

AGENDA 2.3.22

Changes to the LCA national structure to be halted

(See also Agenda 2.2.2)

PROPOSED MOTION

Submitted by St John's Lutheran Church, Dernancourt SA

BE IT RESOLVED that consideration of all motions that flow from the Governance and Administration Review be deferred until:

1. the total cost of governance across the LCA is being reduced;
2. the relationship and roles of the National Church and Districts is addressed;
3. the issue of sustainably financing the Districts and National Church is resolved;
4. the role of the Convention of Synod in electing boards and committees is upheld;
5. the model for the General Church Council changes from a corporate to a churchly one.

REASONS FOR THE MOTION

1. What was targeted?

When the Governance and Administration Review (GAR) was established at the Novar Gardens Convention, the reason for the proposal included the following:

The review will target:

- *Reducing the human and financial resource quantum currently used for governance and administration*
- *Reducing the total number of LCA governing and administrative bodies through supported consolidation of responsibilities*
- *Reducing the total cost of governance across the LCA including its Districts*
- *Reducing the total cost of administration across the LCA including its Districts*
- *Reducing the minimum number of people required to be on a committee*
- *Ensuring supporting administrative secretariats that are reflective of local needs* (Book of Reports, p16)

In an earlier attempt at reform (2009), President Semmler stated: *The aim is not to increase any permanent or unnecessary bureaucracy.*

The reality has proven different. While the numbers employed in the LCA's National Office for 2009 aren't available, the more recent figures are:

2013 – 43 (24 FT, 19 PT)

2015 – 54 (25 FT, 29 PT)

2018 – 77 (41 FT, 36 PT)

If the General Church Council (GCC) is focused on 'reductions', why do we have very significant increases in staffing?

1. Unfinished business

GAR Recommendation 24 reads:

... in accordance with the Strategic Priorities of the church and in the interests of access and equity, the GCC develops a proposal by which congregational funding of the church goes directly from congregations to the national church.

The GCC did not accept this recommendation. Instead it undertook to produce an 'options paper' and implement any changes 'in cooperation with the Districts' (2015 Book of Reports, p157). The GCC's decision appears to reflect an assessment that this change is in the 'too-hard basket'. The question of the direction in which finances flow and how Districts and the National church should complement one another will be

difficult to resolve by agreement between the parties involved. However, until such basic issues are addressed, and the relevant parties have agreed to a solution, a foundational pillar of any form of LCA governance and administration is lacking.

2. Finances

Concern at declining finances was a crucial, if not the major, reason for undertaking the GAR. Instead of creating greater efficiencies and reducing expenditure, there has been a sharp increase in LCA spending. This has been funded largely through the generosity of the Lutheran Laypeople's League (LLL) – in the vicinity of \$5,000,000 in 2016-17. At a time when congregations and Districts are struggling financially, there is increasing expenditure by the National Church – expenditure that is beyond the control, influence or oversight of delegates. Is this a healthy arrangement? While the LCA should be thankful to the LLL, is this approach sustainable? Shouldn't LCA expenditure be more in step with congregational giving, and also more accountable to Convention?

3. Composition of the General Church Council (GCC)

Under the GAR recommendations, the GCC becomes a body with 'competencies', not a representational one as currently. There are to be nine members: the Bishop, his Assistant and one pastor together with six laypeople. The laity must include the following skills: *mission expertise and experience in a local context; legal/governance; financial/accounting; human resources; organisational and change-management experience* (2015 Book of Reports, p27).

Delegates get to elect six laypeople to the GCC – all names put forward by the Nominations committee (SCON). Five of these six positions would fill the five competencies. The SCON also needs to ensure: *Due regard is given to geographic and gender balance to ensure that a broad cross-section of the interests and needs of the wider church are heard* (2015 Book of Reports, p 27). Finding suitable nominees would be a significant challenge for the SCON. District Church Councils, or Synods, are better placed than the SCON would be to suggest names for the GCC. Removing District representatives from the GCC appears a retrograde step. One reason for saying this is the GAR's Recommendation 16 which seeks a review/reduction in the role of Districts in favour of a greater National one. If there are no longer District representatives on it, the new GCC will no longer see this change as being in the 'too-hard basket'.

The GAR's recommendations propose a corporate-style GCC similar to that of a company such as BHP whose shareholders focus on technical expertise when electing their board. However, the purpose and goals of the LCA are very different from those of a company such as BHP. The proposed corporate-style GCC may lack the competence to integrate governance with our confessional theology. This could be catastrophic.

Between Conventions the GCC has the churchly function of acting on behalf of the delegates. Apart from anything else, this means the GCC needs to be representative of the views of the parishes and pastors of Synod. Naturally, when necessary, it will seek the best available secular advice. If it is representative of the wider, grassroots church the GCC can be confident its decisions on such advice will be acceptable to delegates in Convention.

4. Accountability

The GAR's proposals mean the GCC is the only board elected at Synod. Delegates can't nominate persons for GCC. Only the SCON can. But they in turn are appointed by the GCC. Is this inbred arrangement a wise one? How can Convention hold boards accountable for funding of initiatives and programs if it has virtually no role in electing them? An example highlights the concerns. An Assistant to the Bishop – Public Theology has been appointed (announced May 25, 2016). This position is funded by the LLL (\$152,000 in 2016; \$60,000 in 2017). Much of the Assistant's work duplicates the role of the Commission on Social and Bioethical Questions. This is contrary to the goals of the GAR. Other tasks include drafting *Heartland eNews* columns like the one on

Harmony Day. With congregational giving decreasing, should delegates approve a review that allows initiatives like this?

5. Positive Alternatives

It would be good to have a governance and administrative structure in the church:

- a. where the GCC and other committees are more accountable to Convention;
- b. that is largely financed by members' offerings;
- c. in which longstanding District–National church tensions are resolved;
- d. where the GCC is representative of the parishes and pastors of Synod, and where churchly experience and involvement at the congregational level is strongly represented and appreciated;
- e. that treasures the church's confessional theology, and ensures the Objects of the LCA's Constitution form the foundation for governance and administration.