

15th May 2017

Update 4: LCA Aged Care and Community Services Governance Dialogue

(A project of the Lutheran Church of Australia to enhance mission, governance & leadership in aged and community services within LCA).

Project Progress:

In summary Phases 1 and 2 of this dialogue project are complete (ie project planning & initial stakeholder engagement).

Twenty three aged care services, two community services and one combined aged and community services organisation were contacted and invited to participate in this governance dialogue project. Twenty four of these services are associated with the Lutheran Church of Australia (LCA). Twenty of these LCA associated services along with one aged care service associated with the German Lutheran Church accepted our invitation to visit with them. Eighteen of these services also participated in the confidential governance health check interviews.

Discussions were also held with representatives of the four Lutheran Districts associated with these agencies, and discussions were held with District level gatherings (e.g. South Australian/Northern Territory Lutheran aged and community services Council and the South Australian Lutheran aged and community services Chaplains network). At the national level discussions were held with the National Bishop, the LCA Committee for Ministry with the Ageing and the LCA Dialogue Advisory Group. Ad hoc discussions were also undertaken and submissions received were taken into account.

In summary the Lutheran Aged & Community Services sector consists of a large amalgamated organisation in Queensland that provides both aged care and community services along with some small and medium congregational based services; there are two community services only organisations operating out of Adelaide; and a range of very small, small, medium and medium/large aged care services operating in the Districts of South Australia, Victoria and New South Wales.

Some of these Lutheran organisations are legally under the control of the four Lutheran Districts identified above while some of the organisations are legally independent of the church.

In terms of governance and leadership capability the Reviewers consider there is wide variance in the competency levels among the twenty one governing bodies visited. Some organisations are well governed, some have been assessed with a 'pass mark' while a few struggle to maintain even some of the mandatory minimum legal and governance standards. The good news however is that all of the governing bodies visited see themselves as overseeing a vital ministry of the church.

Project 'Phase 3' Update:

We are now in phase 3 of this project – **building consensus on a way forward** to enhance the governance arrangements for this important ministry of the church. This phase consists of discussions around a *Stocktake, Future Options and Recommendations Paper* being released on the 15th May and an *Options For Our Future Workshop* to be conducted on 15 July 2017.

Significant dialogue and consultation occurred in the development of the *Stocktake, Future Options and Recommendations Paper*.

In this paper (the first of three reports) some structural options for the future and around 40 draft governance enhancement recommendations are proposed that will strengthen arrangements for governance of the aged and community service ministries within the Lutheran Church of Australia at national, district and agency levels – including the most appropriate governance and leadership standards and capabilities, legal structures and processes.

Recommendations include ensuring better ownership arrangements; enhancing governance standards for these organisations; an enhanced approach to the recruitment and professional development of governing body members; greater systemic support from the church to these governing bodies, chief executives and Pastors & Chaplains working in these services; developing a clearer and more helpful exposition of a Lutheran theology for these ministries; enhancing connectedness with congregations and spiritual advisors; simplifying governance arrangements; the merging of some governing bodies; and a strategic risk mitigation strategy for the Church.

Structural options for going forward canvassed in this paper include:

1. Amalgamating all Lutheran aged and community services organisations into a single national Lutheran Aged & Community Services Organisation.
2. Amalgamating all of these Lutheran organisations into two national Lutheran organisations – one for ministering to older persons and the other ministering to disadvantaged communities, people experiencing disadvantage and people experiencing disability.
3. Amalgamating all of these Lutheran organisations into five District level organisations (this would result in there being one organisation in the Districts of Queensland, NSW and Victoria and two organisations in the District of South Australia/Northern Territory – one being for aged care, the other for community services).
4. Maintaining roughly the status quo structurally with the exception that several of the smaller organisations merge their governance function at District or sub-District levels and some existing governance structures would be simplified. Governance processes would however be enhanced throughout.

More detailed structural options are canvassed in relation to Lutheran Community Care South Australia & Northern Territory and Lutheran Disability Services.

Some options for future support of Lutheran aged and community services organisations by the national level of the Church are also canvassed as there has been a widespread call from people interviewed as part of this Dialogue for greater and better support of these Lutheran services from the Church at its national level. This 'call' seems in part due to the disparate nature of this Lutheran sector, the perceived lack of historical systemic support from most Districts and the fact that most policy and funding requirements on these services are now coming from Commonwealth Government or other national agencies.

In this paper the Reviewers canvass that as a minimum the Lutheran Church of Australia at its national level employ at least one (ideally two) full time professional officer/s to provide ongoing support to both the governing bodies and the chief executives of these services as well as co-ordinating professional development activities and external advocacy and maintaining a suite of up to date model governance policies. For completeness however a number of other options are listed in the paper.

Regardless of the structural future of these Lutheran organisations it is considered by the Reviewers that a number of governance and leadership changes are required.

Your prayerful consideration of this paper is invited.

Next Steps

The options and recommendations in the abovementioned paper will be discussed at a national workshop on the 15th July 2017 and subsequently refined over two days at a national conference over the 13th and 14th October 2017. Following the July workshop a second report will be prepared and circulated for consultation. Following the October discernment conference a final report will be prepared by the Reviewers for General Church Council.

Dialogue Project webpage

When uploaded, information and copies of documents will be able to be found on the project's webpage at <http://www.lca.org.au/projects-events/aged-care-dialogue/>

Governance Institute of Australia (GIA)– Aged Care Governance – NFP business model evolution session

Although not associated with our Dialogue project this session may interest Lutheran Aged Care organisations. For those interested this one and a half hour GIA session is being held in Collins St Melbourne on Tuesday 20 June 2017, 1230 to 1400. Max Cost Non-member \$92.00.

This briefing will explore what executives and management in NFP aged care organisations should focus on whilst transitioning through business model changes in particular from a governance perspective. Their expert panel plans to cover the following topics:

- Strategy – What is the optimal entity type, structure and scale
- ESG – The question of NFP sustainability (in the broadest sense) in a changing external environment
- Culture - The changing relationship of governance and management.

Follow the link for more info:

<https://www.governanceinstitute.com.au/education-training/calendar-of-events/eventdetails/E00811/aged-care-governance-nfp-business-model-evolu>

If you plan to go and are prepared to share what you hear would you please let me know so we can arrange a way of sharing the session info.

Dialogue Contact Details:

for 'Dialogue Group' or LCA level enquiries contact Peter Schirmer, Phone 08 8267 7300 Email: peter.schirmer@lca.org.au

(For your information, the members of the Dialogue Group are: Nancy Fox, Colleen Fitzpatrick, Matt Johns, Nathan Klinge, Clare Seligmann and Mel Zerner).

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Further Update sheets are planned on a regular basis so keep an eye out for them.

For back copies of the Project Introductory Letter and/or Updates 1 to 3 please visit the website: <http://www.lca.org.au/projects-events/aged-care-dialogue/> or contact me as shown above.

Sincerely in Christ,



Peter Schirmer
Executive Officer of the Church