

# PROPOSALS FROM LCA BOARDS AND COMMISSIONS

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## AGENDA 2.2.1

### Governing bodies

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(See also Agenda 2.4.4)

#### PROPOSED MOTION

*Submitted by General Church Council*

**BE IT RESOLVED** that **Article 8 Officers and Administration** of the Constitution of the Church be amended to allow for the implementation of the revised governance structure as follows (words to be deleted – ~~strike through~~; words to be added – **bold**):

#### ARTICLE 8. OFFICERS AND ADMINISTRATION

- 8.1 The Officials of the Church shall be a Bishop and an Assistant Bishop. They shall be elected for a term of office determined by the Church. The Bishop and the Assistant Bishop shall be pastors of the Church.
- 8.2 The Church shall have a Secretary who shall be an executive officer of the Church and shall undertake administrative duties including those normally undertaken by a secretary and treasurer.
- 8.3 8.3.1 The Church shall have a General Church ~~Council~~**Board** which shall consist of
- 8.3.1.1 the Bishop and the Assistant Bishop; **and**
- ~~8.3.1.2 the Bishops of the New South Wales, Queensland, South Australia and Northern Territory, and Victorian Districts of the Church;~~
- ~~8.3.1.3 one [1] lay member from the New South Wales, Queensland, South Australia and Northern Territory, and Victorian Districts of the Church, elected by the Synod of the respective District;~~
- ~~8.3.1.4 one [1] member each from the Western Australia District and the Lutheran Church of New Zealand, who shall be either their Bishop or a lay member; and~~
- ~~8.3.1.5 two [2] members at large elected by the General Synod: one [1] ordained and one [1] lay, unless both the Western Australia District and the Lutheran Church of New Zealand are represented by their Bishop, in which case it shall be two [2] lay members.~~
- 8.3.1.2 **one [1] pastor and six [6] lay members who are voting members of congregations on the Roll of Congregations of the Church and who shall be elected by the General Synod from eligible candidates submitted as nominations from the Standing Committee on Nominations.**
- 8.3.2 The General Church ~~Council~~**Board** shall have authority between the conventions of the General Synod to make decisions within the limits prescribed by the By-laws.
- 8.3.3 The duties of the General Church ~~Council~~**Board** shall be as prescribed by the By-laws.

**BE IT FURTHER RESOLVED** that **Section 7.4 Nominations and Elections, Section 7.7 Appointments, Section 8.1 Eligibility and Terms of Office and Section 8.4 The General Church Council** of the By-laws of the Church be amended in consequence of the above amendment to Article 8 to allow for the implementation of the revised governance structure as follows (words to be deleted – ~~striketrough~~; words to be added – **bold**):

#### **SECTION 7.4 NOMINATIONS AND ELECTIONS**

##### **Nominations in General to the General Church Board**

- 7.4.5      7.4.5.1      ~~Unless otherwise provided for, n~~**Nominations to the convention for elected positions** shall be made by a ~~standing committee~~ called the LCA Standing Committee on Nominations which shall act in accordance with the ~~rules~~**procedures** resolved by the Synod and amended from time to time by the Synod ~~or the General Church Council~~.
- 7.4.6      The following provisions shall apply to nominations ~~for any elected office or any position on a board, except in those cases where the right of nomination has been delegated to a particular body:~~
- 7.4.6.1      ~~Persons retiring and eligible for re-election shall indicate their willingness to continue in service as members.~~
- 7.4.6.2      ~~Nominations, indicating the consent of the nominee, may be forwarded by any congregation to the LCA Standing Committee on Nominations.~~
- 7.4.6.3      ~~Suggested nominations may be made by the Bishop of the Church, the Bishop of any District, and by any board of the Church in reference to that board, for consideration by the LCA Standing Committee on Nominations.~~
- 7.4.6.1      **Persons who wish to nominate themselves shall submit a completed nominations form to the Standing Committee on Nominations.**
- 7.4.6.2      **Any congregation or Bishop may submit a nomination, with the consent of the nominee, to the Standing Committee on Nominations.**
- 7.4.6.43      The LCA Standing Committee on Nominations at its discretion may list a nominee **or nominees** for a position on ~~at the b~~**Board in place of or in addition to that position for which the candidate was originally nominated,** subject to the nominee's consent ~~and in consultation with the relevant board.~~
- 7.4.7      7.4.7.1      The reading of nominations shall take place after the completion of the elections provided for in the preceding Section 7.4.4.
- 7.4.7.2      At least one session shall elapse before the elections are conducted.
- 7.4.7.3      ~~Where a new office or board is created, or where changes are made to the composition of an existing board, the time of closure for such nominations shall be determined by the Bishop and the elections be held later accordingly.~~

#### **SECTION 7.7 APPOINTMENTS**

- 7.7.1      ~~Appointments to boards shall be made by the General Church Council unless otherwise prescribed.~~ **Appointments to boards, councils, commissions and committees shall be made in accordance with the relevant Terms of Reference.**
- 7.7.2      ~~Any nominations which may be required for a position to be filled by appointment shall be submitted to the General Church Council at least four [4] weeks prior to convention.~~ **Eligible nominations for appointment to boards, councils, commissions and committees shall be submitted by the Standing Committee on Nominations to the General Church Board at least three [3] months prior to convention and shall be included in the Book of Nominations for the information of delegates.**

- 7.7.3 ~~The regular appointments to boards shall be made by the General Church Council as soon as feasible after the completion of elections by the General Synod. The regular appointments to boards, councils, commissions and committees shall be made within two [2] months after the General Synod.~~
- 7.7.4 ~~When the rules of a board provide for the appointment of a representative of a corresponding or relevant District Committee the following procedure shall apply:~~
- ~~7.7.4.1 The respective District Committee, if any, may suggest candidates for consideration by the respective District Church Council.~~
- ~~7.7.4.2 The District Church Council shall make a nomination and forward this nomination to the Secretary of the Church.~~
- ~~7.7.4.3 The Secretary of the Church shall notify the next meeting of the General Church Council or its Executive, and upon such notification the position shall be deemed to be filled.~~

### SECTION 8.1 ELIGIBILITY AND TERMS OF OFFICE

- 8.1.1 The Officials of the Church holding a full-time office shall not be eligible to hold any other administrative office of the Church or a District.
- 8.1.2 The Secretary shall be called by the General Church ~~Council~~**Board**.
- 8.1.3 The members of the General Church ~~Council~~**Board** shall not be eligible to be members of more than one ~~other Bboard or Standing Committee~~**council** of the Church.
- 8.1.4 A full-time executive officer serving under a board ~~or council~~ of the Church shall not be eligible to be a member of more than one ~~Bboard, council or commission or Standing Committee~~ of the Church or a District.
- 8.1.5 Any person who receives a salary from or is in the employ of a ~~Bboard~~ shall not be a member of the ~~Bboard~~ under which such person serves.
- 8.1.6 An executive officer of a committee of a District which is directly associated with the activities of a board of the Church shall not be eligible for membership on that board.
- 8.1.7 The spouse of an executive officer or salaried person serving the Church shall not be a member of a board under which such an executive officer or salaried person serves.
- 8.1.8 No person shall be eligible for ~~election by the General Synod or for appointment by the General Church Council~~**Board** to more than two [2] ~~Bboards or Standing Committees~~**councils** of the Church unless otherwise determined by the ~~General Synod or the General Church Council respectively~~**Board**. This restriction shall not include membership on a ~~Bboard or Standing Committee~~**council** which according to the ~~rules and regulations~~**Terms of Reference** is ex officio or representative of another ~~Bboard or Standing Committee~~**council**.
- 8.1.9 8.1.9.1 The term of office for the Bishop of the Church shall be
- 8.1.9.1.1 two [2] synodical terms for an incoming Bishop; and
- 8.1.9.1.2 one [1] synodical term for an incumbent Bishop seeking re-election.
- 8.1.9.2 **The term of office for the Assistant Bishop and the Secretary shall be one [1] synodical term.**
- 8.1.9.23 The term of office for all other Officials~~;~~**and** officers of the Church~~;~~**and** ~~members of the General Church Council, members of boards and any other representatives~~ shall be one [1] synodical term.
- 8.1.9.4 **The term of office for members of boards, councils, commissions and committees shall be one [1] synodical term.**
- 8.1.9.35 Any person retiring by effluxion of time under the provisions of the preceding ~~Section 8.1.9.1-2~~ **sub-sections of 8.1.9** shall be eligible for re-election without limitation subject to the provisions of the preceding Section 8.1.6, or unless otherwise specifically determined.

## **SECTION 8.4 THE GENERAL CHURCH ~~COUNCIL~~BOARD**

- 8.4.1 The duties of the General Church ~~Council~~Board shall be to
- 8.4.1.1 implement the program of the Church in accordance with the policies established by the General Synod;
  - 8.4.1.2 ensure that the mission of the Church, the proclamation of the Gospel of Christ, remains central in the work of the Church;
  - 8.4.1.3 ensure that all phases of the work of the Church are efficiently planned, coordinated, and controlled;
  - 8.4.1.4 receive the reports submitted at least annually by the boards **and councils** of the Church, and pursuant to Article 8.3.2 of the Constitution to make any necessary decisions thereon subject to any policy or decisions laid down by the General Synod;
  - 8.4.1.5 review the reports of the boards to the General Synod and submit recommendations for coordinated action to the General Synod;
  - 8.4.1.6 initiate research into any sphere of activity with a view to achieving greater efficiency in the promotion of the Objects of the Church;
  - 8.4.1.7 appoint executive officers as required;
  - 8.4.1.8 submit the budget of the Church to the General Synod for consideration and adoption according to the policy laid down by the Church, and to adopt the budget of the Church in a year when the General Synod is not convened;
  - 8.4.1.9 appoint the Auditor of the Church;
  - 8.4.1.10 authorise proposals by a board regarding the number of office staff;
  - 8.4.1.11 appoint such sub-committees and delegate such powers as it sees fit;
  - 8.4.1.12 define from time to time the specific areas of responsibility of the Bishop and Assistant Bishop;
  - 8.4.1.13 fill any vacancy in any office or on any ~~B~~board, ~~C~~council, ~~D~~epartment, ~~S~~tanding Committee or ~~C~~ommission **or committee in accordance with the delegated authority contained in the relevant Constitution or Terms of Reference**, except when such vacancy occurs within three months of the next regular convention of the General Synod;
  - 8.4.1.14 remove any Official, officer or member of a ~~B~~board, ~~C~~council, ~~D~~epartment, ~~S~~tanding Committee or ~~C~~ommission **or committee** from office during the term, **subject to constitutional requirements**, if, in its considered judgment, the said person becomes incapable or unworthy of holding office, and to fill the vacancy created until the next regular convention of the General Synod;
  - 8.4.1.15 determine any interim arrangements that may be necessary following the election of a full-time Official of the Church at a convention of the General Synod; and
  - 8.4.1.16 approve any alteration to the By-laws of the Church or the rules governing any board or fund of the Church made necessary by any resolution of the General Synod, as prepared by the Standing Committee on Constitutions.

## **REASONS FOR THE MOTION**

In 2015 the General Synod approved in principle support for competency-based, appropriately structured LCA councils, boards, committees and commissions; and authorised the GCC to develop and trial as far as practicable the new Rules and Governance Policy, as well as prepare necessary changes to the LCA By-laws, for approval by General Synod in 2018, to give effect to the new arrangements.

Since 2015 this work began in the context of and complementary to the implementation of the National Functions resolution also adopted in 2015, which approved the trial of a revised National Functions structure.

In late 2017 the GCC commissioned an independent evaluation of the trial structure, which included a wide consultation process involving individuals and groups directly impacted by the proposed changes, as well as those who were expected to benefit from the changes (District and congregational level).

The following provides the context and rationale for the GCC's recommendation that the restructure to competency-based, LCA councils, boards, committees and commissions be formalised.

## **Membership of LCA bodies**

### *Competency-focus*

The Synod resolution approved an 'in-principle' adoption of a competency-based approach to membership of the LCA's governing bodies.

It is relevant to note that the current membership arrangements for the majority of the LCA's governing bodies **do not** prescribe a representational model. The adoption of this proposal would therefore effectively:

1. transition the minority of those bodies that are partially representational-based into alignment with what is now either already in place, trialled or proposed, and
2. make explicit the membership requirements of boards, councils, commissions and committees, which expands upon the traditional pastor/lay member balance.

It is also of note that, as to the second point, there is already precedent for articulating the membership requirements of a board when, in 2013, the General Synod approved a Terms of Reference for the Board for Child, Youth and Family Ministry which specified the skills, qualifications and experience required of its members.

The key rationale for taking this direction is a view that the Church will benefit from decision-making and advisory bodies that have the best possible membership mix to carry out their roles and responsibilities. This requires people with a passion for mission and ministry who have the skills, experience and qualifications of potential members to make a meaningful contribution to the body on which they are serving.

It is stressed that while skills, experience and qualifications are a primary focus, it shouldn't be the only consideration. A competent body also should reflect a diversity of backgrounds and perspectives.

A more defined approach will assist the various governing bodies to identify their respective needs and guide the Standing Committee on Nominations (SCoN) to intentionally seek people with the necessary attributes to meet those needs.

It was not practicable to trial a competency-based (rather than the largely representational-based) membership of the General Church Council because it is the legal governing body for LCA Inc and therefore its membership must at all times comply with the provisions of the legally recognised constitution and by-laws.

It was also not practicable to 'spill' all positions and thereby undertake a full trial of 'competency-based' boards, councils, commissions and committees. However, this approach was applied to the new boards and committees that were established as part of the National Functions trial structure (eg Board for Local Mission; New and Renewing Churches; Cross-Cultural Ministry; Church Worker Support) and in filling vacancies that arose on a number of bodies during the synodical period.

Noting the above constraints, the evaluation concluded that, based on the experience of the competency-based approach to date, the skills and competencies available to the church via its boards, committees and commissions is very valuable and substantially more fit for purpose.

Based on the rationale above, and taking account of the evaluation's findings, the GCC recommends to Synod the adoption of a competency-based approach to all of the LCA's governing bodies.

In making this recommendation the GCC has taken into account concerns about this change expressed during the evaluation, including:

Concern	Response
<b>The loss of voice from the Districts in the decision-making process</b>	<p>As outlined above, the majority of LCA bodies haven't had a requirement to have representation from all the Districts. The introduction of an explicit requirement for a diverse body ensures the Standing Committee on Nominations, as well as the approving body, takes this into account when appointing members. The General Church Council is clearly the most prominent body which has a membership that is largely representation based. However, the GCC doesn't believe its effectiveness will be diminished by a move to a competency-based model, on the basis its decision-making includes processes of wide consultation and feedback when that is required.</p> <p>Please also refer to the discussion below about the role of the College of Bishops.</p> <p>There is also a potential advantage in not emphasising a specific District-based representational model as the proposed competency-based alternative will further encourage a whole-of-church approach to decision-making, rather than addressing issues through a locally-oriented lens.</p>
<b>The exclusion of 'church people' from service on boards, councils, commissions and committees</b>	<p>The proposed arrangements make it quite clear that either all or the majority of the members on the LCA's governing bodies are Voting Members of LCA congregations. It is acknowledged that this change does mean that the priority is given to 'church people' with the required skills, qualifications and experience, and thereby potentially excludes LCA people who have a heart for service, but not the requirements of the role. However, it is considered preferable to have the best possible group 'around the table' and seek input from the wider church membership as necessary and appropriate, rather than a less qualified group that needs to regularly call upon external expertise to assist in its decision-making.</p>
<b>The loss of church identity</b>	<p>The nominations process includes a consideration of people's motivation to stand for a position. The GCC believes it is essential that all nominees have a passion for the mission and ministry of the church. The GCC is confident that church members who possess skills, experience and qualifications, and 'work in the outside world' are also passionate about the church's mission and will contribute in a manner that respects the ethos, teachings and purpose of the church.</p>

### *Membership size*

The proposed approach outlined in 2015 also signalled an intention to limit the number of members on any given body (nine for the GCC and seven for most other bodies, plus consultants/advisors).

During the trial period the boards, councils, commissions and committees operated, where feasible to do so, with a maximum membership of seven people and no more than two advisors/consultants. The GCC satisfied itself that this reflects good governance practice, and is a reasonable maximum that provides enough voices around the table to effect good decision-making and advice provision.

In regard to the GCC it is proposed that its membership is reduced from 14 to nine. This will largely be achieved by the removal of the requirement for four district bishops (SA/NT; Qld; NSW/ACT; Vic/Tas) to serve on the GCC.

The recommended reduction is based on the following reasons, notwithstanding this change was not trialled:

1. The College of Bishops has established itself over the past 20 years as a key advisor to the General Church Council. It reports to the GCC, recommends action, and makes decisions on matters delegated to it by the GCC. It would continue to influence the work and decision-making of the GCC without the Bishops having to be so strongly represented on the GCC.  
The proposed change also acknowledges the increased workload of the College of Bishops over recent years. It will mean the District Bishops aren't required to take on this additional governance responsibility, minimises duplication of effort when issues raised at College of Bishops are discussed again at the GCC, and provides them with more time to focus on their other leadership tasks. The proposed model doesn't, however, preclude a District Bishop to stand as the third pastor on the GCC.
2. The proposed mix of three pastors and six lay members mirrors the delegate representation at the General Convention of Synod, namely: one-third pastors and two-third lay persons.
3. The GCC has noted the reduction in membership numbers on both the NSW and SA/NT DCCs, approved by their respective Synods.

### **Appointment and Election**

#### *Mode of Appointment*

It is relevant to note that there is no consistent approach to the election and/or appointment of members to the LCA's various governing bodies. The current involvement of the General Synod in the election of members to these bodies varies from none (eg Board for Support of Pastoral Ministry; and Board for Children, Youth and Family Ministry) to between two and four for the majority of the others. The rest of the appointments are made by the GCC.

The intention of this proposal is to introduce, as far as is considered practicable, a consistent approach to all elections and appointments.

The 2015 'reason for proposal' indicated that GCC would in the future be the only body elected by the General Convention of Synod.

The GCC is now formally recommending this change because this body is the primary decision-making body accountable to the General Synod, and also carries the formal legal responsibility for LCA Inc. It is therefore considered to be appropriate that the entire membership is elected by the General Synod, instead of the current only two positions.

The membership appointments to all other entities would be by the GCC, or the relevant board or council.

This approach is proposed because it provides for a greater prospect of achieving well-balanced bodies through an appointment process rather than an election process. It has often been commented that delegates find it difficult to make informed decisions when voting in elections because of the limited information available to them about individual candidates and, just as importantly, being able to assess the overall make-up of the body such that it collectively is equipped to fulfil its role and responsibilities.

It is also important to note that any appointment to a board, council, commission or committee must be on recommendation of the SCoN. This committee, re-structured by resolution of the 2015 Convention of Synod, works with the boards, councils, commissions and committees to identify with them their needs, receive and vet nominations, and make recommendations to the approving body (in GCC's case the approving body would be the General Synod).

The GCC has considered the concern about a more limited role for the Synod delegates in choosing who serves on the LCA's governing bodies. However, on balance, the GCC is of the opinion that this new approach will achieve, over time, more effective decision-making. The GCC has also noted the success to date, during the 2015–2018 synodical term, of SCoN's strong encouragement of self-nomination – in addition to the existing approaches to identifying people – which has proven effective in more people putting themselves forward for consideration to serve and make a contribution to the work of the church.

### **Other governance issues**

The trial process has also highlighted a number of issues that, as governance-related changes are being proposed, should also be addressed to provide greater clarity, consistency and flexibility. A key issue is that the current LCA By-laws define the term 'Board' very broadly. It is proposed that the LCA becomes more deliberate in the describing and defining of the LCA's governance arrangements. In particular:

1. Clearly distinguishing between "governance" and "advisory functions".
2. The term "Board" will, unless particular regulatory or external requirements require otherwise, be used only for governing bodies of a legal entity (such as an association or company). Note: This explains why it is proposed that the General Church Council becomes the General Church Board.
3. The term "Council" will be used for bodies that don't govern a legal entity, but have been delegated certain decision-making authority.
4. The terms "Committees" and "Commissions" will be reserved for bodies that are advisory in nature, unless they are granted specific decision-making authority under a written delegation authority.

The clearer distinction is expected to provide the following benefits:

1. Establishing a small number of 'strategic boards/councils' reporting to the GCC will provide greater strategic focus, than in the current situation where about 20 individual bodies report separately to the GCC.
2. Greater flexibility in adapting the structure to meet changing needs by allowing GCC boards and councils to reorganise their advisory groups without the need for General Synod approval (which is currently necessary as General Synod approves changes to the Terms of Reference/Rules of all bodies because of the 'one size fits all' approach in the use of the term "Board").
3. Providing clarity that the appointment of non-Lutheran practising Christians are to only 'advisory' bodies, which don't have decision-making authority (except in certain circumstances).

This approach aims to balance this greater flexibility with appropriate checks and balances, including:



1. The Terms of Reference of decision-making boards and councils (ie the 'strategic boards/councils' described above) continue to be approved by General Synod. The boards and councils will continue to be referred to in the LCA Constitution.
2. Any changes to the Terms of Reference of the advisory bodies must be reviewed and are subject to recommendation by the Standing Committee on Constitutions.

The proposed Terms of Reference (which will be presented in the National Functions proposal) aim to introduce, as far as is practicable, a consistent format and a focus on key responsibilities rather than an exhaustive list of duties (note: in some cases, such as the Board for Lutheran Education, the changes are minimal pending finalisation of their own governance review).

As outlined above, based on the generally positive outcomes of the evaluation, but noting there remain areas for improvement, the GCC is recommending that the General Convention of Synod approve the implementation of the changes to the LCA governance structure and the application of the principle of competency-based governing bodies.

The GCC has also noted from the evaluation a need for appropriate governance training for members of all boards, councils, committees and commissions. This is accepted and will be implemented in the next synodical term.

The adoption of the proposed changes to the relevant sections of the LCA Constitution and By-laws will give effect to the new governance arrangements noting that any other consequential changes that are required will be addressed as part of the review of the LCA Constitution that GCC will commence in the next synodical term.

The proposed terms of reference presented as part of the National Functions proposal will be consistent with these Constitutional and By-laws changes.