Committee.

2. EXECUTIVE

The DCC Executive would be comprised of two representatives drawn from each of the four Oversight Councils. The Executive also includes the District Bishop and two Assistant Bishops. The DCC Executive meets six times a year and is responsible for all Synod-wide activities and governance matters, cross-Oversight Council matters and any other matters affecting these four Councils.

3. OVERSIGHT COUNCILS:

All other activities of the District would come under the operational control of four "Oversight Councils." Each Oversight Council would have seven members, appointed by Synod, who are appropriately skilled to govern that area of ministry. One of the seven would be a "Leading" pastor of the District.

Each Oversight Council would have full authority and delegations for its area of governance oversight established through "Authorities and Delegations" policies of the District. The legal status of each Oversight Council would be established by By-Laws of the District.

CEOs would report directly to their relevant Oversight Council and these councils would establish their own advisory committees as required.

The first 'Oversight Council' could be titled 'Schools and Early Childhood' and it would focus on governing the early childhood services and education services of LCAQD. This Council could have one or more executive officers reporting to it, for example, a Director for Lutheran Early Childhood Services and a Director for Lutheran Education. This Council's duties would include much of the work currently undertaken by the Department for Lutheran Education and the Queensland Lutheran Early Childhood Services.

The second 'Oversight Council' could be titled 'Care Services' and it would focus on governing the Lutheran Services ministries of LCAQD. This Council's duties would include much of the work currently undertaken by the Department for Lutheran Services Queensland and it could have one or more executive officers reporting to it.

The third 'Oversight Council' could be titled 'Parish Support' and it would focus on the wider collaboration of the ministries of the District within parish areas. This would include congregation support. This Council's duties would include much of the work currently undertaken by the Department for Ministry and Mission and could have at least one or more executive officers reporting to it.

The fourth 'Oversight Council' could be titled 'Youth and Camping' and it would focus on governing the youth ministries and camping activities of LCAQD. This Council's duties would include much of the work currently undertaken by the Department for Lutheran Youth Queensland and it could have one or more executive officers reporting to it.

With the adoption of this model, the current Department structure would cease to function.

4. SECRETARIAT:

Most day to day Synod-wide functions, such as relations with LCA National, ecumenical relations, pastor HR matters etc., under this model would be managed and acted upon by a Synod Secretariat that would consist of a Bishop's Desk (Office) and a District Administration Office (DAO). The DAO would be headed by a senior Executive Officer/Administration Manager/Corporate Secretary. The DAO would include a 'Property/Titles Office'.

The DCC oversees the provision of the cost of maintenance of the Synod Secretariat.

5. SUMMARY:

KEY ADVANTAGES OF THIS PROPOSED MODEL:

1. Enables the Bishop and Assistant Bishops and lay people appropriately-skilled in governance to participate in the Oversight Councils and Executive of their District.
2. Reduces the call on an overall pool of people from approximately 60 plus persons required in the current structure to 31 persons in this governance structure.
3. Significantly reduces tiers of governance thereby reducing a number of areas of current duplication; and should allow for much speedier decision-making by the specifically focused governing bodies.
4. Enables collaboration on resource sharing for the mission of God in the LCAQD.
5. Complies with District By-Laws Part A.
6. Ensures ongoing authority of District Synod and delegates, over the ministry areas of the District.

KEY OPPORTUNITIES OF THIS PROPOSED MODEL:

1. We have opportunity to create a governance system where there is no 'tried and tested' model to meet our needs.
2. We have opportunity to create a governance system where changing our approach can develop better resource sharing across the ministry areas of the District.

6. BASIC PROPOSED TIMELINE FOR CONSIDERING THE PROPOSED MODEL:

In the consideration of this proposed model, it is important to understand the significant work that would be required to ensure proper provision for a new governance structure in our District Church. This was a key element at the March workshop which established the preferred governance model to be presented to District Synod, 2018.

This "significant work" involves the development of By-Laws relevant to the proposed model and it involves the development of appropriate "authorities and delegations."

Subsequently, the following timeline shows how our District would give proper consideration of the full provision of this preferred model, with the development of relevant By-Laws and of appropriate authorities and delegations:

June 2018:

Proposals to Synod relating to Delegates' support for the proposed Governance Model.

July 2018 to May 2019:

DCC oversees the development of new By-Laws and Authorities and Delegations policies relevant to the implementation of the proposed model. *(This work would include the engagement of the Department Councils of the District, the LCAQD Constitutions Committee, the LCAQD Risk Audit and Finance Committee, as well as the delegates and Congregations of the District.)*

May 2019:

Final proposals with By-Laws and Authorities and Delegations are distributed to delegates for consideration prior to June 2019 District Synod.

June 2019:

Synod considers proposals.

June 2019:

In the event that Synod adopts tabled proposals for governance, then the LCAQD would begin operating with its new model.

7. APPENDICES:

APPENDIX 7.1

THE OBJECTS OF THE LUTHERAN CHURCH OF AUSTRALIA, QUEENSLAND DISTRICT:

The Objects of the Lutheran Church of Australia, Queensland District are aligned with the Objects of the Lutheran Church of Australia which are to:

- (a) fulfil the mission of the Christian Church in the world by proclaiming the Word of God and administering the Sacraments in accordance with the Confession of the Church laid down in the preceding Article II;
- (b) unite in one body Evangelical Lutheran congregations in Australia and New Zealand for the more effective work of the Church;
- (c) promote and maintain true Christian unity in the bond of peace;
- (d) ensure that preaching, teaching and practice in the Church are in conformity with the Confession of the Church;
- (e) provide pastors and teachers and other church workers for service in the Church and its congregations, and for this purpose to establish and maintain institutions for their training;
- (f) encourage every congregation to carry out its mission to its local community;
- (g) establish, develop and support new congregations where it is not possible for individual congregations to do so;
- (h) support and cooperate with selected churches in other lands as they seek to carry out their mission;
- (i) dialogue with other Christian church bodies;
- (j) establish and maintain schools and other institutions and to foster all other means whereby the members of the congregations receive Christian education;
- (k) cultivate uniformity in worship, ecclesiastical practice and customs in accord with the principles laid down in Article X. of the Formula of Concord;
- (l) publish, procure, and distribute literature compatible with the Confession and principles of the Church;
- (m) minister to human need in the name of Jesus Christ our Lord in the spirit of Christian love and service, and to provide institutions and agencies for this purpose; and
- (n) take such action as is necessary for the protection of the congregations, pastors, teachers and other church workers in the performance of their duties and the maintenance of their rights.

APPENDIX 7.2

THE STRATEGIC CHARTER OF THE LUTHERAN CHURCH OF AUSTRALIA, QUEENSLAND DISTRICT 2017 - 2021

OUR CHARTER:

Engaging people with God's love in everyday life
God grows us as his people to a mature faith in Christ—a faith that comes to life through effective witness and service, so that people everywhere may know Christ and his love.

Adopted at District Synod, June 2017

OUR STAKEHOLDERS:

The strategic charter is to guide the mission of the people and entities of the Lutheran Church of Australia, Queensland District which includes our Departments; our congregations; our workers: volunteers, employees and pastors.

OUR STRATEGIC PRIORITIES:

As the people of the Lutheran Church of Australia, Queensland District, our mission charter is guided by the following strategic priorities:

[A] Growing Together

We engage people with God's love in everyday life by working together and growing as God's people. St Paul uses the image of the "body" to explain how God's Church is made up of many parts working for the common good.

- (i) Strengthening our identity – celebrating what we've received and growing as a church of the Lutheran witness to Christ.
- (ii) Working together effectively as the people of the Church with common purpose
- (iii) Ensuring that our Lutheran communities are known as places which celebrate God's love
- (iv) Growing as a church which inspires collaboration amongst Christian Church denominations

[B] Reaching Out Together

We engage people with God's love in everyday life by developing our outward focus to the communities where God places us. The Risen Lord send us to his witnesses "to the ends of the earth."

- (i) Expressing ourselves in contextually relevant ways (making theology & worship relevant)
- (ii) Ensuring that the Church is known as a place of trust and care
- (iii) Growing intergenerational church communities
- (iv) Each person growing through their participation in the care of our Lutheran communities
- (v) Developing a strong sense of being a thriving church which is always increasing in mission work
- (vi) Establishing a strong presence in new communities

[C] Success & Sustainability

We engage people with God's love in everyday life by ensuring that we are resourced and organised for growth and outreach. In the book of Acts we learn in the sixth chapter, that the early Church established resourcing strategies to provide for the work of the Gospel.

- (i) Enabling all people for stronger participation in the mission of the church
- (ii) Developing pathways for leadership development and for the ongoing formation of the people of the Church
- (iii) Ensuring effective governance which includes equipping governance leaders, establishing succession planning and the ongoing review of District Structures
- (iv) Ensuring every worker has a fulfilling vocation
- (v) Communicating purposefully internally and externally.

APPENDIX 7.3

KEY GOVERNANCE PRINCIPLES UNDERPINNING THE MODEL

(as from the document: LCAQD Governance Review: Stage 1 Final Reviewers Report Dec 2017)

1. The future governance framework and system within LCAQD should facilitate ('make it easy for') the church to effectively conduct mission & ministry into the long term future – including maintaining strong links with each of its mission & ministry areas; not requiring too many people to serve on governing bodies of the future; and having a system that enables young people to be actively involved in governance. This statement embodies the principles of relevance, simplicity, effectiveness, efficiency such as the minimization of duplication and flexibility; and that the governance system should focus on and facilitate 'core business', compliance to mission and 'sustainability'.
2. Anyone involved in the governance of LCAQD should be competent to do so, that is, be able to demonstrate the competencies expected in modern good governance. This applies to all voting members of Synod, LCAQD governing bodies and LCAQD governance sub-committees. This statement embodies the principles of competence, integrity, diligence, and effective risk management.
3. Authority for making governance decisions, whilst always meeting the principles of good governance, should be as close as possible to actual mission and ministry as it is competent to do so. This statement embodies the principles of subsidiarity, empowerment and knowledgeable responsiveness/agility because of being 'close to mission'.
4. Governors and governing bodies that are part of a wider body of fellowship (in this case the fellowship of believers that is LCAQD), should see themselves at all times as only a part of a much bigger 'whole' and be active 'whole team' players at all times. This statement embodies the principles of mutual interdependence, collective wisdom, collaboration, teamwork and humility.
5. Bodies involved in governance within LCAQD should have data and communication systems structured such that they can provide genuine and easily understood assurance to the LCAQD Synod, sister governing bodies within LCAQD, to their peers within LCA national and to the Queensland public that they are actively governing well. This statement embodies the principles of good communication, quality assurance, accountability to 'owners', accountability to peers and accountability to the community.
6. All leaders, whether in governance, management or service delivery, should model, that is demonstrate, on a day to day basis expected behaviour; encourage good culture; and enforce compliance to expected good behaviour. This statement embodies the principles of ethical behaviour, good leadership and performance management.
7. Structures, by-laws, policies & processes should reflect other good governance practices including:
 - 7.1. 'Arm's length' decision making (principle of the separation of powers between 'owners', governance and management)
 - 7.2. Clarity, including clear terms of reference and clarity of responsibilities, accountabilities and authority (principles of clarity, transparency and accountability)
 - 7.3. Clarity about the persons and Bodies accountable under the law for actions or failures to act lawfully including defining the Directors and Officers of the LCAQD (principle of legal transparency)
 - 7.4. Each governing body should structure its time and processes such that it is able to fulfil all its responsibilities of good governance. This typically would involve a governing body developing and achieving a plan of work each year (principles of planning and being strategic).
8. Change and 'change processes' should reflect best practice (principles of respect, consultation, quality improvement and change management).

*"Therefore,
my beloved,
be steadfast,
immovable, always
excelling in the work
of the Lord, because
you know that in the
Lord your labour
is not in vain."*

[1 Cor 15:58]



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