

Governance Policy

1. Purpose and bias

The purpose of this document is to outline specific governance and advisory structures within the Lutheran Church of Australia (LCA) and specify key governance policies relating to these structures.

To understand what governance is, how it relates to the LCA (or 'the church') and the key governance principles that the church has adopted, please refer to the separate LCA document titled, 'Governance Framework'.

This Governance Policy and subsidiary policies and procedures are based on principles that:

- conform to the objects of the LCA
- are consistent with the constitution and by-laws of the church
- meet good governance requirements of 21st century Australia and New Zealand.

These governance policies apply to all governing bodies within the church, including boards, councils, committees and commissions established to support the functioning of the church. The policies specify the structure of these bodies within the organisation, their relationships and accountabilities within the organisational structure, and are designed to guide the functioning of these bodies. The policies promote:

- consistency across all relevant bodies
- relevance in different settings
- current best practice.

All bodies, and the members of such bodies, entrusted to undertake decision-making and/or advisory responsibilities on behalf of the church, are bound by the discipline of these policies.

This policy document is a work in progress and will be improved over the years based on user feedback.

Bodies covered by this policy are diagrammatically represented as follows:

	Level	Entity	Appointed by	ToR in Constitution
G O V E R N A N C E	1	General Synod and District Synods		
	2	Church boards (GCB/DCCs/DCBs/CoS)	<u>Elected</u> by Synod	Yes

A D V I S O R Y	3	Boards and councils reporting to GCB and DCCs/DCB/CoS	GCB or DCCs/DCB/CoS	Yes
	4	(Sub)committees of GCB, DCCs /DCB/CoS, boards and councils	GCB, DCCs/B CoS, board or council	No
		Commissions	GCB or DCC/B/CoS	No
	6	Office of the Bishop advisory committees	Office of the Bishop Executive	No
	7	Other entities	Membership	No

Notes:

Unless varied by General Church Board (GCB) in a particular instance:

1. All terms of reference (ToRs) and constitutions are subject to recommendation by the Standing Committee on Constitutions to the approving body.
2. All nominations to groups in Levels 2 to 6 are subject to recommendation by the Standing Committee on Nominations to the approving body.
3. ToRs for Levels 4 and 5 are subject to minimum requirements stipulated in the Governance Policy.

Definitions

- **Church:** the Lutheran Church of Australia

2. Church governance

General Synod

The highest power of the church is exercised through the General Synod, which remains the highest constitutional authority of the church, with power to direct and control those to whom it has entrusted tasks or delegated authority (Constitution, Article 7.1).

The powers and responsibilities of the General Synod are articulated in the constitution and by-laws (Constitution, Article 7 The General Synod).

The General Synod consists of delegates who shall comprise the voting members at the regular and special conventions of General Synod.

Delegates to General Synod shall each be qualified with competencies so that General Synod can competently and fully carry out its solemn role and responsibilities as the highest constitutional authority of the church.

General Church Board

The General Church Board (GCB) is the peak governance body of the church. It is accountable to the General Synod. In serving the members of the church and the wider community, the GCB accepts overall stewardship of the mission of the church and assumes the authority and accountability vested in it by the General Synod.

Within the organisation, the GCB takes the role of servant leadership: it is servant before it is leader. In discharging its leadership responsibilities, the GCB is subject to the objects of the church, with its first and foremost duty to 'fulfil the mission of the Christian church in the world' (Constitution, Article 3 Objects).

The GCB is also the legally responsible body for the Lutheran Church of Australia Incorporated. The individual members are separately and collectively legally accountable for the decisions they take on behalf of the incorporated body. It is important that it has the capacity to make decisions that are in the best interests of the church and comply with all relevant laws.

In electing persons to the GCB, delegates at General Synod should satisfy themselves that each person nominated is qualified with competencies such that together they will be able to competently and fully carry out their important fiduciary and statutory duties as members of the peak governance body of the church.

Other church boards

Note: The following applies generally throughout the church but specifically to entities reporting to GCB. Districts may make different decisions in regard to operations within their sphere of authority, but such decisions will be consistent with the spirit of this churchwide policy.

Boards are responsible for the governance of incorporated bodies established by the church. In certain circumstances, a board may also be established for the governance of unincorporated bodies where it is necessary to meet external regulatory or legislative requirements.

Boards are established to take responsibility for decision-making in areas of the church such as:

- overseas humanitarian and local community services work
- educational interests, including primary and secondary schools
- the institution for theological education.

The General Synod makes decisions regarding the role and composition of boards that it considers necessary to be established for the church to:

- maximise its ministry benefits
- minimise the risks in carrying out key ministry areas of the organisation.

The boards of the church are, through their constitutions, accountable to the church (usually GCB, and through it, to the General Synod).

Some of the constitutions and/or terms of reference of the boards of the church are

contained within or form part of the constitution of the church.

Councils

Councils are established to provide strategic and policy advice to the GCB in areas such as mission policy and practice.

Councils function according to terms of reference, approved at a General Convention of Synod. These terms of reference are contained within or form part of the church's constitution.

Councils are distinct from boards in that they are not responsible for the governance of a legal entity. Councils are distinct from committees in that they are delegated a higher level of decision-making authority.

Councils are responsible for achieving the tasks delegated to them in their terms of reference and are accountable to GCB.

While GCB may delegate responsibilities to a council, it remains accountable for the actions (or lack of action) by a council.

Other incorporated bodies

Other incorporated bodies may be established to provide support to further the objectives of approved ministries of the church. If a board or other entity is seeking to establish an incorporated body to provide ancillary services and support for an identified ministry, application must be made to the GCB, and the proposed constitution reviewed and recommended for approval by the Standing Committee on Constitutions.

3. Advisory management structure

Governance and management relationship

Governance responsibilities involve a continuum of issues that must be addressed in practical ways. In fulfilling its servant-leadership responsibilities and its covenant with the General Synod that elected it, the GCB may engage staff and appointed bodies to carry out a range of supporting functions.

A coherent organisational structure, identified according to the mission and values of the church, provides the means to facilitate and support this governance work. In this structure, the GCB is responsible for issues at the broadest, overarching level, while staff and appointed bodies are delegated to addressing and administering more specific roles and responsibilities.

The GCB determines the authority given to the executive officers/management and appointed bodies, paying due attention to systematic and sound delegation of the responsibilities involved. Similarly, there is clarity regarding the reporting requirements and accountability expected in return.

As the highest governance board within the church, the GCB puts a high priority on developing and strengthening its relationship with the individuals and bodies entrusted to support its stewardship of the church.

General Church Board: advisory structure

The General Synod delegates to the GCB the authority to create bodies that it considers necessary to assist it in fulfilling its governing accountability. This delegation provides the GCB with the flexibility and ability to put in place structures that will best support the work of the church in an ever-changing and dynamic environment. The two types of such bodies, in addition to the councils outlined in Section 2.4, are as follows:

GCB committees

Committees exist to deal with operational issues and provide administrative advice to the GCB in areas such as loans, finance, audit and risk management, nominations for membership, and constitutional matters.

These committees function according to terms of reference (ToR), set by the GCB, upon review by the Standing Committee on Constitutions. These ToRs may vary from time to time to allow for focus and flexibility.

All the GCB committees are required to report to the GCB at regular intervals prescribed by the GCB.

Committees are responsible for achieving the delegated tasks in their ToR and are accountable to GCB.

GCB working groups

Groups exist to address specific issues and provide relevant advice to the GCB in areas such as responding to government commissions and inquiries, responding to changes in the regulatory and legislative environment, and reviewing or developing policy in areas not covered by other bodies of the church.

The GCB is responsible for establishing and approving the ToRs for such groups, which are generally established for a defined period.

The ToRs for these working groups may be amended by the GCB, as deemed necessary from time to time.

Working groups are responsible for achieving the delegated tasks in their ToR and are accountable to GCB.

Other boards of the church: advisory structure

Boards may create committees, as necessary, to assist and support the ministry objectives to be achieved. Committees exist to deal with operational issues and provide administrative advice to the board in areas such as finance, audit and risk management and regulatory and legal compliance matters.

Boards are responsible for establishing and approving the ToRs for such committees, subject to review by the Standing Committee on Constitutions.

The ToRs for these committees may be amended by the board, as deemed necessary from time to time, subject to review by the Standing Committee on Constitutions.

Council advisory structure

Councils may create committees and/or sub-committees that are considered necessary to provide further in-depth advice on and support for their range of responsibilities. For example, committees may be established to consider:

- the needs and concerns of aged care, and a sub-committee may be established to address a communication strategy
- youth and family may be established as a committee with a sub-committee established to focus on the generation of study material.

The ToRs for these committees and/or sub-committees may be amended by the council, as deemed necessary from time to time, subject to review by the Standing Committee on Constitutions.

Management advisory structure

Management advisory committees exist to provide advice and support to the Bishop and executive officers who are accountable to GCB. These officers may create advisory committees to provide guidance on external issues, such as international mission, reconciliation, and public theology or specific areas, such as support for church workers and Lutheran archives, and ensure up-to-date functioning in areas of communication, professional standards and use of technology.

These committees function according to ToRs set by the Bishop and/or Executive Officers, subject to review by the Standing Committee on Constitutions. They do not have any delegated decision-making authority.

The ToRs for these advisory committees do not form part of the constitution of the church and may be amended by the Bishop and Executive Officers, as may be deemed necessary from time to time, following review by the Standing Committee on Constitutions.

Commissions of College of Bishops

Commissions exist to provide advice to the College of Bishops. The College of Bishops may recommend to GCB the creation and oversight of whatever commissions that it considers necessary to dialogue with congregations and external bodies on theological matters such as worship, theological and inter-church relations, and positions by the church on social and bioethical questions.

These commissions function according to ToRs approved by GCB on the recommendation of the College of Bishops, following a review by the Standing Committee on Constitutions.

The ToRs for these commissions do not form part of the constitution of the church and can be amended by GCB, as may be deemed necessary from time to time, subject to review by the Standing Committee on Constitutions.

Other entities

GCB may, on application from a proposing group, authorise the establishment of an entity that supports furthering the objects of the church, conforms with the policies of the church and meets other criteria that are set from time to time by GCB.

4. Membership of boards, councils, committees and commissions

Recruitment of membership policy

The Standing Committee on Nominations is responsible for the process of nominating a potential membership and making recommendations to the Convention of General Synod or the appropriate decision-making body.

The policy on the **recruitment of members of boards, councils, committees and commissions** sets out:

- the processes of election and/or selection of members for GCB, boards, councils, committees and commissions who are communing members drawn from congregations on the Roll of Congregations
- the process for recruitment and appointment of non-Lutheran members.

Composition of membership policy

The policy for the **composition of councils, boards, committees and commissions** sets out:

- membership and mode of appointment
- competencies, responsibilities and tenure of appointees.

5. Rules for making decisions and providing advice

Boards, councils, committees and commissions speak authoritatively when the body passes an official motion at a properly constituted meeting. Decisions and advisory notifications are to be clarified verbally during the meeting, recorded in writing, and read back to the members present for confirmation.

Statements by individual members have no authority: decision-making and advisory bodies speak with one voice or not at all. 'One voice' does not require a unanimous vote, but it does require all members to respect the decision made.

6. Conflict of interest policy

The policy for **conflict of interest** provides a framework for:

- members to declare conflicts of interest
- the membership body to determine how to deal with situations of conflict.

7. Review/appraisal processes

Boards, councils, committees and commissions are subject to a regular review/appraisal process. The policy for **review/appraisal processes** sets out the purpose and frequency of the processes and the procedures to be followed.

8. Terms of reference

The terms of reference (ToR) will provide a framework to guide the work of the councils, committees and commissions. The ToR will include the following provisions, with the detail adapted to meet their specific requirements and circumstances. If any provision is not included in the ToR, the provisions of this policy will apply, as required.

For boards, their constitution or governance policy (as applicable) will include the following provisions, with the detail adapted to meet their specific requirements and circumstances. If any provision is not included in their constitution or a board-approved governance policy, the provisions of this policy will apply, as required.

Name and relationship to the church

Articulation of to whom the board, council, committee or commission is accountable

Membership and mode of election

- The number of members and their eligibility requirements
- The method of election and/or appointment
- The number of advisors and their eligibility requirements

Categories of membership and voting privileges

- The eligibility and method of election/appointment of the chairperson
- Voting rights of members and the chairperson
- Rights of advisors

Competencies

The ToR will articulate the skills, qualifications and experience requirements necessary to establish a competent board, council, committee or commission with the capability to carry out its work effectively.

A diverse membership is a critical feature of a competent board, council, committee or commission. The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the board, council, commission or committee to fulfil its role.

Responsibilities

The ToR is required to outline the key responsibilities of the board, council, committee or commission.

The ToR of a committee or commission must not include any responsibilities that can only be held and exercised by a board or council. These include but are not limited to:

- setting the strategic direction
- approving plans for resourcing, funding and personnel
- appointing executive officers.

Tenure

A maximum of three synodical terms, for all members.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a board or council for the maximum term is eligible to continue to serve on a committee of that board or council, or in another capacity connected to the work of the entity/ministry.

Frequency and notice regarding meetings

The ToR will provide for the process to call meetings, with an agenda and accompanying papers available to members at least one week before the meeting.

Quorum for a convened meeting

A majority of members constitutes a quorum for the meeting.

Fiscal year and requirement for external audit

The fiscal year is the calendar year or the Commonwealth financial year on approval by the General Church Board. Boards and councils will require an external audit. It will be done in compliance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

Conditions for removing a person from a board, council, committee or commission

The removal of a member will follow a fair and due process.

A motion to remove membership rights is presented to and voted upon by the appointing or delegated body.

Reference documents

Constitution and By-Laws of the Lutheran Church of Australia Incorporated (2018)
LCA Governance Framework (2020)

1. Recruitment of membership policy

The church provides the opportunity for its membership to participate in and serve on the boards, councils, committees and commissions of the church.

This policy document describes the process by which people can nominate for positions. It also allows for eligible entities and officials to nominate people to serve on boards, councils, committees and commissions.

The recruitment process for boards, councils, commissions and committees is guided by the imperative to achieve a competent board, council, committee and commission.

2. Implementation of the policy

This policy requires and outlines:

- clear and transparent processes for nomination and appointment of members to boards, councils, committees and commissions
- the need for explanatory communication to members and pastors regarding the recruitment process.

3. Nomination and recommendation processes

The Standing Committee on Nominations takes the key role in the process of nominating a potential membership and making recommendations to the appointing body. The Standing Committee on Nominations is a committee of GCB, reflecting its obligation to promote and progress sound governance measures. The work of this committee extends throughout the synodical term, with each member taking responsibility for tasks as assigned by the committee in order to meet its agreed work program.

Most appointments to boards, councils, commissions and committees are for a synodical term (three years), and serving members are subject to reappointment/election for a further synodical term unless they will exceed the term limits prescribed in the composition of boards, councils, committees and commissions policy.

Pre-Convention of General Synod (that is, before the end of the synodical period)

Adequate time must be made available for the recruitment of possible nominations/appointments for the next synodical term. This involves:

- the identification of suitable candidates and the capacity to retain/retrieve their details
- wide-ranging means of communication to advise the Church of the process
- listing of clear objectives of each board/council/commission/committee and descriptions of the work involved
- setting meeting dates for the forthcoming year.

The Standing Committee on Nominations will work with existing bodies to identify the competencies needed for effective functioning in its areas of responsibility and the competencies gaps that are currently evident.

The nominations process includes the following steps:

- Potential candidates must complete a nominations form that indicates acceptance of the role requirements and expectations of membership. This form will require the provision of information, including congregational affiliation, existing and past service in the church, relevant work experience, and the individual's expected contribution to the committee. The candidates will also need to provide the names and contact details of at least two referees.
- The Standing Committee will consider the nominations and determine a shortlist. In most cases the referees of the individuals on the shortlist will be contacted to confirm information provided on the form is correct and generally seek to establish their suitability for the role.
- The Standing Committee on Nominations will advise selected candidates that their names are to be submitted to the approving body (for example, the General Synod or GCB). Candidates not selected will be advised promptly and respectfully.
- The Standing Committee on Nominations meets to make recommendations to the approving body for their consideration.

Post-Convention of General Synod (that is, in a new synodical term)

The work of the Standing Committee on Nominations following the General Convention of Synod and throughout the new synodical period focuses on review and support. This will include:

- communications with the chairs of the various bodies in order to ascertain the progress of the body, especially in regard to adequacy of the membership profile and new challenges that might require additional resources or a change in the mix of individual competencies required
- liaison with each board, council, commission or committee, as well as with the Church Worker Support Department (or other relevant department) to ensure that each appointee is adequately inducted into the body's work, and ensuring that there is a positive and developing relationship between the chair and the appointee.
- collaboration with boards, councils, commissions and committees to prepare nominations to fill casual vacancies that may occur from time to time during the synodical term.

4. Processes of election and selection

Nominations for members for GCB, boards, councils, committees and commissions are drawn from communing members of congregations on the Roll of Congregations, according to the processes outlined above.

Recruitment of non-Lutheran members follows a similar selection process, which is subject to the Non-Lutherans on Governing Bodies Policy, and includes additional steps required before membership is confirmed. The chairperson of the respective board, council, committee or commission will be responsible for working with the prospective member in meeting the following minimum requirements:

- a clear articulation and acceptance of the mission of the church
- an understanding and acceptance by the nominee of the Lutheran values that are foundational to all decision-making
- signed acceptance of the governance principles of the church.

5. Induction and professional development

All members of boards, councils, committees and commissions will receive an induction and orientation. This will be the responsibility of the chairperson.

Members will be offered professional development opportunities. The nature of these opportunities will be generally identified during an annual self-assessment by the group. They will be commensurate with the level of responsibility and expectations of the governing group and its individual members.

The proposed course to be undertaken will be approved by the board or council chairperson. The costs will be met by the respective board or council.

Policy for Composition of General Church Board, Boards, Councils, Commissions and Committees

1. Composition of General Church Board

Membership and mode of election

The General Church Board (GCB) comprises nine members. Six members are lay, communing members drawn from congregations on the Roll of Congregations, and three members are pastors.

Two of the pastoral membership comprise the Bishop and Assistant Bishop, who are elected by the General Synod.

Lay membership and the third pastor are elected by the Synod. Candidates for this election are submitted as recommendations from the Standing Committee on Nominations. The list of candidates drawn up by the committee will comprise candidates who are suitably qualified and prepared for a governance position and will normally number more than the number of positions available.

Advisors may be appointed by GCB to contribute to identified areas being addressed by GCB. Each advisor must be a communing member of a congregation of the church.

Categories of membership and voting privileges

The chairperson of the GCB is the Bishop or a member of GCB elected by the membership.

All elected members have equal voting rights. In the case of an equal vote, the chairperson may elect to make a casting vote.

Advisors attend meetings at the discretion of the GCB and do not have voting rights.

Competencies

GCB collectively possesses members with a passion for mission and ministry and a broad range of relevant competencies including, but not limited to:

- mission expertise and experience in a local context

- legal knowledge
- governance competence and experience
- expertise in financial strategy and management
- experience in organisational and change-management and the implications for human resources
- current political understanding and insights.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the board to fulfil its role.

Tenure

A maximum of three synodical terms, for all members.

The maximum term for members may be extended by the General Convention of Synod in exceptional circumstances, including but not limited to situations where GCB is experiencing a high turnover of members, which will impact the effective functioning of GCB.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on GCB for the maximum term is eligible to continue on a committee of GCB or a working group established by GCB.

The tenure of an advisor is at the discretion of the GCB but will usually be for only a specified period of time.

2. Composition of boards and councils reporting to General Church Board

Membership

Boards and councils comprise up to seven members. Members are communing members drawn from congregations on the Roll of Congregations.

Advisors may be appointed by a board or council to contribute to identified areas being addressed by that board or council. Advisors are not restricted to members of the church and are appointed at the discretion of the board or council.

There will be a maximum of two advisors serving a board or council at any time. The board or council may seek a variation to this limit from the GCB if there are exceptional circumstances.

Categories of membership and voting privileges

GCB appoints the chairperson, or, in certain circumstances, nominates a chairperson for appointment by the legally responsible governing body.

All appointed members have equal voting rights. In the case of an equal vote, the chair may elect to make a casting vote.

Advisors do not have voting rights and participate in meetings at the discretion of the board or council chairperson.

Competencies

Members collectively possess members with a passion for mission and ministry and a broad range of competencies relevant to the nature of the board or council and its work, including but not limited to:

- expertise and experience in a context specific to the function of the council or board
- legal knowledge
- governance experience
- expertise in financial strategy and management
- experience in organisational and change-management and the implications for human resources
- current political understanding and insights.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the boards and councils to fulfil their role.

Mode of appointment

Members are appointed by GCB on recommendation from Standing Committee on Nominations, in consultation with the respective boards and councils.

Tenure

A maximum of three synodical terms.

The maximum term for members may be extended by the GCB in exceptional circumstances, including but not limited to situations where the board or council is experiencing a high turnover of members, which will impact on the effective functioning of the board or council.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a board or council for the maximum term is eligible to continue to serve on a committee of that board or council.

The tenure of an advisor is at the discretion of the board or council but will usually be for only a specified period of time.

3. Composition of committees reporting to General Church Board

Membership

Committees comprise up to seven members. The majority of members are communing members drawn from congregations on the Roll of Congregations; non-Lutheran members may be appointed, subject to a recruitment and induction process. The exceptions are the Standing Committee on Nominations and Standing Committee on Constitutions, which shall comprise of only communing members from congregations on the Roll of Congregations.

Advisors may be appointed by GCB at the request of a committee to contribute to identified areas being addressed by the committee. Advisors are not restricted to members of the church.

There will be a maximum of two advisors serving on a committee at any time. The committee may seek a variation to this limit from the GCB if there are exceptional circumstances.

Categories of membership and voting privileges

GCB appoints the chairperson.

All appointed members have equal voting rights. In the case of an equal vote, the chair may elect to make a casting vote.

Advisors do not have voting rights and attend meetings at the discretion of the committee chairperson.

Competencies

Members and advisors collectively possess a broad range of competencies relevant to the nature of the committee and its work, including but not limited to expertise and experience in a context specific to the function of the committee, legal knowledge, governance experience, expertise in financial strategy and management, experience in organisational and change-management and the implications for human resources, and current political insights.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the committee to fulfil its role.

Mode of appointment

Members are appointed by GCB on recommendation from the Standing Committee on Nominations.

Tenure

A maximum of three synodical terms.

The maximum term for members may be extended by the GCB in exceptional circumstances, including but not limited to situations where the committee is experiencing a high turnover of members, which will impact on the effective functioning of the committee.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a committee for the maximum term is eligible to serve on another GCB committee.

The tenure of an advisor is at the discretion of the GCB but will usually be for only a specified period of time.

4. Composition of committees of boards and councils

Membership

Committees comprise up to seven members. The majority of members are communing members drawn from congregations on the Roll of Congregations; non-Lutheran members may be appointed, subject to a recruitment and induction process.

Advisors may be appointed by the board or council at the request of a committee to contribute to identified areas being addressed by the committee. Advisors are not restricted to members of the church.

There will be a maximum of two advisors serving on a committee at any time. The committee may seek a variation to this limit from the board or council if there are exceptional circumstances. The council or board will require the approval of the variation from the GCB.

Categories of membership and voting privileges

The board or council appoints the chair of its respective committee.

All appointed members have equal voting rights. In the case of an equal vote, the chair may elect to make a casting vote.

Advisors do not have voting rights and attend meetings at the discretion of the committee chairperson.

Competencies

Members and consultants collectively possess a passion for mission and ministry and specific skills and/or subject expertise matched to the work and function of the

committee.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the committee to fulfil its role.

Mode of appointment

Members are appointed by the board or council on recommendation from the Standing Committee on Nominations.

Tenure

A maximum of three synodical terms.

The maximum term for members may be extended by the board or council in exceptional circumstances, including but not limited to situations where the committee is experiencing a high turnover of members, which will impact on the effective functioning of the committee.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a committee for the maximum term is eligible to serve on another committee, if any, of the board or council.

The tenure of an advisor is at the discretion of the board or council but will usually be for only a specified period of time.

5. Composition of advisory committees of the Bishop and Executive Officer of the Church

Membership

Committees comprise up to seven members. The majority of members are communing members drawn from congregations on the Roll of Congregations; non-Lutheran members may be appointed, subject to a recruitment and induction process.

Advisors may be appointed by the Bishop or Executive Officer of the Church (EOC) to contribute to identified areas being addressed by the committee. Advisors are not restricted to members of the church and are appointed at the discretion of the Bishop or EOC.

There will be a maximum of two advisors serving a board or council at any time. The board or council may seek a variation to this limit from the GCB if there are exceptional circumstances.

Categories of membership and voting privileges

The chairperson will be the Bishop or EOC, according to their respective committees.

The Bishop or EOC may appoint a member as chairperson of the committee at their discretion.

All appointed members have equal participation rights.

Advisors attend meetings at the discretion of the committee chairperson.

Competencies

Members and advisors collectively possess a passion for mission and ministry and specific skills and/or subject expertise matched to the purpose and function of the committee.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the committee to fulfil its role.

Mode of appointment

Members are appointed by the Bishop or EOC on recommendation from the Standing Committee on Nominations.

Tenure

A maximum of three synodical terms.

The maximum term for members may be extended by the Bishop or EOC in respect to their advisory committees, including but not limited to situations where the committee is experiencing a high turnover of members, which will impact on the effective functioning of the committee.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a committee for the maximum term is eligible to serve on another advisory committee of the Bishop or EOC.

The tenure of an advisor is at the discretion of the board or council but will usually be for only a specified period of time.

6. Composition commissions of College of Bishops

Membership

Commissions generally comprise up to seven members. Members are communing members drawn from congregations on the Roll of Congregations.

Advisors may be appointed by the College of Bishops at the request of a commission to contribute to identified areas being addressed by the commissions. Advisors are not

restricted to members of the church.

There will be a maximum of two advisors serving a commission at any time. The commission may seek a variation to this limit from the College of Bishops if there are exceptional circumstances.

Categories of membership and voting privileges

The chairperson is appointed by the College of Bishops.

All appointed members have equal voting rights. In the case of an equal vote, the chair may elect to make a casting vote.

Advisors do not have voting rights and attend meetings at the discretion of the chairperson of the commission.

Competencies

Members and advisors collectively possess a passion for mission and ministry and specific skills and/or subject expertise matched to the purpose and function of the commission.

Representation

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the committee to fulfil its role.

Mode of appointment

Members are appointed by GCB on recommendation from the Standing Committee on Nominations, in consultation with the College of Bishops.

Tenure

A maximum of three synodical terms.

The maximum term for members may be extended by the College of Bishops in exceptional circumstances, including but not limited to situations where the commission is experiencing a high turnover of members, which will impact on the effective functioning of the commission.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on a commission for the maximum term is eligible to serve on another commission, if any, of the College of Bishops.

The tenure of an advisor is at the discretion of the College of Bishops, on advice from the commission, but will usually be for only a specified period of time.

7. Composition – other entities

Membership

The governing body of the entity comprises up to seven members. Members are drawn from the membership of the entity.

Advisors may be appointed by the governing body to contribute to identified areas being addressed by the commissions. Advisors are not restricted to the entity's membership.

There will be a maximum of two advisors serving on the entity's governing body at any time. The governing body may seek a variation to this limit from its membership.

Categories of membership and voting privileges

The chairperson is elected by the membership.

All elected members have equal voting rights. In the case of an equal vote, the chair may elect to make a casting vote.

Advisors do not have a vote and attend meetings of the governing body at the discretion of the chairperson of the governing body.

Competencies

Members and advisors collectively possess specific skills and/or subject expertise matched to the purpose and function of the entity.

Diversity

The membership shall include a mix of backgrounds and perspectives, which, together with the relevant skills, qualifications and experience, will enable the committee to fulfil its role.

Mode of election

Members are elected on recommendation of the Nominations Committee of the entity.

Tenure

A maximum of three terms.

The maximum term for members may be extended by the membership in exceptional circumstances, including but not limited to situations where the governing body is experiencing a high turnover of members, which will impact on the effective functioning of the governing body.

A member who has served the maximum term is eligible to renominate after a break of one synodical term.

A member who has served on the governing body for the maximum term is eligible to

serve on a committee of the governing body, if any.

The tenure of an advisor is at the discretion of the governing body but will usually be for only a specified period of time.

Contact

For questions about this policy, contact the Executive Officer of the Church.

Conflict of Interest Policy

(Approved by General Church Council 20 April 2018)

Theological background

As God's servants in the world, we are called to live with an honest heart and to act towards others in an honourable manner (Heb 13:18, Luke 8:15).

Purpose

The purpose is to:

- encourage high standards of honesty, transparency and integrity within the Lutheran Church of Australia (the church)
- provide guidance on how to identify, disclose and manage any actual, potential or perceived conflicts of interest in a transparent manner
- ensure people in decision-making positions always act in the best interests of the church.

Relevance

The policy and related procedures apply to:

- all ministries and activities of the church
- all pastors, lay workers, employees, members and volunteers in positions of trust.

Objectives

The objectives of this policy are to ensure that all who hold positions of trust in the church:

- set a good example of Christian living by exhibiting high standards of honesty, transparency and integrity.
- do not damage the ministry, mission or reputation of the church.
- are aware of their responsibilities to consider carefully if there is a perceived or potential conflict of interest, when engaged in decision-making
- do not make a decision for personal gain or for the purpose of furthering another financial or non-financial interest
- follow church protocols for effectively disclosing and managing conflicts of interest.

Policy statement

In bringing God's love to life, the church encourages strict standards of honesty and integrity. The church takes all reasonable measures to:

- avoid conflicts of interest where possible
- provide guidance for effectively identifying, disclosing and managing any conflicts of interest
- create an environment where interests are declared in a transparent and ethical manner.

1. Definition of conflict of interest

A conflict of interest is a situation where a person has competing interests, loyalties or biases.

A conflict of interest can be actual, perceived or potential:

- Actual – involves a direct conflict between current duties and other interests, whether business or personal interests.
- Perceived – involves a situation where a conflict of interest could reasonably be perceived to improperly influence the performance of duties (whether or not this is the case).
- Potential – involves a situation where another interest could conflict with official duties.

Conflicts of interest may be financial or non-financial.

It is not just a person's directly held interests that may be relevant but also the interests of the person's family members and any party (whether a friend, associate or organisation) with whom the person is involved.

A key test for identifying a conflict of interest is whether an impartial observer would reasonably question if factors, which are associated with another interest, may inappropriately influence the way a person carries out his or her role.

A conflict of interest may involve, but is not limited to, any of the following situations, which will need to be managed appropriately and consistent with procedures associated with this policy:

- A person in a paid position engages a family member, or another party with whom the person is involved, to provide a service or offers them employment.
- A board or council member is involved in a decision that will award a contract for services or employment to a person, family member or any party with whom the board or council member is involved.
- A person in a position of authority is involved in a decision about a property transaction that will return a material benefit to the person or a party associated with the person.
- A board or council member, in his or her decision-making capacity, becomes aware of information that may be used for his or her personal gain or the gain of a party connected with the board/council member.
- A board or council member is involved in a decision about a matter that may impact positively or negatively on an existing relationship between the board/council member and another party.

There will be some situations where the conflict of interest will normally not be acceptable, for example:

- A paid employee is a member of a decision-making body to which they or their spouse are directly or indirectly accountable.
- A person is a member of a committee where the work of the committee and the person's outside interests, and those of parties close to the person, will involve an inherent and ongoing conflict of interest.

There may be circumstances arising from the nature of the local situation that may require an exception. If so, there must be independent approval from a higher authority or governing body for the appointment, supported by a documented process to appropriately manage the conflict of interest.

2. Procedural principles

The application of this policy will provide for:

- the avoidance or management of any conflict between private interests and duties to others, or between two or more duties owed
- persons in decision-making positions within the church not taking advantage of their positions, to improperly gain direct or indirect benefit (whether financial or non-financial) for themselves or for other parties
- full and proper disclosure of any actual, perceived or potential conflict to the appropriate board, council, committee, entity or leader
- sound decision-making and record keeping by boards, councils, committees, entities and leaders regarding any actual, perceived or potential conflicts.

3. Responsible person/s

- General Church Council (GCC) is responsible for implementing this policy and the associated procedures across the church.
- District Church Councils are responsible for implementing this policy and associated procedures within their respective districts.
- Congregation/parish councils are responsible for implementing this policy and associated procedures within their congregations/parishes.
- Governing agencies of all church-related entities are responsible for implementing conflict of interest policies and procedures that meet their particular requirements, as long as they are consistent with the church's Conflict of Interest Policy and associated procedures.

Contact

For questions about this policy, contact the Executive Officer of the Church.

Review/Appraisal Policy

1. Overview and purpose

In order to demonstrate its commitment to good governance principles, the church implements a process of regular, formal evaluations of General Church Board (GCB) and its boards, councils, commissions and committees. Regular review and appraisal processes can provide meaningful information that leads to improvements and provides a pathway to optimal governance performance and effectiveness. Each review is followed by a report, enabling any issues arising from the review to be addressed.

2. Method and timing

GCB is responsible for constructing a schedule of review and appraisal processes for itself and each of its key decision-making boards, councils and committees and for compliance with such processes. Ideally, the schedule will ensure a formal review for each of such boards, councils and committees at least once every synodical term.

Review processes undertaken may take the form of:

- an internally or externally facilitated appraisal
- questionnaires and/or interviews
- group and/or individual appraisals.

Internal review

Individual interviews, using questions designed especially for the exercise, may be administered internally under the leadership of the chair, the Executive Officer of the Church, or other appropriate individual.

External review

An external facilitator may be engaged from time to time to conduct individual interviews, using questions designed especially for the exercise. An external review has the advantage of providing an impartial appraisal process and an unbiased reporting of the review findings.

Individual member assessments

A confidential question and answer session or confidential questionnaire can give members the opportunity to provide peer review and offer an assessment of the performance of the chair.

Informal review

While formal reviews are only undertaken periodically, informal reviews/appraisals of progress and performance may be undertaken at any time. Informal reviews/appraisals provide ongoing feedback, monitoring the functioning of the group and assisting the implementation of any changes that might improve performance. This informal process might take the form of a targeted discussion at the end of a meeting, or it might involve confidentially-made comments to a designated individual – for reporting in summary at the next meeting.

3. Objectives

Before undertaking review/appraisal processes, the purpose of the processes must be established and recorded. The next step is to set specific goals for the enquiry and determine its scope. This process is an opportunity to monitor effectiveness and outcomes through addressing key performance measures, such as to:

- assess the extent to which GCB, boards, councils, commissions and committees are meeting their responsibilities at law and as set out in their terms of reference (ToR)
- assess whether the existing ToR are still fit for purpose or whether change is needed
- review the time allocations of individual members and whether they are meeting performance requirements
- clarify individual and collective membership roles and responsibilities
- identify possible areas for improvement in reporting
- examine areas for training and development of members
- review the effectiveness of existing strategic thinking and decision-making
- review membership numbers and skills composition
- provide team-building opportunities.

In addition to examining past and current performance, the review process should examine what opportunities exist that will influence and shape the future strategic focus.

Contact

For questions about this policy, contact the Executive Officer of the Church.

Non-Lutherans Serving on Governing Bodies Policy

Preamble

The Lutheran Church exists to achieve its objects.

The church has established various arms and agencies to help it carry out its objects.

The selection of suitably qualified persons to be members of a governing body of one of these arms or agencies is a very important process in contributing to quality governance and decision-making.

Lutherans, who by virtue of their membership of the Lutheran Church of Australia commit to the mission of the church, should undertake governance of Lutheran organisations. However, there are situations where it is not possible to identify suitably qualified Lutherans to serve. In such circumstances, in order to maintain a high level of decision-making, the appointment of suitable non-Lutherans is necessary.

Purpose

The purpose of the policy is to set out the circumstances in which non-Lutheran, practicing Christians may serve on a board, council, commission or committee at a churchwide, district or local level.

Policy statement

This policy requires:

1. Churchwide and district boards, councils, standing committees and commissions must consist of only voting members of member congregations of the church.
2. Churchwide and district committees of boards, councils, commissions and management must consist of a majority of communing members of member congregations of the church. Any non-Lutherans must be practicing members of a Christian congregation.
3. Lutheran early childhood centres, primary schools, secondary schools and colleges must consist of at least 60 per cent of communing members of member congregations of the church. Any non-Lutherans must be practicing members of a Christian congregation.
4. Lutheran aged-care and community services organisations must consist of at least 60 per cent of communing members of members congregations of the church. Any non-Lutherans must be practicing members of a Christian congregation.

5. Lutheran members must hold the positions of chairperson, secretary and treasurer of a board, council or committee.
6. In situations arising from the nature of the local situation that may require an exception to be made to the above provisions, there must be independent approval from a higher authority or governing body for such a variation.

Procedures

The recruitment of non-Lutheran members will follow the church's Recruitment of Membership Policy, with additional steps required before confirmed membership. The chairperson of the respective board, council, committee or commission will be responsible for working with the prospective member in meeting the following minimum requirements:

- a clear articulation and acceptance of the mission of the church
- an understanding and acceptance by the nominee of the Lutheran values that are foundational to all decision-making
- signed acceptance of the governance principles of the church.

Document Controls

LCA Governance Policy	
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