

Special Session of the 50th Synod of the Diocese of Sydney

Approval of the merger of Anglicare and Anglican Retirement Villages

Presidential Address

Given by Archbishop Glenn N Davies on Wednesday 27 April 2016.

Members of Synod, brothers and sisters, saints of the Most High, welcome to this special session of the 50th Synod of the Diocese of Sydney.

As we gather together in the presence of God, I acknowledge the traditional owners of the land upon which we meet. In his wisdom and love, our heavenly Father gave this estate to the Gadigal people of the Eora Nation. Upon this land they met for generations until the coming of British settlers. As we continue to learn to live together on these ancestral lands, we acknowledge and pay our respects to their elders, past and present, and pray that God will unite us all in a knowledge of his Son, in whom all things were created, in heaven and on earth, whether visible or invisible—for all things have been created through him and for him.

Apart from Archbishop's elections (when everyone turns up!) it is fairly unusual to be summoned to a special session. I therefore thank all of you for taking the time to come out on this autumn evening to consider what I believe to be a matter of great significance for the life of our Diocese. I am also aware that the original date of tonight's session had to be changed for a number of reasons and I apologise for the inconvenience caused to many of you, and especially to those who were unable to attend due to previous commitments. Yet the matter that is before us tonight has the potential to increase our mission effectiveness in the Diocese, by combining the resources of two great organisations and maximising the expertise and commitment of their combined staff for the proclamation of Christ's love in word and deed for the growth of the kingdom of God. I am excited by this proposed merger and heartily commend it to the Synod.

When I became Archbishop I had an early conversation with Mr Grant Millard, CEO of Anglicare, about the duplication that existed across both Anglicare and Anglican Retirement Villages (ARV) in the provision of aged care services in our Diocese. Anglicare provided not only the residential aged care homes (commonly known as Chesalon Homes), including dementia units, but also retirement living for seniors at the new village in Oran Park and the delivery of home care services. ARV also provided retirement living for seniors, residential aged care homes, dementia units, home care services and most recently accommodation for people at risk of homelessness. We discussed some options. One obvious option was for Anglicare to divest itself of all aged care services and sell them to ARV. This seemed like an attractive option, which I know the then Chairman of ARV would have welcomed. It seemed such a sale would also provide an endowment for Anglicare to continue its mandate to provide for the needs of the aged, the poor and the socially disadvantaged, the most marginalised and vulnerable in our society, in partnership with our parishes, so that the love of Christ might continue to be expressed in word and deed.

I learned that Anglicare under both my immediate predecessor and Mr Millard's predecessor had sought to achieve the very same outcome in 2004. However, an analysis of the financial projections of such a transaction were demonstrably unsustainable for Anglicare and so the Anglicare Council did not proceed. This led in turn to their decision to develop Oran Park with their first retirement living village.

Mr Millard indicated to me that the only feasible way to eliminate the duplication, with the attendant overlap in requesting donations from Sydney Anglicans for the support of aged care services, and to strengthen the mission of Anglicare was for the two organisations to merge in some way. In late 2013 I approached the CEO of ARV, Mr Rob Freeman, and the then Chairman, Dr Allan Fife, together with the Deputy Chair of Anglicare, Dr David Wallace, to commence discussions. A small task force was selected from among the members of the Anglicare Council and the ARV Board to investigate the feasibility of the two organisations merging. By April 2014 the task force was well advanced with their work and I had briefed Standing Committee on the progress. However, though the Anglicare Council voted in favour of the proposal, in May 2014 the ARV Board declined to proceed 'at this time'. Nonetheless, Standing Committee set up a subcommittee to investigate further the merits of such a merger.

Members of Synod will be aware that Anglicare is celebrating its 160th anniversary since The Sydney Church Society, as it was then called, was established by Bishop Barker in 1856. My enterprising predecessor within

a year of taking office had established not only Moore Theological College, but also St Catherine's Clergy Daughters' School in the same year. He saw the needs of a growing Sydney and the importance of theological education to supply locally trained ministers of the gospel for this expansion; he recognised that the education of the daughters of clergymen, as well as their sons, ought to be a priority; and he sought to find ways of promoting a home mission society (as it was later to be known) to bring the love of God into the life of the colony by word and deed. Anglicare today is no doubt larger than Frederic Barker envisaged, but its reputation as a provider of care in the name of Christ is well acknowledged not only by Anglicans, but also by the general public as well as our federal and state governments.

In 1959 Archbishop Mowll and his wife Dorothy developed a vision for Anglican Retirement Villages, including special provision for retired clergy. Over time, residential aged care homes developed and under God's good hand the current shape of ARV as a gospel-centred, Christ-honouring organisation in aged care services is a testimony to the vision of Howard and Dorothy Mowll.

Yet over the past 55 years of their operations, there was little, if any, collaboration between the two organisations. In fact it may not be an exaggeration to say that many of our diocesan organisations have tended to do their own thing, and fulfil their charter under their respective ordinances in isolation from each other and the broader mission of the Diocese. In this century, under the initiative of Archbishop Peter Jensen, the CEOs of diocesan organisations began meeting together with the episcopal leadership twice a year to learn from each other, to share with each other and to develop ways in which they could all participate in the Diocesan Mission. To the best of my knowledge, this had never happened before. Occasionally Dr Jensen also gathered the chairs of these organisations for the same purposes. In many ways the Diocesan Mission was the catalyst for these meetings, enabling our major organisations to see themselves as part of the Diocese and therefore part of the mission of the Diocese. In the case of both Anglicare and ARV, under the guiding hand of their respective CEOs at the time, we saw a closer alignment of both organisations with not only the Diocese but also the gospel of Christ.

Grant Millard and Rob Freeman have successfully built upon this legacy. From the middle of 2014, both CEOs began to look at ways of working together in their common objectives and their common commitment to Christ and his mission. The respective staff of their executive teams followed their lead and so conversations began and shared opportunities were explored and a new collaboration between Anglicare and ARV emerged. Much of this may have gone unnoticed by members of Synod and the Standing Committee, but changes were taking place in these two organisations that have brought us to this day where a renewed vision for a combined diocesan organisation to proclaim the love of Christ to the aged, the poor and the socially disadvantaged, the most marginalised and vulnerable in our society, now comes before us for consideration.

As you have read in the CEOs' report on *Merger Considerations*, in the two years since 2014, the landscape of aged care in Australia has dramatically changed. The future will see constraints placed on government funding of aged care services and development of the practice of consumer directed care. Users of aged care services will be required to pay more and will be given greater say in the way their services are delivered. From the beginning of next year the method of government funding for home care service delivery will be customer directed, rather than provider directed. This is a dramatic shift in social policy by the Commonwealth Government, which has significant ramifications for both organisations. New players are entering the field of aged care services. These are large, international, for-profit organisations who are growing at a rapid rate. Scale will be vital for growth: scale is the new criterion for survival.

As the two organisations fruitfully began to work together, it became more and more obvious that the merits of a merger were more and more compelling. So in mid-2015, the management of both organisations presented to their Council and Board respectively that the time had come to reconsider the option of a merger. Both governing bodies agreed and over the following six months the management teams collaborated in a joint work of research and due diligence, with financial projections and legal advice, so that by early 2016 both the Anglicare Council and the ARV Board had endorsed the merger. This in itself was a significant decision in the life of these two organisations, especially ARV which had been concentrating on aged care services, and whose charter as a public benevolent institution did not include a broad benevolence to all who are in need. This was a new step to take, and I am particularly pleased that, through rigorous debate and careful assessment of the risks, the ARV Board were willing to take this step.

The breadth of the benevolent activities currently undertaken by both organisations is expressed in the objects proposed to be included in the amended ARV Ordinance. It is important to note that Anglicare and ARV are both public benevolent institutions, entitled to significant tax and other concessions under current law, and we need to be mindful that any changes to their objects do not prejudice the PBI status of the merged organisation.

The Anglicare Council and the ARV Board are well aware of the risks of a merger. Would a new board be able to effectively govern such an organisation with significantly increased assets? Would Anglicare's traditional activity in the alleviation of the effects of ageing, poverty and social disadvantage in our society be adversely affected by the merger? Would the traditional focus on aged care services and retirement living in ARV be diminished? I have received petitions from a number of people expounding these fears. On the one hand, I was informed that the merger would swallow up Anglicare so that our ability to provide for the needs of the aged, the poor and the socially disadvantaged would be jeopardised. On the other hand, I was informed that the merger would reduce the focus on aged care services and retirement living and jeopardise the assets and lifestyle of seniors and aged care residents. While I recognised the sincerity of these concerns, they were voiced out of ignorance and fear, rather than being based on knowledge and faith. None of these correspondents had access to the documents that Synod members have, so gentle replies needed to be given. For Synod members, all of these questions and more have been answered by the material that was circulated to you earlier this month. Yet, if fear of the future had dominated the decision-making of Frederic Barker and Howard and Dorothy Mowll, then we would probably have had neither organisation in our midst today!

I shall not reiterate all the arguments for this merger proposal in this address, as I trust that you have all read the documents carefully, and nearly 200 members of Synod have taken the time to attend pre-Synod briefings in order to hear more and to have their questions answered. I do want you all to know that this proposal comes to the Synod with my full support.

Once the decision of both governing bodies was made known to the Standing Committee, the previously appointed subcommittee was enlarged and given the task of examining the proposal in depth. A legal subcommittee was also formed. I am grateful for the work of each subcommittee under the respective chairmanship of the Registrar and Chancellor, as they sought to come to grips in a short space of time all that the CEOs had been discovering over the previous two years and more. This subcommittee rightly needed to be convinced of the merits of the proposal so that they could make recommendations to the Standing Committee, who in turn would then make recommendations to the Synod. Of course, it would be within the mandate of Standing Committee to pass the legislation for this merger to occur, without involving the Synod. While this was considered a possibility, it quickly became apparent that the Synod needed to be involved in the decision.

First, because the Synod is the governing body of the Diocese and in matters of policy of this order and magnitude it is right and appropriate for the Synod, as stakeholders, to consider the merits of the proposal. Furthermore, there is much to be said for buy-in. We are a family. Both Anglicare and ARV are members of our family and we, through our individual and parochial donations, support the work of these two organisations because they provide the kinds of services that are beyond the reach of the local parish. For Synod to consider and approve of this merger would send a significant signal to all Anglicans in our Diocese that this is a good proposal, that we support it and we consider that the newly merged organisation is worthy of our continued prayerful and financial support as an agency which can reach the most marginalised and vulnerable in our society with the life-giving news of Jesus and the care that emanates from the love of God in Christ to a fallen world.

The due diligence of the Standing Committee was an essential component of what is being brought before the Synod. This took more time than we expected, and it was mainly for this reason that this session of the Synod was rescheduled. The Standing Committee needed to decide the exact nature of the proposal that would come before the Synod, and the form of that is in the motion on our Business Paper. I am very grateful for the Standing Committee's due diligence and pleased that they came to the same conclusion that the governing bodies and the management of both Anglicare and ARV had come to, namely, that now is the time to merge these great organisations so that our mission can be more effective, so that through a stronger and larger organisation we can improve the services we provide to the most marginalised and vulnerable in our society, and that through one merged organisation we can eliminate costs of duplication.

Of the many aspects of the proposal considered by the Standing Committee, four in particular were the focus of questions and debate.

1. The appropriate provision for Anglicare's liabilities
2. The continuation and enhancement of services to the socially disadvantaged
3. The name of the organisation
4. The composition of the new board.

These were all good questions and through the motion recommended by the Standing Committee, as amended where deemed appropriate, Synod is able to give expression to their agreement to the proposal before us. I touch on these four points as follows.

1. Members of Synod are no doubt aware that a number of survivors of sexual abuse in the Anglican Church have come forward to tell their story. Following the Wood Royal Commission in the 1990s, Archbishop Goodhew set up the framework for the Professional Standards Unit (PSU) to offer pastoral care and financial assistance for the pain and trauma suffered by these survivors of abuse. Counselling sessions were also offered, and if they wished, an apology from the Archbishop was given, expressed on behalf of the Diocese for the betrayal of trust they had experienced from church workers. Both Dr Peter Jensen and I have given a number of apologies over the past fifteen years.

Over its history Anglicare operated a number of children's homes, including Charlton Boys' Home. In addition when homes, operated by other diocesan organisations, such as the Church of England Homes, ceased operations Anglicare was vested with their assets and took on the task of meeting any ongoing liabilities and responsibilities. Regrettably in these homes many cases of sexual abuse had occurred. As such Anglicare, alongside the Diocese, set up a parallel scheme of pastoral care and assistance to address claims of abuse that have come to light from these institutions. For those homes not run by Anglicare, this has been a generous response. For although not legally responsible for the abuse that occurred, Anglicare recognised that with the receipt of the assets of the Church of England Homes, they also assumed the moral responsibility. Regardless of the present value of any of the home's assets, Anglicare has continued to honour its commitment to care for survivors of child sexual abuse in a thoroughly Christian and professional manner.

For legal reasons liabilities and obligations of an organisation cannot be transferred without consent. Thus, when the proposition of a merger between Anglicare and ARV was first mooted, the question was naturally raised as to how any future claims upon the merged organisation would be accommodated. Consistent with their fiduciary responsibilities, ARV Board members were rightly concerned to ensure that claims could be properly addressed, without putting the assets of ARV at risk, including the assets of elderly residents. The Anglicare Council and ARV Board therefore explored the question of an indemnity from ARV for Anglicare's liabilities so the position of survivors of child abuse could, as far as can be achieved in practice, be at least the same as if Anglicare had continued to operate in its own right. However, it was also recognised that any proposal which had either the appearance or the reality of seeking to quarantine assets from legitimate claims concerning child sexual abuse would be an improper avoidance of responsibility and a dereliction of our Christian duty.

It is therefore proposed that while ARV will agree to contribute an amount up to the enterprise market value of Anglicare at the time of the merger (indexed for inflation) to support the provision of care and assistance packages to those who have suffered child sexual abuse in the care of either Charlton Boys' Home or other institutions within Anglicare's orbit, the Standing Committee believes that the Synod should assume responsibility in the unlikely event that actual payments exceed that amount. Moreover, even if Anglicare and ARV did not merge, and the assets of Anglicare were not sufficient to meet the claims lodged against the organisation, then the Synod of the Diocese would have needed to accept liability for any shortfall.

However, from my perspective as Archbishop – and as the Chair of the Anglicare Council – this is a matter for the Diocese as a whole, not merely for one organisation. 'When one member of the body suffers we all suffer together; if one member is honoured, all rejoice together' (1 Corinthians 12:26). This is the principle behind the Professional Standards component of our parish cost recoveries, as we all need to be covered by the work of the PSU, and we need to support each other, even when a church worker has dishonoured Christ by unacceptable and at times criminal behaviour. We as a Diocese accept that where we have failed those in our care, we must make amends and take our share of the responsibility as a Diocese.

I raise this item at length because it has been a part of the discussions which have led us to this point, and which has shone a clearer light upon the responsibility of the Synod in relation to dealing properly with historic matters of child sexual abuse.

2. Not only the continuation of services to the socially disadvantaged, but the enhancement of those services, is a critical feature of the proposed new organisation and one that is close, I am sure, to the hearts of all of us. However, the answer given by Mr Millard to this question in your material is a salient one. The current provision of aged care services by Anglicare has not deflected the Council's determination to deliver community services within the Diocese. Yet it is also true, that if Anglicare were to continue as an independent entity, challenging decisions will face the Council as the future is less secure. A recent decision to withdraw Anglicare from the disability sector is a case in point, because of the change in federal funding and the

regulatory environment surrounding the National Disability Insurance Scheme. A merged organisation provides a far more stable base from which the provision of services to the socially disadvantaged can continue and be strengthened.

3. The ordinance will provide for the legal name of the merged organisation, which will be the result of an amendment to the current ARV Ordinance. While legal names are not to be confused with brand names, Synod will, I hope, revisit the name suggested by Standing Committee, as Anglicare Community and Aged Care Services seems a little strange if not repetitive and suggests that aged care services are not part of community services. Personally, I regret the absence of the word 'Anglican' in the legal name, for this identifies who we are in a consistent fashion, as is the case in the vast majority of our ordinances. I also note that this is the unanimous view of the Anglicare Council, two of whose members will bring an amendment before the house. However, the choice of a brand name (or a suite of brand names), which is currently the status of the word 'Anglicare', unlike its legal name of 'Sydney Anglican Home Mission Society', will be a decision of the new board.

4. For us to get to this point in our deliberations, it was thought best that a new board needed to be chosen and ready to be in place, if the Synod approved the merger. With a proposed starting date of 1 July 2016, there will be a great deal to be done over the next two months. In preparation for this merger, a good amount has already been done, though of course the decision to merge rightly belongs to the Synod. It was suggested by the governing bodies of both Anglicare and ARV that the Archbishop should choose the chairman and that of a proposed nine member new board, three should be chosen from the current Anglicare Council, three from the current ARV Board and three other persons from neither of these bodies. I was delighted that Mr Greg Hammond OAM accepted my invitation to be the chairman-designate. Mr Hammond is a longstanding member of this Synod, with considerable experience in diocesan governance, a member of the GAB, whose legal and financial experience eminently suit him to this position. In consultation with an external firm of consultants, Mr Hammond and I selected the other eight members, in accordance with the Governance Policy of the Synod, with skills appropriate to the task ahead, including two clergy as well as other laypersons with formal theological training, an appropriate gender balance and a willingness expressed by each of them to sign the Statement of Belief. While Standing Committee has endorsed this initial composition, it considered that, in principle, there should be three clergy on the new board and one of these should be a rector. Although this provision would not come into effect until October 2017, at the first session of the next Synod, it has the unfortunate consequence that one of the initial members of the new board will have to retire without opportunity for re-election, although Standing Committee may not have been aware of this unintended consequence at the time of their decision. Of course, the composition and names of the Synod-elected members of the new board are in the hands of the Synod, that is, those who will be deemed to be elected by the Synod under the amending ordinance. From 2017, Synod will exercise its usual prerogative of filling vacancies on the board as they fall due.

I might add that we should be mindful of the effect of the decision of the governing bodies of both Anglicare and ARV with regard to the merger. When they voted for the proposal to merge, they effectively offered their resignation as Council or Board members. Likewise the Chairman of ARV and Deputy Chairman of Anglicare relinquished their offices, because they considered the benefits of this merger were greater than their own personal involvement in its governance. Not surprisingly, more members from both governing bodies offered to serve on the new board, but only three from each could be chosen. For those who have invested many years in governance, given of their energy and time to promote these two organisations we ought gratefully to thank them for their service and not discount the sacrifice that each of them has made. Furthermore, we should acknowledge and applaud the way in which each CEO has approached this merger. Neither of them has supported this venture with any security of their own position. Neither has indulged in self-promotion. There will be only one CEO of the merged organisation. It could be neither of them. The new board will make that decision after due diligence. When two dioceses have merged in our national Church, it is only possible when one see is vacant, because no bishop wishes to voluntarily relinquish office. When two parishes merge, it can only happen when one parish is vacant, for again, few clergy voluntarily relinquish their office. Yet here we have two men of honour and integrity, who have both served their respective organisations with distinction, and yet who have each surrendered their position, because they believe this merger is in the best interests of the Diocese, the best way to forward the mission of the Diocese and to reach the lost for the glory of God. We do well to remember the consequential pain that is associated with a merger. The same is true of each member of the executive staffs, where not all positions will be able to be accommodated. Indeed we should not be oblivious to the temporary pain that applies to all the staff of both organisations in the process of this merger.

I am very thankful that we are making our decision this evening in the knowledge that we are considering two strong organisations. Strong financially, strong in reputation and strong in the foundation of the love of Jesus Christ. I am grateful that we are able to look with confidence to the future and are able to plan that future from

a position of strength. I am thankful for the 4,000 people who work at Anglicare and ARV and the many volunteers who contribute greatly to our mission. I am excited about the prospect of one formidable agency working alongside our parishes to share the gospel by word and deed.

In 2014 we committed ourselves afresh, in prayerful dependence on the Holy Spirit, to glorify God and love our neighbour by proclaiming the Lord Jesus Christ, calling people to repent and living lives worthy of him. We addressed four priorities in Mission 2020, each with measurable goals linked to NCLS statistics, noting that this is the year we all participate in the National Church Life Survey. Our first priority is to reach the lost in our Diocese with the life-giving gospel of Christ, with specific emphasis upon mobilising more people to share Christ's love in word and deed. Our fourth priority is to respond to the changing face of our society, with specific emphasis on connecting with people over 60 years of age.

In the merger proposal before you tonight, we have these two priorities clearly addressed in the mission values of both Anglicare and ARV, and it is my prayer that we might pave the way so that a newly merged organisation will strengthen and enhance the opportunities for us to contribute to our vision of seeing Christ honoured as Lord and Saviour in every community.

Dr Glenn Davies
Archbishop of Sydney

27 April 2016