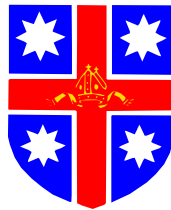


EXERCISING RESPONSIBILITY

A governance report on the Anglican Church of Australia



By Vern Harvey and Bruce Kaye

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2004

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INTRODUCTION

This document sets out to ask of the Anglican Church of Australia what if we really took seriously the way we conduct our affairs in the light of a modern approach to corporate governance and informed by a critical appraisal of our Anglican form of Christian faith? What if we suddenly had to comply in all our business transactions with the corporate governance standards of current legislation and standards? What if we approach our Anglican tradition radically rather than conservatively, critically rather than nostalgically? What if we had to start again, or afresh, from base principles?

If we had to do these things what might the institutions of our Church look like? What if Jerusalem and The Temple were destroyed? Would we rebuild it? Or would we look to the desert whence came the prophets? And if we did that would we then have to go back to our roots and begin again?

Such an imaginative exercise can sharpen our perception of the present. That is what this document seeks to do. It is not quite a claim that the king has no clothes, but it comes close to it. It is rather a voice saying that the “clothes” are really something like a suit of armour, not wholly appropriate for the Australian climate.

The document has been a joint venture of theological and business thinking and is shaped in the following way:

Historical Background

Where We Are Now

A Theological Approach

A Business Approach

Some Basic Principles And A Proposal

CHAPTER 1 HISTORICAL BACKGROUND

The history of the Christian church is in many respects a history of the attempts by the Christian community to make decisions and to seek to live out the life to which Christ calls them. From the very earliest times Christian groups faced the challenge of making decisions, whether it was how welfare support was to be provided in Jerusalem (Acts 5, 1 Thess) or how the community was to deal with moral failure (1 & 2 Cor).

Very early in Christian history local groups gathered together in order to make decisions on practical matters. In due course when disputes and debates arose on more general matters, even matters of a more theoretical or theological kind, wider gatherings occurred. The period which saw intense debate about the nature of Christ's humanity and divinity and the development of an understanding of God as Trinity was also the period when institutional arrangements developed. These institutions became more generally common in regard to ministry in the church and sacraments. During the second century the institution of a canon of Scripture emerged as a central issue in Christian faith. It would clearly and permanently provide a point of reference back to the apostolic age in the on-going and developing life of the churches.

For those Christians living in Britain this general pattern continued to develop up until the eleventh century. Not unnaturally it developed in a way which reflected the different social and political arrangements in Great

Britain. Once the conception of the English people as the people of this land came to conceptual expression in the writings of Bede in the eighth century, that process led to more general patterns of decision-making habits and institutions. Up until the eleventh century councils were often presided over by the king and contained the bishops, heads of monastic houses, leading lay people and sometimes deans. Behind this lay the conception that this was a Christian nation and as such they sought to bend their lives and community activity to the will of God. It is for that reason that lay and clerical were gathered together in this one assembly often under the presidency of the king who had care of both the body and soul of his people.

In the eleventh century separate ecclesiastical courts were established and a slightly different pattern emerged, still a Christian country under a Christian king, but now separate institutions were established for the discipline of ecclesiastical affairs. It is at that point that lay people ceased to attend these councils. The history of the relationship between these patterns of institutional arrangements whereby Christian people in this Christian nation made decisions about their life as Christian citizens is part of the long history of what is sometimes called church:state relations, but which until the late eighteenth century should more accurately be regarded as variations on different institutional patterns for decision-making within a Christian nation.

The bold attempt in 1662 to restart a coherent national order on the assumption of a Christian nation with one kind of faith and a narrowly construed episcopal order was made just at the time when that assumption was clearly falling apart. Within decades it was dying on the vine, and had effectively collapsed by the end of the eighteenth century when Australia was colonised. The institutions which were brought to Australia continued to assume the older English pattern which however was not operable in the

institutional vacuum and religious diversity of the new colony. Once local representative government began it became clear that the English pattern of institutional decision-making for a Christian country could no longer apply. The Anglican community had to come to terms with the fact that it was a discrete entity within the wider community. It was not that people thought the various colonies were not Christian but rather that they were Christian in a more general sense and with different institutional expressions of that fact. The University of Sydney is a good example of this pattern. It excluded the representatives of the churches from its Senate, but had a founding charter which declared that it existed to promote Christian faith and useful knowledge. Once this new social situation was recognised it became clear that there was a serious vacuum in the institutional arrangements for the Church locally to make decisions.

It is in this social and political context that Anglican Synods emerged in the middle of the nineteenth century. Not unnaturally the Church adopted a model for its processes taken from those available to them at the time. In fact there were a number of models available at the time. The 1840s saw a growth in co-operatives for the provision of mutual insurance and other services. Partnerships were a common way of ordering business affairs. Companies had not yet developed as a vibrant institutional force for commercial activity because there was still as yet no legal guarantee of limited liability for investors. Trusts were also used as vehicles for sustained transactional activity.

But the most obvious model that was available for English people, born out of a tradition of parliamentary decision-making for a Christian nation, was the parliamentary model. This model was itself being developed in the colonies for local representative government. It is not surprising therefore that the various local synods used these parliamentary models for their

decision-making structures. It is also not surprising that when the General Synod Constitution came to be developed parliamentary models were used. Indeed in the Standing Orders of the General Synod ultimate reference is to be made for procedural questions to the Standing Orders of the Parliament of the Commonwealth of Australia.

There have been huge social institutional changes in the last one hundred and fifty years. The corporation has shown itself to be easily the most vibrant, creative and energetic social institution for transactional activity. The precise character, shape and the inner assumptions of the business corporation have changed over time. At the present time we are witnessing a significant transformation of the corporation as the institution responds to the forces of globalisation. Such has been the success of the corporation as a social institution that it has influenced other areas of activity besides the strictly commercial. Co-operatives, mutual societies and partnerships are being converted into corporations in order to sustain both security in the delivery of goods and services and security for those who participate in these activities.

Other areas of social life are considerably affected by some of these changes. The regulatory environment in which community activities take place, the character of the law which affects much community activity and the sorts of authorities and powers that are available to community groups are all influenced quite strongly by the shape and character of the modern corporation and its associated culture.

Current Issues

The result in modern Australia is that for a community-based organisation with limited resources or without substantial compliance powers the parliamentary model significantly underachieves in decision-making and executive action. The Commonwealth and state parliaments have two things

available to them which enable the parliamentary model to function, compliance power and extensive executive resources. In the end the will of the parliament and the law will prevail. The state is concerned to provide for the security and well-being of its citizens. Those concerns focus on the visible and material and imply and facilitate the moral ethos of the community.

The Church is essentially a community of people which exists for spiritual purposes. In the bald terms of the Article 19 it is a “congregation of faithful men, in which the pure word of God is preached, and the Sacraments be duly ministered according to Christ’s ordinance in all those things that of necessity are requisite to the same”. The organisational arrangements exist to serve that community and its purposes. They are in a certain sense secondary or instrumental. Furthermore they have very limited compliance power and even these slight powers require substantial resources to make them effective. Also the compliance powers mainly refer to clergy. Compliance power over lay employees derives from the labour relations law of the land and the terms of their employment. As far as the generality of the church membership is concerned, this is a voluntary society and the organisational arrangements in the church can hardly coerce them at all.

The relationship between the spiritual community, the community of faithful Christians and these institutional arrangements is of course much debated and has been a common question in the history of both political economy [as for example in Adam Smith’s rather optimistic approach to the relationship] and in ecclesiology, whether one thinks of Michael Ramsay’s attempt to relate the gospel to the institutional development and shape of the Catholic Church, or Emil Brunner’s attempt to characterise the institution as the shell within which the community is sustained in its spiritual life.

What this background suggests is that the parliamentary model which was adopted for understandable reasons in the middle of the nineteenth century suffers very significantly in the modern context because of its inability to deal with commercial transactions such as the handling of property and resources. It also has the effect of not producing or facilitating transparency in governance. On the contrary it actually has the reverse effect because regularly it does not make clear who is deciding what on what basis in relation to which resources which affect who knows whom. The parliamentary model, of course, creates its own culture which both reflects and supports these deficiencies.

There are areas of church life which are strongly influenced by the corporate environment. In these areas the parliamentary model, devoid of compliance power and significant executive resources, is greatly at risk in the commercial aspects of the community's life.

CHAPTER 2. WHERE ARE WE NOW?

The decision-making and organisational arrangements for the Anglican Church of Australia are set by the terms of the Constitution and influenced by the history of the Church. There are also external forces at work which provide a shaping context for the way in which the institutional arrangements envisaged in the Constitution can and do operate. This section seeks to set out the broad parameters of the Constitution. It also gives some attention to corporate and social trends in the last twenty years in Australia and some analysis of the decision-making and organisational functions of the present arrangements. It highlights some significant difficulties in one aspect of the governance arrangements at the national level.

1 The Constitution of the Anglican Church of Australia

The Constitution was established in 1962 as a result of ninety years of discussion. Essentially it provides for a confederation of dioceses. The national body, the General Synod, has very important permissive powers.

The Constitution sets out the powers of the synod in two places, sections 4 and 26.

4. *This Church, being derived from the Church of England, retains and approves the doctrine and principles of the Church of England embodied in the Book of Common Prayer together with the Form and Manner of Making Ordaining and Consecrating of Bishops, Priests and*

Deacons and in the Articles of Religion sometimes called the Thirty-nine Articles but has plenary authority at its own discretion to make statements as to the faith ritual ceremonial or discipline of this Church and to order its forms of worship and rules of discipline and to alter or revise such statements, forms and rules, provided that all such statements, forms, rules or alteration or revision thereof are consistent with the Fundamental Declarations contained herein and are made as prescribed by this Constitution.

26. *Subject to the terms of this Constitution Synod may make canons, rules and resolutions relating to the order and good government of this Church including canons in respect of ritual, ceremonial and discipline and make statements as to the faith of this Church and declare its view on any matter affecting this Church or affecting spiritual, moral or social welfare, and may take such steps as may be necessary or expedient in furtherance of union with other Christian communions.*

The power in section 26 is constrained in relation to the effect of its canons by section 30 of the Constitution.

Any canon affecting the ritual, ceremonial or discipline of this Church shall be deemed to affect the order and good government of the Church within a diocese, and shall not come into force in any diocese unless and until the diocese by ordinance adopts the said canon.

There are not many things that go on in a diocese that are not affected by one or other of these considerations. The Constitution provides a hierarchy

of permission steps. Constitutional amendments require diocesan assent and voting majorities which vary according to the section of the Constitution; some sections are regarded as more important than others, and are thus harder to change.

It would be a mistake to underestimate the importance of the permissive role of the General Synod. It relates to core or fundamental issues of the religious tradition of the Anglican community in Australia. Disputes about what is core or fundamental will always be issues of great importance and the contention attaching to them will therefore be considerable. The General Synod is the institution for resolving those questions.

The status of the bodies envisaged in the Constitution is ambiguous. The General Synod itself is an unincorporated body. The Standing Committee is similarly an unincorporated body and the General Synod Office has no corporate existence in any legal sense. The legal entity provided for in the Constitution is the Trust Corporation. A settlement was made in 1978 on the Trust Corporation. Its activities are defined in the Constitution. It was incorporated in the state of New South Wales in the enabling legislation that was passed in that State. The twenty-three dioceses which are represented in the membership of the General Synod have varying patterns of corporate existence. Some hold their resources in trusts of various kinds; others have established themselves as incorporated entities. The same is true of some General Synod sponsored bodies such as the Australian College of Theology which for most of its activity is an incorporated body with a constitution mirroring the terms of the canon which established the College. For some of its activities the Anglican Board of Mission - Australia has become an incorporated entity.

So what we have here is an unincorporated entity which has power to make permissive decisions for the activities of the dioceses and in certain respects

has the power to make directives for the organisations or bodies which have been established by the General Synod itself. The Audit Committee of the General Synod has recently had to confront the question of whether the General Synod has any “capacity to control” the entities which it has created by canon. It is an important issue in terms of financial risk as well as compliance with current accounting standards. The matter has been before the Church Law Commission and will come back to the Standing Committee.

2 National Local Trends

The confederation pattern of the Constitution of the Anglican Church of Australia is in some respects similar to the pattern in the Commonwealth Constitution for Australia when it was first introduced. However, there are key overriding central powers in the Commonwealth Constitution which the Anglican Church of Australia Constitution does not provide. During the course of time very substantial resources and coercive capacities have been given to the Commonwealth Government within the framework of the Australian Constitution, powers in relation to industrial relations, inter-state trade and income tax. The Australian Constitution also gives Commonwealth laws precedence over those of the states.

In the last twenty years the synodical structure has experienced a flight to the local. That flight to the local reflects many of the social dynamics which have marked Australia in that period. For these kinds of personal and social activities the local has become much more important. The general loose structure of the confederation represented in the Church Constitution facilitates those centrifugal forces. They are underlined by a long-standing regionalism in Australian Anglicanism, a regionalism which was born of the differences in the colonies in the nineteenth century. This regionalism was overlaid in the Church with theological and stylistic differences in the early

years of the twentieth century and it is now deeply embedded in local diocesan cultures.

On the other hand there have been centralising forces at work in the commercial and business environment in Australia in the last twenty years. The processes of institutional de-regulation initiated by the Hawke-Keating Government and steps towards the integration of the Australian economy into the global economy have meant that at the same time the Australian economy has become less regional and more national. This is reflected in the way in which corporations law has become more focused at the national level and the way in which regulatory instruments are now generally conceived of nationally. These trends also appear in the way in which education and welfare have been developed and that has had a particular impact on church agencies engaged in these areas. Increasingly the Federal Government has taken over funding in these areas more directly and has looked to deal with national agencies rather than regional agencies. This has meant that Anglican schools and welfare agencies have had to deal with the government through national peak bodies of one kind or another.

This centralising or national tendencies in the economy and the regulatory environment has meant that those activities affected by commercial considerations that take place under the umbrella of the Anglican Church of Australia have similarly had to move in a more national direction. Networking has lead to national responses of one kind or another.

These two contrary tendencies affect the operation of the Constitution of the Anglican Church of Australia differently. Those differences can be identified by distinguishing the actual functions of the institutional arrangements under the Constitution. Before doing so, however, a glance at a more general question about the role of institutions will help to uncover

aspects of the operation of the constitution in this kind of church community.

3. The Consensus / Conflict Function of Institutions.

Institutional arrangements are ways of providing for continuity over time for relationships between people and/or property. Those continuing relationships usually centre around cohering core commitments or commitments to common kinds of activities. In a large community such as the Anglican Church of Australia the institutional arrangements also provide an environment to contain conflict, especially on core issues. In some contexts of institutional theory this is described as the consensus/conflict containment role of institutions.

If we approach the General Synod and the Standing Committee from the point of view of performing the task of containing conflict within the Church community then we can see that the constitution provides for a graduated way of identifying levels of importance for certain topics. Because the constitution sees these as core issues they are also issues of potential conflict. The terms on which canons and bills are handled by General Synod are directly related to the importance of the subject matter of those canons. Constitutional amendments are regarded as extremely important and different parts of the Constitution are more important than others. Matters to do with ritual, ceremonial or discipline are very important and there are a series of hurdles that such bills must pass before they can be passed. Even then they may be challenged in relation to the constitution. Even when passed they must be adopted by ordinance in the diocese.

So the Constitution itself has a series of grades embedded in its processes for identifying matters of greater or less importance. The Constitution sets

these grades in reasonably broad terms, not least because the founders presumably regarded it as being unreasonable to try to specify for all time which things would be more or less important. Even having said that, the kinds of things identified in the Constitution as important do have the ring of an earlier generation about them. The prominence of ritual in the formulation is probably an example.

Section 26 of the Constitution sets out the general broad stroke powers of the General Synod. When the procedures for bills dealing with particularly important matters are described, those matters which are especially singled out for careful and conservative treatment are the ones which concern ritual, ceremonial or discipline. Such canons, of course even when passed, do not come into effect in a diocese unless they are adopted by that diocese. On the other hand, the General Synod can simply make statements by means of resolution as to the faith of the church and declare its view on any matter affecting the church or affecting spiritual moral or social welfare and may take such steps as might be necessary or expedient in furthering union with other Christian communions. These subjects appear in the Constitution as less fundamental institutionally than ritual ceremonial or discipline. Yet, in the early twenty-first century it is the ethical questions which provide the greatest contention not only in Anglicanism in Australia but globally as well.

Be that as it may, it is clear that the Constitution envisages that the General Synod has a way of identifying a hierarchy of importance in regard to different kinds of issues which come before it for decision. The more important things require a more careful and consultative process, especially in relation to the involvement of diocesan synods in the process. The Constitution and the Standing Orders for the procedures of the General

Synod therefore privilege the status quo in terms of the Church's position on these matters.

All of this points to a decision-making process in the General Synod which is graded and susceptible of quite effective containment of conflict in the life of the church community.

Of course, when the General Synod meets only every three years its capacity to gather consensus and to find ways of connecting the various parts is quite limited. This is especially crucial when the perceived core is reconfigured or frayed. It is for these reasons in part that efforts have been made to enhance the consensus-building activities at meetings of the General Synod. In many respects the General Synod is an opportunity for the cultivation of a sense of catholicity amongst the more locally identified constituent parts.

Although the Synod, especially in some recent debates in the late twentieth century, looks like an arena of conflict and discord, its capacity to contain substantial conflict in the life of the Anglican community in Australia has in general terms worked well. It has proved to be better at containing acted out conflict than at establishing consensus and genuine connection. In this context we can see that the introduction in recent synods of group processes and conflict resolution protocols has been an adjunct to the kinds of processes which are already embedded in the Constitution. Furthermore the meetings of the General Synod are not the only means available for building consensus. A whole range of organisations and activities contribute to that process; MU Australia, mission agencies, the National Anglican Conferences, commissions, networks, task forces, and the list could go on.

4. Decision-making

Clearly some of the great conflicts have been issues upon which the General Synod has wanted to make a decision. In broad terms the decisions that

come before the General Synod or the Standing Committee have to deal with what one might call *community issues*, that is to say, issues that arise from the life of the church community as represented by the dioceses and the General Synod agencies.

These community issues arise from the work of Commissions, Task Forces, Committees and Working Groups and the activities of Standing Committee. In general, issues to do with refugees, social policy and reconciliation have been matters that have been openly debated without a lot of conflict. The same could not be said of matters to do with gender relationships. Even so, the General Synod has provided an opportunity within which this particular community issue can be debated, and aggressive and overt conflict within the community can be contained to some degree.

Resolutions of the General Synod on these matters do not have much leverage to secure compliance or even high level influence. That is in part because these resolutions depend for their power on the prestige of the General Synod in local communities and the degree to which members of the General Synod take these decisions back to their local dioceses with enthusiasm and conviction. Another significant reason why these resolutions do not have leverage is that the General Synod itself has not provided resources to enable national programmes or activities to give persuasive prominence to these resolutions. The history and tradition of Anglicanism in Australia and the nature of the Constitution has meant that minimal resources have been provided nationally and that for effective action or suasion, we have to rely on dioceses. It has not always worked by any means.

Broadly speaking the General Synod does not discuss business or commercial matters in great detail. There is of course a debate about the budget and the audited accounts but this debate usually proceeds on the

assumption that there will be no expansion of the budget and that only the broadest possible policy lines will be set by debate at the General Synod. Most of the discussion about business matters, investment policy, the allocation of resources and assets takes place in the Standing Committee of General Synod. It is in this area that the constitutional and organisational arrangements run into significant difficulty.

5. Structural Problems for Business

Like the General Synod, Standing Committee is an unincorporated body. It is large, has a membership of thirty-two and is not a suitable environment for detailed debate on financial and commercial matters. The present Standing Committee contains no members currently active in the commercial world. The Honorary Treasurer has had a distinguished career as an accountant and finance director and is now the Registrar of the Diocese of Bathurst. The Executive Committee of Standing Committee has effectively no delegated authority to make decisions of any substance in these areas. General Synod recently provided for the establishment of a company, Broughton Publishing, and this is now set up with a board of directors with commercial experience and it engages in commercial activity.

While the Trust Corporation is the corporate entity for the Church its role and responsibilities are unclear and differently perceived. In broad terms the Standing Committee has traditionally regarded the Trust Corporation as a bare trust existing only to carry out the instructions of the Standing Committee. There is some support for that view in the foundational trust document executed in 1978. That document states that the trust funds and assets should be used “for the promotion of religion in Australia by such means (being charitable) as the General Synod of the Church of England in Australia (as constituted by the Church of England in Australia Act 1961) may determine from time to time by canon thereof”. However there does

not appear to be any precise specification of the responsibilities of the members of the Trust Corporation in either the Constitution or the enabling legislation of New South Wales. Some members of the Trust Corporation take a different view and on at least two occasions in the last ten years have sought to exercise a more active role by asking questions about the wisdom of decisions made by the Standing Committee. This happened first in relation to the contract for the publication of APBA by E J Dwyer and more recently in regard to investment policy. Because the Standing Committee has regarded the Trust Corporation as a bare trust, the processes that have been put in place over many years for the operation of the Trust Corporation assume that their role is merely formal in carrying out the wishes of the Standing Committee.

In addition to the Standing Committee and the Trust Corporation there exists an Audit Committee. Again, the role and the extent of responsibility is not clear. As a General Synod Audit Committee one might assume the Committee's responsibility extends to all General Synod-created bodies, but not so.

This abundance of potential commercial decision-making capacity in these three bodies stands in direct contrast to the resources available to implement any decisions when finalised. The General Synod Office, a body without any legal existence, employs one person plus an accounts assistant to manage all commercial matters emerging from these bodies.

The limit on implementation resources on its own is enough to ensure most decisions take time to implement and some may not get implemented at all as has happened in the past. For example the inability to enrol volunteers and resources, and the sheer difficulty of the task have meant that the precise terms of the Financial Protection Canon have never been put in place. But the issue becomes even more critical when two or three of the bodies adopt

different views on what needs to be done. In one example, in 2003, it took 11 months to implement a decision of Standing Committee to improve a struggling investment portfolio.

This criticism in no way reflects on the valuable contribution of each of the volunteers filling the role of Honorary Treasurer, Trust Corporation member or Audit Committee member. It does however point to major problems in structure, governance and resourcing.

6. *Problems for 'Business' transactions*

Business transactions encounter considerable difficulty, especially those which require commercial judgement and the execution of decisions efficiently and expeditiously because of movements in the market. They are:

- Inefficient in that very often the same issue is debated several times and repeated in different arenas, the Executive, Standing Committee, Trust Corporation and sometimes again in the Standing Committee.
- It is expensive in terms of time and lost opportunities as in the case of the investment policy referred to above.
- There is no real delegation and in the present circumstances it is not immediately apparent who might have the power to delegate to whom. The Executive, which theoretically ought to be looking at the closer financial details, has such limited delegations for action from the Standing Committee that it is not able to respond quickly or effectively in the circumstances of important or urgent business transactions.
- This pattern of non-delegation implies and facilitates low levels of trust in regard to these kinds of decision.

- Confusion in relation to the character of the Trust Corporation and the responsibility of the Trustees and confusion as to the corporate status and effectiveness of the decision-making of the Standing Committee means that public responsibility of the Church in relation to assets held by these bodies for the Church community is avoided.
- The whole structure fails in terms of the external governance expectations which now prevail legally and in the broader professional community. This is especially true in regard to:
 - transparency
 - responsibility
 - control and accountability.

These issues are highlighted in the example of the report of the Audit Committee in regard to audit standards.

Besides these issues there are wider issues of the public witness of the Church as to the propriety and stewardship that is implied in these arrangements. In the early 1890s when the dioceses in the Anglican Church found themselves facing significant financial difficulties, commercially competent lay people came to the rescue and began to make significant contributions to the life of the Church and the establishment and conduct of its affairs. It is notable that in the present circumstances there is an absence of commercial and business experience in the key decision-making bodies at the national level. Perhaps that is not surprising given the convoluted and confusing structures, and the implied low levels of trust, which exist in this arena.

All of this rather suggests that the structures for dealing with business decisions at the national level need to be revisited with some urgency and rigour. That revisiting should look at the existing difficulties and also be

conducted in a way which ensures that the best practices in relation to current corporate governance standards are made part of the way in which we operate.

CHAPTER 3. A THEOLOGICAL APPROACH

This chapter aims to draw out some of the theological issues that are involved in any discussion of the nature of the Church and its organisational arrangements. This is not an easy or straightforward matter since some of our most serious current difficulties arise from our different theological methods. This chapter cannot enter into that argument in any detail, though it is important to notice that all ecclesiological discourse, especially in Anglicanism, is preoccupied with the issue of the relation between the theological ideal or vision of the church on the one hand and the empirical reality which Christians experience. One of the classic modern Anglican works of ecclesiology, Michael Ramsey's *The Gospel and the Catholic Church*, demonstrates this with abundant clarity. Indeed it is the central question in the book: how is the gospel and the nature of the presence of God in the human condition which is announced in the gospel to be seen in the empirical reality of the church?

Given that the church exists through and in time it is inevitable that institutions develop and it is a surprising lacuna in ecclesiological literature that there is no great consideration of a theology of institutionality. There are examples of particular institutions which are subjected to theological scrutiny, such as ministerial order, the sacraments, the canon of Scripture, but we lack extensive theological analysis of institutionality in general. This is a pity because it has the effect of narrowing the range of considerations

which attract our attention. There has been some extensive discussion of the theological meaning of social institutions such as the state and marriage, but again the inner dynamics of institutions and their relation to a theological understanding of the presence of God in the human condition is not well represented in this arena.

The theological consideration of particular institutions such as those just mentioned does however point to two essential elements in institutions: the ends for which an institution exists and what, in a slightly different context, Alistair MacIntyre refers to as “goods” which are internal to the operation of a tradition. Those goods are the virtues or values which are internalised by the regular operation of the patterns of institutional life. One might say that they are the habits of the heart which are grown by the habits of life within the framework of the institution. We can apply to the institutionalities of the Anglican Church of Australia these two elements, the ends for which institutional arrangements exist and the values which in their operation they facilitate and nurture.

In early Christianity four patterns emerged in the experience of the young communities: welfare, sacraments, ministerial order and canon of Scripture. Welfare was necessary for Christians whose profession of faith presented them with serious life-sustaining problems. A system clearly emerged very early in Thessalonica with basic rules about who might expect support from the church community. The pattern in Jerusalem of support for the Hellenists is another example. The pattern of order in church and the grounds of appeal in argument derived from the confession that Jesus is Lord. With that frame of reference the apostle Paul had certain “ways” of doing things and rules about what happened in churches he had founded. He applied the tradition of Jesus’ last supper with his disciples in Corinth in order to enhance the significance of their communal meals and label it a

Lord's Supper. The early Christians baptised converts, though Paul appears to have taken his registry responsibilities in this matter somewhat lightly. He had difficulty remembering whom amongst the Corinthians he had baptised.

From the early diverse and local patterns of the first century there eventually emerged a more general pattern of institutions. An order of ministry, a pattern of sacraments and a canon of Scripture soon became established. These are the familiar avenues through which we make our claim in the fundamental declarations of the constitution to trace our identity as a church back to Jesus and the apostles.

However we should not imagine that these institutions have remained exactly the same or their significance been always accepted in a universally agreed framework of meaning. The power and significance of these institutional arrangements have been hotly disputed for two millennia and their inner meaning has changed from time to time. For example no one can seriously pretend that the Church's expectations of its bishops throughout the last 2000 years have been exactly the same at every point in history. The origins of the office of bishop in the church begin very early in terms of their apostolic responsibility to a community of Christian people. Their responsibilities have included at various times preaching the gospel, teaching the Christian community, looking after the money, baptising converts and presiding at the worship of the church.

In the fourth century when the political authority of the Roman Empire came to support the church and thus the bishops, dramatic changes took place. In 380 AD the Emperor Gratian issued an edict which gave the Bishop of Rome jurisdictional, that is to say coercive, disciplinary power not only in Rome but also in Italy and Gaul, Spain, Africa and Britain. The bishop became not simply the bishop of a community of people but a person who

had politically backed jurisdictional power over territories. Of course this particular political alliance eventually collapsed though some of the imperial notions have recurred from time to time, usually with other political alliances. With the so-called reforms of Pope Gregory VII they were embedded into the Papal self-understanding, a view expressed when Gregory issued a series of dictates which claimed spiritual and ecclesiastical jurisdictional authority over the whole of Western Europe.

The reality is that the office of the bishop and the expectations of the church attaching to that office have changed significantly over the past 2000 years as the church community has struggled to relate to changing circumstances. One of the major changes has been the move away from an idea of a Christian kingdom or nation. Historically that has been the main tradition in Anglicanism, created conceptually by Bede in the eighth century and brought into effect by King Alfred. The English began slowly to give up the idea first of a king ruling and then of the nation being a Christian nation which had a commitment to the enforcement of Christianity, that is, Anglicanism. The evolving patterns of establishment in England from 1688 to 1829 and even to today testify to this change.

Not surprisingly the governing structures of the church reflected the political marriage which existed between king and church, represented from the time of William the Conqueror by the archbishop of Canterbury. The decision-making institutions of the church in this period were usually a mirror image of those of the state. Article 37 both states the theory of Royal Supremacy and reflects the disputes about it. These were the same disputes initiated by Pope Gregory VII when he sought to prevent lay investiture of bishops who had customarily been appointed by princes, to insist that clergy be celibate and bishops be confirmed and responsible to the Pope. These revolutionary ideas were rejected in England at the time by Lanfranc and King William.

They only gained a foothold in England under the terms of Henry II's submission to the Pope at Avranches on 21 May 1172 as part of the retribution for the connivance of the king in the murder of Thomas a'Beckett.

Even within contemporary Anglicanism, different sets of expectations about bishops apply in different places around the world. For example, in the United States of America, bishops are regarded more as a kind of religious order existing within the entire church community, whereas in Australia, our Constitution regards bishops as essentially attaching to a diocese and in that sense are seen as both representing a diocese and having authority within it. For that reason Australian Anglicanism has some organisational difficulties with non-diocesan bishops, such as assistant bishops or even regional bishops. For some purposes they are bishops and for other purposes they are not.

Similar things can be said about the decision-making structures of Anglicans. Synods representing the whole church community are the current model, but in the past we have had dictatorial kings, councils, sometimes presided over by the king with leading lay people, bishops, senior clergy and abbots present. Sometimes we have had parliament (which included bishops) with a separate convocation of clergy each jostling for power space. Most notably, of course in 1662 a dominant and determined parliament.

This cameo excursion into the history of this one institution and of the decision-making arrangements in Anglicanism is enough to show that we are not dealing here with development in the sense that one step leads by some inner logic to the next and that what results is the appropriate synthesis of the preceding patterns. Clearly we are not talking about development in that sense, either in terms of the actual institutions or the meaning attached

to them. Rather we see here a pattern of adaptation to the changing external environment. Furthermore these adaptations are almost always contested. How could it be otherwise? After all we are not dealing with conceptions of institutions which are set as universals, like some kind of Platonic form. Rather we are looking at broad considerations of ends and goods, and most of the means for achieving these ends and goods are framed by historical contingency.

In the Christian understanding this approach to institutions in the life of the Christian community is workable because of the overriding theological perception that this community of the church is a community being made and recreated by God. This church has as its lord not office holders or kings, but the living God. The great twentieth century New Testament scholar Ernst Kasemann never tired of reminding his Lutheran friends that the continuity of the church's existence depended on the continuing sovereignty and presence of God. An Anglican ecclesiology would be a little more interested in markers of continuity in the ongoing empirical life of the church than would a Lutheran, but his point is still correct even when we set it in an Anglican heritage.

In this framework there are two key principles which enable us to engage with the question of decision-making and governance as Anglicans located in Australia. They are fellowship and effective authority. The term "fellowship" is used here to point to the recent discussion of *koinonia*. That term has been used in a number of circles to foster the notion that it is important for Christians who differ to find a way of relating to each other. Thus it has had some currency in ecumenical conversations and has been used in conversations within the Anglican Communion. At one level it is a very useful idea in this context because it draws attention to the priority of the connection created between Christians by their common Christian

vocation. It runs a risk of becoming just another way of speaking about how we get on with each other and how far we are prepared to be institutionally bound together. But *koinonia* speaks first and foremost of our relationship with God and our testimony to the gospel. The pattern of our relationships together within this paradigm must therefore be shaped by the way in which we are enabled to testify to the presence of Christ amongst us. That is the logic of Paul's use of *koinonia* to the Corinthians. Any pattern of governance in the Anglican Church of Australia should facilitate and nurture the formation of such relationships as will build that witness to Christ. One may put the point in the simpler language of Jesus, "By this everyone will know that you are my disciples, if you have love for one another" [John 13.35].

However the very nature of our life in a modern society and the nature of the resources of which the General Synod is the steward require that there must be ways of making decisions about some kinds of actions. Any system of governance must provide the means for effective decision-making. There need to be institutional arrangements which carry with them power of agency in decision-making. We here encounter a very important and interesting nest of issues which arise out of the world in which we live and also out of our tradition as Anglicans. History has left us with institutions shaped by decisions made in this country one hundred and fifty years ago. Our predecessors adopted a parliamentary pattern of synodical governance with a hang-over of trusts for specific purposes. The trust pattern is seen most obviously in Adelaide, but it is present elsewhere. Furthermore the synodical pattern in the national Constitution itself places a trust corporation at the core of its public institutional existence.

Effective authority in England from the time of King Alfred and William the Conqueror derived from the sovereignty of the crown and by stages the

sovereignty of parliament. In either case effective authority was readily at hand through the law and the resources of the executive. These arrangements were the result of a long and continuing argument about the terms of the social compact. Ultimate control of legitimate violence by the state enabled the social compact to be sustained when consensus was hard to find. The underlying reality is that power to make effective decision within a discrete community arises either by agreement or by compulsion.

The overwhelming tradition of Anglican theology on this point is that any power to require actions from others, that is to say the capacity to make effective decisions, arises from an order agreed by the Christian community. Both the establishment and maintenance of order are the result of agreement and because of that are the basis of the power which is held by those who occupy positions of authority in that order. Such power as these officers or groups may have derives from the order which is supported by the community, through the strength of its interactive relationships. The vitality of the power in the order of a community is a measure of the vitality of those relationships. There is a long history of this tradition in Anglicanism and in many respects it goes back to the Pauline notion of the presence of God in the community through the contributions of the members of that community, contributions he described as gifts, that is, gifts from God.

There is therefore an interplay within a discrete community between effective decision-making and fellowship. This starting point enables us to ask the further question, what kinds of governance arrangements might be appropriate for a community such as the Anglican Church of Australia? In order to answer such a question we need to identify what ends we are seeking by such arrangements and what “goods” or values we wish to nurture by such arrangements. Before coming directly to these questions we want to engage in a relevant detour to revisit the Constitution in order to

relate what has just been argued to what stands there in relation to the nature and theological significance of the compact which that constitution represents.

Under section 66 of the Constitution the Fundamental Declarations [Sections 1-3] can never be changed and the Ruling Principles [Sections 4-6] can only be changed with the assent of three quarters of all the dioceses including all the metropolitan dioceses. Apart from the change of name from Church of England in Australia none of these sections has ever been changed and it is extremely unlikely they would be changed. Three commitments are made in the Fundamental Declarations and they appear with increasing specificity. Section 1 simply claims that the Anglican Church of Australia is part of orthodox Christianity and identifies the Nicene and Apostles' Creeds as the touchstone for the expression of that faith.

Section 2 makes two commitments which echo Article 6 of the Thirty Nine Articles. The commitment that Scripture contains all things necessary for salvation is preceded by two other claims: Scripture is the ultimate rule and standard of faith, and that it is given by inspiration of God. The three claims in the section move the constitution into much more clearly Anglican waters. The supreme point of appeal for the Church is expressed in ways which echo a very loud voice in Anglican theology and it is significant that it stands in such a prominent position in the Constitution. All argument about the faith of this Church will have to deal with Scripture as the ultimate rule and standard. Like the Reformation formularies and the broad generality of Anglican theology, the Constitution does not commit the Church to a doctrine of Scripture alone, but it does place Scripture in the ultimate position of appeal.

Section three commits the Church to do five things:

- ever obey the commands of Christ
- teach His doctrine
- administer His sacraments of Holy Baptism and Holy Communion
- follow and uphold His discipline and
- preserve the three orders of bishops, priests and deacons in the sacred ministry

From a historical point of view this is a very Anglican form of Christianity, though we should notice that these commitments are not given any specific rationale. The commands of Christ are not spelled out, nor is His doctrine. No theology of the sacraments is embedded here, though there are clear implications in the Ruling Principles. Christ's discipline is not defined and no theology of the ministerial order is given, not even any rationale for the commitment to the pattern of three orders. These are simply things to be done.

It is, however, very important that the Constitution sets out all these action commitments in terms of obedience to Christ. It is hard to imagine how these commitments could be more clearly identified as arising from a fundamental commitment to obedience to Christ. That is the point of Paul's characterisation of the presence of God in the contributions of the Corinthians to the life of their church. The gifts are the way in which Christ the Lord of the church is present to exercise his lordship. These unchangeable commitments also make it clear that this Church is committed to patterns of life which are to be judged in terms of their obedience to Christ.

The community of this constitution has a value-laden lifestyle. When therefore we ask what kinds of ends our institutional arrangements are to

achieve then we are given clear direction in this part of the constitution. Furthermore the values which any institutional arrangements nurture are also clearly pointed to here. Those ends are the obedience to Christ in terms of the particulars here stated. The values are those which belong to a community life consonant with the character of Christ's lordship. So when we come to ask of our institutions such questions, we should begin and end here.

The second point to draw attention to here is that the powers of the General Synod given in sections 4 and 26 are at no point exclusive powers. The Church in section 4 takes plenary power to make statements and change things. This is a qualification on the relationship with the Church of England stated in the opening sentence of section 4 and repeated in Section 6 in terms consistent with the possession of such local plenary authority. The Church here is the whole body of Anglicans described in the Constitution. The effective local units in this community are the dioceses. Section 26 echoes the terms of section 4 but it is clear from the whole chapter on the powers of the General Synod that there is no area for which the General Synod has exclusive or monopoly jurisdiction. On key issues of faith and practice its canons are permissive not mandatory.

This means that the compact which is here described is essentially federal in character and furthermore the actual ongoing terms of the compact between the dioceses and the General Synod are in fact a matter of continuous negotiation. The constitution, so long worked for did not settle the terms of the compact in any final sense. Rather it provided a framework within which the compact could continue to grow and adjust, or otherwise. The symbiotic connection between order and relationship, between power and *koinonia* could hardly be more clearly articulated. Thus what was argued earlier from the standpoint of the history of Anglican theology is also found

embedded in the Constitution of this Church. On that basis it is more than fair to say that we have firm broad guidelines for identifying the values which our institutional arrangements should express and nurture, and also we have some broad parameters for identifying the ends which those arrangements should be serving. Any arrangements should satisfy the elements outlined in the Fundamental Declarations and be influenced by the Guiding Principles. Hence we are bound by the commitments of Section 3 and resort in argument to the ultimate authority of Scripture for our salvation.

The Constitution and some account of the Anglican tradition leads to a community in which relationship and power for decision-making exist together in symbiotic relationship. So the question for relationships becomes what institutional arrangements facilitate *koinonia* and the witness of the community to Christ. For decision-making the question is what institutional arrangements will achieve a flourishing of Christian mutuality and effectiveness in decision-making. What kind of values should the institutions foster and assume, and what kinds of effective decision-making arrangements will, by the way they operate, facilitate our professed Christian values?

The answers to these questions depend on what sorts of things have to be decided. The Constitution is the guardian of the faith of the Anglican Church of Australia and matters about what may be permitted in the Church in relation to faith and practice. These have been and generally will be matters which call for widespread consultation and high levels of consensus. As we have seen, the Constitution itself provides for graded steps according to the perceived importance of an issue. Matters which are of national significance and which come before the General Synod may, however, relate to things which are not so much to be permitted as to be encouraged. A

prime example of this is the attempt to win widespread agreement among the dioceses for a common approach to handling abuse claims and to sustaining appropriate professional standards for clergy, bishops and Church employees. This is an altogether different kind of decision-making. It is really an exercise in persuasion in the absence of coercive constitutional powers. The same is true of matters to do with the public view of the Church on national social issues. Clearly these are matters of influence and persuasion more than decisions which might be seen as determinative.

There are two other types of decisions which may well fall within the compass of the activities of the General Synod and its Standing Committee. The first has to do with straight forward financial matters. The General Synod taxes the dioceses and is the custodian of the income and the accumulated resources. The General Synod also has funds which arise from commercial activity such as the publishing of prayer books or may come from gifts or legacies. The control and management of these funds is a straightforward commercial matter and certainly requires that kind of decision-making. The second type is where the General Synod is able to use its national position to offer commercial goods and services to the dioceses and other Anglican institutions. The national insurance pool and the bulk-purchasing deals initiated from the General Synod Office in recent years are examples of these. The bulk-purchasing arrangements have evolved through a variety of structures either related and separate from the General Synod Office. In other words there are some goods and services for which a national approach can yield savings and advantages for all. These are essentially commercial activities and they require appropriate commercial decision-making processes.

The ends to be achieved in these different areas clearly are different in character and call for different ways to be used if they are to be enterprised efficiently. At the moment that does not happen.

A more complicated question arises as to the values which should be embedded in the institutional arrangements for these different kinds of decision-making activities. At a simple level we might say that the values should be those of ordinary Christian living and undoubtedly there would be a point in that. However the range of issues and the different kinds of decisions call for something a little more refined than that. Various models of Christian values have been used in the history of Christian thinking. The beatitudes in the sermon on the mount point to personal qualities; the poor in spirit, the mourners, the meek, those who hunger for righteousness, the merciful, the pure in heart, peacemakers and those persecuted for righteousness sake. In the Kingdom of God the disadvantages of the disadvantaged in this list will be removed. Clearly, however, the sermon is pointing up key values such as humility, purity of heart, peaceableness and commitment to the righteousness of the Kingdom of God. The sermon goes on to highlight other social values of the disciples of Christ hope, being salt and light and the inner character of the demands of the law making the requirements of the law more demanding in terms of lust, hatred, swearing, retaliation and loving one's enemies.

Some items in this presentation take on more salient roles in Christian thinking and behaviour in other parts of the New Testament and in the early church. Humility becomes a key Christian virtue, in many respects a Christian innovation in the ancient world and no doubt arising from the Christian perception of God as revealed in a crucified messiah. Jesus' own emphatic teaching to his disciples on service and humility highlight this key element in Christian understanding. Purity of heart lies as the positive face

of the hypocrisy which Jesus so vehemently attacked in the religious leaders of his day.

Love is central to the Christian understanding, the love of God and the love of the neighbour. These were the two great commandments in Jesus' presentation, and love becomes the final principle for behaviour in the church in Paul's letter to the Corinthians. In later Christian thinking the classical virtues of prudence, temperance, fortitude and justice were taken over and combined with what came to be called the theological virtues of faith, hope and love.

When Paul wrote his circular letter to Ephesus and others places in Asia he listed the key ethical markers of the work of the Spirit of God in the lives of the believers as the fruit of the Spirit love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control. Clearly these are virtues which gain point and function in the life of the community.

In one sense the values just canvassed ought to characterise all aspects of the life of the Christian community. However when we focus more particularly on decision-making some emphases can reasonably be highlighted, particularly in relation to different kinds of decisions. The kinds of values called for in the commercial business areas of decision-making are quite discernibly different from those which are needed in decisions about broader community standards and practices. At one level commercial decisions need particular kinds of expertise and a capacity to make quick decisions in response to changes in the commercial environment and in transactional activity. On the other hand decisions about substantial changes in community standards or matters in the terms of the Constitution which affect doctrine or ritual call for a much more measured and consensus-building process.

Given these kinds of constraints of context and activity we are drawn to those Christian virtues which clearly construct relationships and manifest the Christian character of the church community in its witness to the wider society. These are issues like:

- peaceableness
- kindness
- generosity
- self-control
- humility
- honesty, which in institutional terms means transparency of process and participation.
- truthfulness
- trust.

Some of these will be more relevant to commercial decision-making and some more relevant to changing community standards. The process of wining consensus calls for more peaceableness, kindness, generosity, self-control and humility, whereas commercial decision-making calls for more focus on humility, honesty, truthfulness and trust. In a structure which inevitably involves representatives acting on behalf of larger groups, any decision-making or activity cannot be seen in any other terms than service of the community being represented. That principle underlies everything we have been discussing.

In the following section we shall explore how these theologically shaped principles can be expressed in institutional arrangements which will deliver both effectiveness in decision-making and will embed and foster the values of the Christian profession of this church.

CHAPTER 4. A BUSINESS APPROACH

The sexual abuse scandal has shown up significant failures in the Church, not just in terms of process but also in terms of institutional culture. Churches, including the Anglican Church of Australia, have been under increasing scrutiny to comply with community standards which many people see as more demanding than those operating in the churches. Most Churches are struggling to come to terms with this challenge. However, sexual abuse is but the most public example of the increasing gap between community standards and church practices. The pressure is not just to meet these standards but to exceed them. There is much ground to make up.

The last twenty-four months have highlighted a growing number of areas where the Church is falling, or is likely to fall, below legislative requirements and/or community expectations. These include:

- taxation
- Occupational Health and Safety
- privacy
- Accounting Standards
- policies on audit
- investment management
- prudential standards for development funds and
- risk management generally.

As community expectations for the behaviour of business corporations continue to increase other institutions must accept they are under the same scrutiny.

The basis of these community standards, by which *all* institutions are being judged, are:

- transparency (the community being able to see and understand what institutions are doing);
- accountability (having structures which do not allow culprits, or their superiors, to avoid being accountable for their actions); and
- responsibility (institutions understanding and accepting they are responsible for actions carried out by anyone under their control).

To these could be added, from a strictly commercial perspective:

- efficiency (making the most of the limited financial and human resources we have);
- effectiveness (being able to do what we say we will do); and finally
- reputation (the community having a good impression of the institution because of how it behaves).

To a church, it is easy to suggest that efficiency and effectiveness are not important in the same way as making a profit is to a commercial entity. There is a certain truth here in that the formation of Christian community by its life and witness to the crucified Christ is the primary task of the church. However, in the kind of society we live in such Christian formation takes place only by using all sorts of physical resources. The good stewardship of these resources is thus vitally important, particularly when the ultimate source of income at the national level is giving from parishioners, some of whom, at least, are not in a strong financial position. Indeed, it would be an

easy case to make that the fewer resources you have to work with the better the structures and decision-making need to be to offset the lack of resources. An under-resourced entity hardly needs the additional burden of inefficient and ineffective decision-making.

Reputation also applies to churches and corporations. Churches may not pollute the land or the atmosphere but they are equally at risk of being less than honest in their dealings with the public or ‘gilding the lily’, pretending they are something they are not.

In this context let us examine some aspects of the church already introduced in the earlier sections.

The ‘confederation’

The Constitution is clear on the federal nature of the Church. However, unlike the Australian Federal Government, to this point little has been conceded by the federated bodies, constitutionally or otherwise, to the federal body, the General Synod.

In many ways the General Synod is more like the (weaker) forms of federation found in the commercial sector – the Federation of Automobile Manufacturers, or the Federation of Australian Commercial Television Station. In this model the General Synod is the council of the federation and the Primate the chairman of the council of the federation of Anglican Churches of Australia.

There is a well-established structure in the business sector for what is done and not done in this sort of federation. Generally the members expect some limited public relations, some government liaison and maybe some statistical gathering and promotion. Everything else is expected to be done by the members themselves. Generally the roles are clear, the dues paid

promptly, and each participant knows where they stand, including the small staff in the national federation office.

If this model is closer to the reality in the Anglican Church, then there exist two identifiable risks. The first is a risk to the reputation of the Anglican Church of Australia pretending to be something it is not; namely, an entity capable nationally of making unified decisions on a range of matters, be they taxation policy or abuse protocols, and capable of implementing these decisions. Not only reputation and standing are at risk but such a situation is inefficient and ineffective as the few resources available to implement issues find themselves repeatedly caught in implementation stalemates.

The further risk, unlike in the two commercial examples above, is that many of the members of the federation have neither the financial nor human resources to conduct their affairs independently across the range of issues involved in a modern public institution. This is especially so in areas such as investment, taxation, insurance, risk management and compliance in an increasingly extensive and demanding regulatory environment.

Roles and responsibilities in commercial matters

At the cost of inefficiency and ineffectiveness, after forty years the relative roles and responsibilities of the Standing Committee, Trust Corporation, Audit Committee and General Synod Office remain unclear. There may have been periods in the past when this was not a concern. Those days are long gone. The current state of affairs fails on all the tests of transparency, accountability and responsibility as well as efficiency and effectiveness. Indeed, when the national Church is dealing with external bodies, this situation also affects its reputation.

Some may wish to argue that such ambiguity protects the Church's assets from attack in that anyone, such as a disgruntled employee, cannot identify a

clear target when it is unclear who, if anyone, employs them! Corporations once hid behind such ambiguities and were often criticised by church representatives for doing so. Now the public demands transparency, responsibility and accountability of *all* institutions.

Public issues

The most recent and highest profile public issue for the Church is its response to child sexual abuse. Under public pressure the Standing Committee resolved to work towards a common system across the nation, a step subsequently supported in the media by the annual conference of bishops. There was and is a clear expectation in the wider community that the Anglican Church nationally will have a common system which would operate across diocesan borders. Work has been carried out to produce such a system, as well as an expanded Code of Conduct for all Church workers especially with regard to the protection of children. But the decision-making processes may not produce a national protocol and the public promise might not be kept. Despite the extensive investment of time and resources the Church's reputation remains at risk.

A small digression might be useful here because illustrated here is a useful example of a dilemma contained in many public policy issues for the Church. In each diocese work on public policy issues is likely to be undertaken by committees comprising volunteers, often skilled professionals, advising the (few) paid, full-time employees of the Church. The independent views of the diocese may well be coming from other, well qualified and well intentioned quarters whose first commitment to the interests of the diocese is pursued with little or no interest in unified national responses. Whether the issue is taxation policy or sexual abuse, this constraint will remain. The present legal and commercial environment is increasingly national in character and demands national approaches. This

suggests that the solution is likely to lie more in the ceding of powers over specifically agreed matters than consensus decision-making, which will probably continue to be inefficient as well as ineffective in commercial and regulatory areas.

One process for all issues not adequate

One presumption underlies a number of these issues, particularly the commercial ones, that the processes, established largely for theological or ecclesiological reasons, work equally well for public policy or commercial issues as for general Church community matters. *Prima facie* this is unlikely to be the case. As explained earlier the structure has been reasonably effective in containing division on theological issues because it enables dialogue to continue.

But few commercial issues need continuing dialogue. They need decision and action. In most cases professional standards already exist and community or legislative requirements are known. The question is whether the Church is going to abide by them or not and, if it is, how to ensure that all elements of the Church do so.

On public policy issues reaching consensus on the policy is a vital step, but it is only a first step. More resources will need to be devoted to implementation, monitoring and compliance. Only when the Church has such visibly effective arrangements will public confidence be won. The Church has manifestly not yet achieved that point in the area of sexual abuse.

Understanding the necessary difference between the types of decision-making processes required also allows the Church to engage in the dilemma set out earlier. While the theological and ecclesiological debate appears to be moving even further out to the individual entities, the issues of

commercial efficiency and effectiveness and legislative compliance are demanding more concentrated responses of a national kind. If all decisions continue to be made through the one process, failure on one level or another is guaranteed. Considering different decision-making processes for different functions at least offers an avenue for improvement over the existing situation.

The steps which are necessary to improve this situation are addressed in the next section.

CHAPTER 5 SOME BASIC PRINCIPLES AND A PROPOSAL

Many of the issues described above boil down to this. In a number of current cases there is a serious disconnection between the external portrayal of the Church's structure and governance system and the Church's ability to meet the expectations of the community, government, ATO and others. The disconnection stems from the desire of the Anglican Church to portray to the community and others a picture that there exists an Anglican Church of Australia capable of concerted action. In terms of organisation that picture is largely a myth and stands in stark contrast to the structure and power distribution of the Church established in the Constitution.

The outcome is that in none of the issues would the Anglican Church of Australia stand up to scrutiny in terms of current institutional standards of accountability, transparency, efficiency or effectiveness. The list will continue to grow as there is an increase in community expectations for accountability and transparency from all public institutions and the government's tolerance and favourable disposition towards churches enjoying benefits such as tax concessions over other entities, will unquestionably and quite properly diminish.

There are only three choices available for the Church to address this problem. They are:

- A to take action to improve the governance processes and structures to deal nationally with different issues; that is, seriously attempt to meet reasonable standards for the governance of public institutions and to make commercial decision-making more efficient.
- B to take action to ensure that both outsiders and some insiders understand that for national commercial and social action the Anglican Church is no more than a loose federation of entities not really capable of concerted action and leave it up to each entity to negotiate its own way; that is, tell the story as it presently is. Such a proceeding will inevitably accelerate the dissolution of local entities under the impact of external demands which are national in character.
- C Do nothing until a series of crises produces either A or B.

The weakness in the consultative and permissive character of the Constitution for commercial and social action have been explored. The sexual abuse crisis has highlighted the pressures caused by these weaknesses which have become more threatening while public tolerance and support are less certain.

The public reputation of the Church is not the only important issues at stake. At root are questions about whether the inconsistencies speak adequately of the Christian faith which the Church professes. This is not to say that the present arrangements and decision-making processes fail the Christian values test. Rather it is to suggest that a better specification of the processes and institutional arrangements would promote Christian values more effectively. Those values of openness/straightforwardness, trust and responsibility are the values increasingly called for by institutional governance laws and regulatory standards in the wider community. They

are values which Christians have supported and called for over the years from corporations and governments. Of course the Christian and the Church does not have these values and standards set by the wider community or “the world”. But in this case the values we are being encouraged to uphold are ones which every Christian can and should adopt out of their own faith.

The present arrangements in the Church are incoherent and fail the test of governance and efficiency. Doing nothing (Option C) will only increase those problems. Uncovering them with more specificity (Option B) will not delay that process. We therefore must proceed further with taking action to improve governance processes and structures.

In approaching this challenge it is essential to clarify the essential roles of different parts of the structures in relation to the diverse issues before us. This means distinguishing between commercial or business matters and matters to do with sustaining the Christian community. Such a clarification would enhance the focus of the role of the General Synod and the Standing Committee in sustaining the national compact represented in the Constitution. Thus issues of broad policy in regard to doctrine, ritual and ceremonial would receive proper attention. This would involve planned treatment of matters of overt disagreement and conflict. The role of women in ministry has been such an issue. But we will need to bring into the open other matters such as lay presidency at the Eucharist, reserved communion, diocesan amalgamations and gender relations.

In what might generally be called commercial areas there will need to be a sharper focus on the regulatory and commercial environment. Decision-making will need to reflect the demands of that environment and the demands of good stewardship. Some of the issues that would come up for consideration in this area would be:

- 1 the dioceses (and agencies) need to cede certain, defined policy decision-making to the national level (as in most federations);
- 2 sanctions for the breach of such policies need to be agreed;
- 3 policies need to be established (with consultation and expertise available);
- 4 policies need to be implemented;
- 5 policies need to be monitored;
- 6 resources need to be made available to do the above.

Many questions flow from the above conditions. However, the key proposition being put forward is that a reconstituted Anglican Church of Australia Trust Corporation with changed membership and specific support should assume responsibility for commercial and compliance operations of the General Synod, taking most of the commercial issues off the agenda of the Standing Committee. This body would assume national policy responsibility for commercial issues such as taxation, audit issues, accounting standards, risk management and compliance at all levels.

In the long run, to be effective the dioceses and agencies need to agree to cede policy-making responsibility in the agreed areas as well as to follow policies once set out. In the meantime this body would act as a coordinating centre for these areas, attempting to achieve conformity through discussion, information and persuasion.

The steps necessary to put these proposals in place would be:

- 1 changes to the Trust Corporation Canon so that its members are appointed on appropriate terms by the Standing Committee;
- 2 appointment of members of the Trust Corporation with strong commercial skills;

3 agreement (by the General Synod, perhaps in a Rule) on areas of responsibility of the Trust Corporation. These would include:

- responsibility for oversight and management of the assets of the General Synod
- all commercial transactions
- the preparation and management of budgets along general policy lines established by the Synod or the Standing Committee.