

## 6/22 Review of the Governance Policy for Diocesan Organisations

(A report from the Governance Policy Review Committee.)

### Key Points

- In August 2021 the Standing Committee appointed a Governance Policy Review Committee (**GPRC**) to undertake a thorough review of the Synod's *Governance Policy for Diocesan Organisations* (**Governance Policy**).
- Since the last report to the Synod in 2022, the GPRC has met on ten occasions, undertaken extensive research on a wide variety of matters, and engaged with a significant number of diocesan organisations.
- An Exposure Draft of a revised Governance Policy for Diocesan Organisations (**Exposure Draft**), together with a brief covering note (**Explanatory Memorandum**) is attached. Feedback is sought by 31 December 2023.
- Both documents have been shared with schools and organisations, are being shared with churches at Synod (via this report), and will be shared with other entities to which the policy is proposed to apply, for comment and feedback.

### Purpose

1. The purpose of this report is to provide an Exposure Draft of a revised Governance Policy for Diocesan Organisations (**Exposure Draft**) to the Synod for comment and feedback.

### Recommendations

2. Synod receive this report.
3. Synod, noting the report 'Review of the Governance Policy for Diocesan Organisations' –
  - (a) affirm that churches, schools and organisations to which the policy is proposed to apply, in pursuing their individual charitable purpose(s), are partners in our shared ministry, and part of a network collectively seeking to advance the broader charitable purposes of the Diocese while maintaining high standards of governance,
  - (b) confirm the importance of churches, schools and organisations to which the policy is proposed to apply pursuing their individual charitable purpose(s) in a manner which is consistent with the doctrines, tenets and beliefs of the Anglican Church in the Diocese of Sydney,
  - (c) request Synod members, churches, schools and organisations to which the policy is proposed to apply, to review the Exposure Draft and provide feedback to the Governance Policy Review Committee by 31 December 2023, and
  - (d) request that a further revised form of the Governance Policy be brought back to the Synod in 2024 incorporating, as appropriate, comments and feedback from Synod members, and churches, schools and organisations to which the policy is proposed to apply.

### Background

4. At its meeting on 9 August 2021, the Standing Committee agreed to appoint the Governance Policy Review Committee (**GPRC**) to review the Synod's Governance Policy, including –
  - (a) the relationship of that policy with other relevant Diocesan Policies and policy guidelines,
  - (b) the conclusions of the Conformity Report,
  - (c) changes in charity law and regulation since 2014 (including changes to the Australian Charities and Not-for-profits Commission (**ACNC**) Governance Standards and the introduction of the ACNC External Conduct Standards), and
  - (d) any relevant issues arising from the current debate on religious freedom.

5. Members of the GPRC were appointed by the Standing Committee on 6 September 2021: Bishop Chris Edwards (Chair), Mr Greg Hammond OAM (Deputy Chair), Mrs Stacey Chapman, the Rev Matt Heazlewood, Ms Anne Robinson AM, Dr Laurie Scandrett, Ms Nicola Warwick-Mayo, and Mr Robert Wicks.
6. Since the last report to the Synod, the GPRC has met on the following occasions: 24 August 2022, 19 October 2022, 2 November 2022, 7 December 2022, 15 February 2023, 8 March 2023, 5 April 2023, 25 May 2023, 14 June 2023 and 26 July 2023.
7. The Archbishop, in consultation with the GPRC, convened meetings of School Heads and Chairs on 12 October 2022 and 19 July 2023. The GPRC issued a communique on 30 November 2022 summarising the discussion at the first meeting. After the second meeting, the Archbishop provided a copy of the Exposure Draft and the Explanatory Memorandum to School Heads and Chairs on 20 July 2023.
8. From the last report to the Synod in 2022 until the release of the Exposure Draft in July 2023, the GPRC has received informal feedback and formal submissions from, among others, the Dean of Sydney, The King's School, Tara Anglican School for Girls, Abbotsleigh, Abbotsleigh Old Girls' Union, Sydney Church of England Grammar School (SHORE), The Illawarra Grammar School, and Trinity Grammar School. The GPRC has also extensively considered feedback from diocesan organisations provided through the mechanism of governance gap analysis. In May 2023, the GPRC also received a formal submission from the Sydney Anglican Schools Heads Association (**SASHA**).

## Discussion

9. Attached is an Explanatory Memorandum (Attachment 1) and the Exposure Draft (Attachment 2). The Exposure Draft considers and implements a range of enhancements to the existing policy, including simplifications, and a broadening of applicability reflected in a tiered approach to governance. The Exposure Draft also highlights a number of areas (including where a departure from the requirements of the current Policy and/or there has been a divergence in the submissions received by the GPRC) about which the GPRC is specifically requesting feedback and comment.
10. The GPRC has undertaken a great deal of research, and consulted widely with diocesan organisations, and the Exposure Draft reflects multiple revisions in Committee as we have reflected on the impact and effectiveness of the existing policy, and how a revised policy might better achieve high standards of governance, ensure governors and leaders are of Christian faith and character and maintain organisational faithfulness. The GPRC is strongly committed to a form of policy that will both ensure governors and leaders will be of Christian faith and character, and be genuinely effective in maintaining organisational faithfulness. This will be achieved through –
  - (a) an improved nomination and selection process (and the GPRC is requesting feedback on how this can be best ensured), and
  - (b) a commitment to pursuing an organisation's charitable purposes in a manner consistent with the doctrines, tenets and beliefs of the Anglican Diocese of Sydney.
11. It should not be assumed that the GPRC is recommending the changes set out in the Exposure Draft at this stage, rather the GPRC believes it is appropriate for there to be wide ranging consultation on the issues raised by the changes proposed in the Exposure Draft. Likewise, the Standing Committee has not debated or expressed a view on the matters in the Exposure Draft.
12. The GPRC intends to move separate motions to test the mind of Synod regarding the approach of the Exposure Draft in creating a tiered model of governance, requiring governors and leaders to be of Christian faith and character, and requiring a commitment to maintaining organisational faithfulness.
13. The GPRC anticipates, following feedback from Synod members, churches, schools and organisations to which the policy applies, that it will finalise its recommendations to the Standing Committee in early 2024. It is anticipated that a final form of a new Governance Policy will be brought to Synod in 2024.

For and on behalf of the Committee.

BISHOP CHRIS EDWARDS  
Chair, Governance Policy Review Committee

14 August 2023

# Revised Diocesan Governance Policy

## Explanatory Memorandum

### Background

1. The Governance Policy Review Committee (**the Committee**) was established by the Standing Committee of the Synod to review the Synod's *Governance Policy for Diocesan Organisations* ([link](#)). The Synod received an update on the work of the Committee in 2022. The Committee was asked to consider a number of issues, including the relationship of the policy to other diocesan policies and guidelines, changes in law and regulation since 2014, and any relevant issues arising from the current debate on religious freedom.
2. The Committee has received informal feedback and formal submissions relating to the operation of the current policy. While much of the feedback has focused specifically on the Statement of Personal Faith, the Committee's terms of reference from Standing Committee requested a broader approach be taken, and the Committee is proposing a wide range of changes that will result in a *Diocesan Governance Policy* with significant new features.
3. The Exposure Draft has not been endorsed by the Synod or the Standing Committee. It is being circulated by the Committee for the purpose of seeking further feedback and submissions.

### Responding

4. Whilst feedback and submissions on all aspects of the Exposure Draft is sought from Synod members, churches, schools and organisations to which the policy applies, the draft also poses questions and invites feedback on particular issues.
5. Feedback and submissions are requested by **31 December 2023**, and the Committee anticipates finalising its recommendations to the Standing Committee early in 2024. It is proposed that a final form of a new *Diocesan Governance Policy* will be brought to Synod in 2024.
6. Feedback and submissions are requested by 31 December 2023 and should be sent to –  
[diocesansecretary@sydney.anglican.asn.au](mailto:diocesansecretary@sydney.anglican.asn.au)
7. While feedback and submissions may be lodged electronically or by post, electronic lodgment is preferred. For accessibility reasons, please submit responses sent via email in Word format. An additional PDF version may also be submitted.
8. All information (including name and address details) contained in feedback and submissions may be made available to the Synod or Standing Committee unless the respondent indicates that all or part of the feedback or submission is to remain confidential. Respondents who would like all or part of their feedback or submission to remain confidential should clearly set out this out at the beginning of their feedback or submission.

### Key highlights of the proposed policy as found in the exposure draft

9. The 'Introduction' section in the Exposure Draft defines the Diocese as a network of churches, schools and multiple other incorporated and unincorporated organisations, with a common purpose. It also outlines the legislative framework through which Synod governs the various organisations.

10. The 'Purpose of the Policy' is explained in the Exposure Draft as being to encourage all churches, schools and organisations to which the policy is proposed to apply to seek high standards of governance appropriate to their context and their individual charitable purposes, whilst advancing our shared ministry, and the disciple-making purposes of the Diocese. It recognises that, while our churches, schools and organisations are responsible for ensuring their own responsible and effective governance, the Synod also has a responsibility to facilitate responsible and effective governance, in partnership with our churches, schools and organisations to which the policy applies.
11. The Exposure Draft of the policy includes a section reflecting on 'The nature of Christian governance and leadership' in which Synod acknowledges and gives thanks for the members of the governing bodies of our churches, schools and organisations who give generously of their time, energy and skills to exercise the responsibilities with which they have been entrusted.
12. A key new feature outlined in the Exposure Draft of the policy is the 'tiered approach' which acknowledges that the current policy only applies to a limited number of organisations, and the Exposure Draft seeks to significantly expand its scope. At the same time, in recognition of the diversity of organisations, a framework of tiers is created, with entities allocated to tiers on the basis of such factors as their size, status of incorporation, and the complexity of the regulatory environment in which they operate.
13. Appendix 1 allocates churches, schools and organisations to which the policy is proposed to apply to one of four tiers, and Appendix 2 sets out a range of governance standards, and clearly indicates which standards apply to which tiers. All entities must pursue their individual charitable purposes in a manner consistent with the doctrines, tenets and beliefs of the Diocese. In the revised policy there is a more confident setting of our own governance framework, rather than relying on the approach of the Australian Charities and Not-for-profits Commission (**ACNC**) Governance Standards, whilst still acknowledging the requirements of the ACNC Governance Standards.
14. Members of all entities elected or appointed by the Synod, the Archbishop, or a Diocesan organisation must be of Christian faith and character, attend regularly and be actively involved in a Bible-based Christian church. "Christian faith and character" is defined in terms drawn from the accepted definition of doctrine in the Diocese (i.e., the *Interpretation Ordinance 1985*) and the existing Statement of Personal Faith in Appendix 3 to the *Governance Policy for Diocesan Organisations*, with a personal commitment to seeking to live in obedience to the commands, doctrine, sacraments and discipline of Christ. The Exposure Draft seeks feedback on how this can be best ensured, including whether a declaration or statement of faith would continue to be an appropriate method of doing so.
15. The Exposure Draft also seeks to improve the nomination process for persons to be elected or appointed by the Synod, the Archbishop, or a Diocesan organisation, in the case of Tier 3 and Tier 4 entities, with a focus on demonstrating their Christian faith and character and involvement in a Bible-based Christian church, as well as relevant qualifications, skills and experience.
16. Such nominees must also be willing to sign a Personal Commitment to Organisational Faithfulness in which they commit to pursuing the purposes of the organisation in a manner which is consistent with the doctrines, tenets and beliefs of the Diocese.<sup>1</sup> The proposed Personal Commitment to Organisational Faithfulness is not intended as a replacement for a Statement of Personal Faith as it obliges governors and leaders to act govern and lead in a particular way (i.e., the purposes of the organisation are to be pursued in a manner which is consistent with the doctrines, tenets and beliefs of the Anglican Church of Australia in the Diocese of Sydney).
17. The Exposure Draft defines "doctrine, tenets and beliefs" as a phrase referring to the teaching of the Anglican Church of Australia in the Diocese of Sydney on any question of faith, and draws on the *Interpretation Ordinance 1985* in noting that the "sources of doctrine" include the Canonical Scriptures, the ancient Creeds, and the historic formularies of Anglicanism including the Book of Common Prayer, the Ordinal, and the Thirty- nine Articles.<sup>2</sup> These are as found in the Constitution

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<sup>1</sup> The Committee acknowledges the influence of Judd et al. *Keeping Faith: How Christian organisations can stay true to the way of Jesus* (Acorn Press:2023) for its thoughtful and up-to-date approach to this issue.

<sup>2</sup> The doctrines, tenets and beliefs of the Diocese can also be found in other documents, such as the *Property Use Policy* ([link](#)), which outlines doctrines of salvation, the human person, marriage and human sexuality, and Christian freedom, and Synod's *Doctrine Statement on Gender Identity* ([link](#)). The *Property Use Policy* affirms that church property must not be used for purposes which contravene the doctrines, tenets and beliefs of the Diocese.

of the Anglican Church of Australia, itself embedded in the law of New South Wales. Governors and leaders of Anglican schools and organisations to which this policy applies should be required to personally commit to ensuring their schools and organisations pursue their purposes in a manner consistent with doctrine found in documents that have been foundational to Anglicanism for centuries.

18. Where possible it is provided that the Archbishop not be a member of diocesan organisations, but a consistent set of Archiepiscopal rights and responsibilities are outlined, depending on the tier to which the organisation is allocated.

## **Themes drawn from the feedback and how they have been addressed**

19. A number of common themes run through the feedback received by the Committee. The key themes are detailed below, with commentary on how they are addressed in the Exposure Draft. During the consultation process on the Exposure Draft feedback is particularly requested on these issues.

### **1) The nature and applicability of the policy**

20. The existing policy is perceived as a prescriptive document that assumes one size fits all, and some of the feedback has noted that the policy is selectively applied, for example applying to a limited range of organisations.
21. The Exposure Draft seeks to address these concerns in two broad ways. There is a reframing of language, highlighting the gospel-shaped partnership that exists between all churches, schools and organisations to proclaim the lordship of Jesus Christ and progress our disciple-making purposes, while working to advance the broader charitable purposes of the Diocese. Additionally, the new framework of a tiered approach to governance both recognises that different expectations are appropriate for the variety of our churches, schools and organisations to which the policy applies, and seeks to significantly expand the applicability of the *Diocesan Governance Policy* to a broader range of entities.

### **2) The Statement of Personal Faith**

22. The greatest volume of feedback received has related to the existing Statement of Personal Faith in Appendix 3 to the *Governance Policy for Diocesan Organisations*, especially the *content* of paragraph 2(d), and the *process* by which it was added to the statement at Synod in 2019. The way in which paragraph 2(d) was added is widely perceived as having precluded adequate consultation with schools and organisations and, as such, has become something of a lightning rod for concerns related to consultation more generally.
23. It is worth noting that since a “declaration” for Council members was introduced in Moore College in 1984, multiple different versions of a declaration or statement of faith have been used in the Diocese. Today, in the ordinances governing organisations to which the current Policy applies, at least eight different versions of a declaration or statement of faith can be found and, in the governing ordinances for six organisations (all schools), there is no requirement for a statement of faith.
24. Feedback with regards to the content of paragraph 2(d) has focused on the relational difficulties it has created in school contexts, which in many cases have considerable interface with communities (including alumni) who are deeply influenced by a modern culture hostile to traditional Christian beliefs and practices. These relational difficulties can include personal and familial ramifications that hinder gospel conversations. It is also the case that this cultural hostility may create a barrier for the recruitment of governors and leaders who, while personally agreeing with the statement, may face sanctions from their employer or be prevented from taking up these voluntary roles if they are perceived to be not aligned with the values of their employer.
25. The Committee wishes to emphasise its firm commitment to a form of policy which both ensures governors and leaders of schools and organisations are persons of Christian faith and character, and which is genuinely effective in maintaining organisational faithfulness.

26. The Exposure Draft seeks to address this difficult issue by seeking commitment to historic formularies or documents of national status and applicability. For example, the definition of “Christian faith and character” draws on the sources of doctrine outlined above.
27. Related to this is the approach outlined above which seeks to create a framework where governors elected or appointed by the Synod, the Archbishop, or a Diocesan organisation, in the case of Tier 3 and Tier 4 entities and leaders make a personal commitment to maintaining organisational faithfulness, in addition to being persons of Christian faith and character.

### 3) The role and responsibilities of the Archbishop

28. It is recognised that the role of the Archbishop varies across churches, schools and organisations to which this policy applies. In some cases, the Archbishop is a member of the organisation, and as such is a Responsible Person for the purposes of *the Australian Charities and Not-for-profits Commission Act 2012* (Cth). In other cases, the Archbishop’s rights and responsibilities are quite limited. The feedback has drawn attention to inconsistencies and uncertainty in this regard.
29. The Exposure Draft seeks to create a greater level of consistency and certainty with regards to the role of the Archbishop in churches, schools and organisations to which this policy applies. It does this in part through a revival of the concept of the Archbishop as “visitor”, and includes some description of the responsibilities, rights and duties of a visitor, based on the long-standing traditions relating to the value of this role (especially in educational contexts such as universities and colleges). The Exposure Draft sets out consistent expectations for the roles and responsibilities of the Archbishop (according to the applicable tier of governance) that should be incorporated into a school or organisation’s ordinance or governing document.

### 4) The process of change

30. Concerns have been expressed by some schools and organisations to which this policy applies regarding the ability of Synod or Standing Committee to amend ordinances unilaterally. The exposure draft proposes that a policy be adopted with regards to Tier 3 and Tier 4 organisations that are bodies corporate, that commits Synod and Standing Committee to a process of consultation with the governing body of such entities before amendments relating to conformity with the policy guidelines are made.

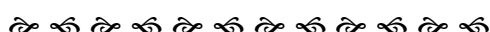
## **Governance Policy Review Committee**

20 July 2023

## Diocesan Governance Policy

### Exposure Draft – 20 July 2023

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### Introduction

1. The Diocese of Sydney (**Diocese**) is a fellowship of churches, schools and organisations. The Diocese proclaims Jesus Christ as Lord (2 Cor 4:5).

Our fellowship is shaped by the gospel and collectively shares our disciple-making purpose. We seek God's work amongst us to multiply Christians, multiply churches, and multiply leaders. To these ends, we long to see our fellowship marked by healthy communication, collaboration, and coordination.

Our churches, schools and organisations are places of gospel hospitality, irrespective of their function or role and, in light of God's grace and mercy, offer an appropriate welcome to all people. This is a guiding principle for this Policy. Commitment to the teaching of Jesus does not preclude service to all, but rather intensifies it. All who wish to serve Jesus as their Lord must also be committed to serving people from all backgrounds, circumstances and world views.

The Diocese is synodically governed, episcopally led and structured as an unincorporated voluntary religious association comprising a network of churches, schools and multiple other incorporated and unincorporated organisations (including trustees of trusts) which together operate under a consensual compact.

The Diocese is also one of 23 dioceses that are part of the separate national voluntary religious association known as the Anglican Church of Australia (**ACA**).

2. Our continuing purpose as Sydney Anglicans is given to us by God in the Scriptures. This purpose is to make disciples by –
  - (a) proclaiming and commending Christ,
  - (b) establishing them in the life of the church,
  - (c) equipping them for compassionate service in the world,
  - (d) sending some to serve beyond our Diocese, and
  - (e) prayerfully seeking God's work in all things.

In doing so, the Diocese advances religion and, through its churches, schools and organisations, pursues other charitable purposes in the Diocese and beyond. In doing so, the Diocese makes a rich contribution to the social capital of communities through education, youth work, social welfare, health, seniors living and aged care, and overseas aid.

3. Responsible and effective governance of our churches, schools and organisations –
  - (a) is essential to the furtherance of the disciple-making purposes of the Diocese, through the pursuit of the individual purpose(s) of each entity within the Diocese, and
  - (b) requires healthy communication, collaboration, and coordination between the parts (i.e., churches, schools and organisations in the Diocese) as partners in our shared ministry.

<sup>1</sup> The previous Policy Guidelines are now to be contained in a separate document.

4. Representative members of the Diocese meet in a synod (**Synod**) to attend to the governance of the Diocese (and other matters arising from membership of the ACA).

The New South Wales Parliament has provided a legislative framework for the Synod to carry out responsible and effective governance. The *Anglican Church of Australia Constitutions Act 1902* empowers the Synod to make ordinances for the order and good government of the ACA within the Diocese. The *Anglican Church of Australia Trust Property Act 1917* gives the Synod the power –

- (a) to vary the trusts on which church trust property is held for one or more purposes of the Diocese,<sup>2</sup>
- (b) to appoint and remove trustees of such property, and
- (c) to constitute councils and committees to govern and control the management and use of such property.

In addition, the *Anglican Church of Australia (Bodies Corporate) Act 1938* gives power to the Synod to constitute such councils and committees as bodies corporate for the management and governance of an entity within the Diocese or for holding, managing or dealing with church trust property held for one or more purposes of the Diocese.

5. In the Diocese there are more than [XX] churches, about 60 schools and organisations established by the Synod and multiple other organisations (including trustees of trusts) in respect of whose organisation or property the Synod is empowered to make ordinances, or the Archbishop-in-Council may impose legally binding conditions. About 20 schools and organisations are incorporated by or under legislation including the *Anglican Church of Australia Trust Property Act*, the *Anglican Church of Australia (Bodies Corporate) Act* or the *Corporations Act 2001* (C'ith).

### Purpose of this Policy

6. The Synod acknowledges that our churches, schools and organisations have taken steps on their own councils, committees and boards (collectively, **governing bodies**) to ensure responsible and effective governance, and to promote communication, collaboration, and coordination amongst themselves.

Nevertheless, the Synod as the 'parliament of the diocese' also has a responsibility to the wider community to facilitate both responsible and effective governance of, and communication, collaboration, and coordination amongst, all churches, schools and organisations in the Diocese.

7. The adoption of a revised Synod approved Diocesan Governance Policy will enable the Synod to exercise this responsibility, and set out its expectations, as it partners with churches, schools and organisations in the Diocese in our shared ministry.
8. In exercising this responsibility Synod expects that those responsible for governing a church, school or organisation in the Diocese will seek the highest standards of governance appropriate to their context.
9. When a church, school or organisation seeks the highest standards of governance appropriate to their context, this will enhance the extent to which it is able to pursue the purpose(s) for which it is established and, in doing so, advances our shared ministry, and the disciple-making purposes of the Diocese.
10. The churches, schools and organisations of the Diocese are instruments of Christian ministry and so play a role in furthering the mission of Christ. Christian faith and discipleship are not, therefore peripheral concerns for the effective governance of our churches, schools and organisations. An expectation of good governance is something we share with people and institutions more widely in our community, but this commitment to furthering the mission of Christ, the crucified Saviour and risen Lord, is a distinctive of the churches, schools and organisations within our Diocese.

### The nature of Christian governance and leadership

11. The Scriptures identify the church of God in a number of ways including the body of Christ, the bride of Christ, God's building, God's temple, and God's household (1 Cor 12:1-2, Eph 5:32-33, 1 Peter 2:4-5 and Eph 2:19-22). Understanding the identity of the church of God helps set the direction and scope of the ministries undertaken by our churches, schools and organisations. Recognising what the church of God is, as identified in the Scriptures, has led the Diocese to seek

<sup>2</sup> Section 4 of the *Anglican Church of Australia Trust Property Act 1917* defines purposes to include religious, educational, cemetery, and all other purposes of the Anglican Church of Australia, whether such purposes are within or beyond the diocese or the State.



to walk in humble obedience to God, faithfully participating in his reconciling of the world to himself through Christ (2 Cor 5:11, 18-21 and Col 2:6-7).

12. The Scriptures calls on us to manage, care, and be good stewards of all God has given (Gen 1:26-28), to recognise the legitimate, God-given authority of the State as both dutiful citizens and God's loyal servants (Matt 22:15-22, Rom 13:2 and 1 Peter 2:13-17) and to do so with generous spirits because "much will be expected of those to whom much has been given." (Luke 12:48)
13. Understanding the Diocese as a fellowship of churches, schools and organisations, all of which are shaped by the gospel and share our disciple-making purpose, requires governance that acknowledges the different parts of the household, with different gifts and opportunities, and different blessings and resources in order that they might work together in our shared ministry of exalting Christ and growing disciples in various contexts and in light of our ever-changing times. Responsible and effective governance must reflect these aspects of the identity of the Diocese so we might live to testify to the reign of God.
14. Leadership is a gift of God for the purposes of order and good government. Among the people of God, church leaders are gifted by God for the teaching, discipline and modelling of godliness to those under their care. Secular leaders are likewise accountable to God for their governance, which is for the good of the community they serve, since they also act as "God's servants" (Rom 13:4). Governing bodies of churches, schools and organisations in the Diocese should therefore have similar standards of integrity, truth and commitment with respect to their governance responsibilities. In particular, Jesus' use of the imagery of both shepherd and servant for his own ministry, as well as that of his apostles, ought to characterise those who would govern our churches, schools and organisations.
15. Scripture states: "We aim at what is honourable not only in the Lord's sight but also in the sight of others" (2 Cor. 8:21). In light of this, it is appropriate that churches, schools and organisations in the Diocese take pains to ensure not only the substance, but also the appearance of propriety and accountability. This includes abiding by the highest governance standards, which as a minimum include those applying to secular organisations where they are applicable or otherwise appropriate.
16. The Synod acknowledges and gives thanks for the members of the governing bodies of our churches, schools and organisations who give generously of their time, energy and skills to exercise the responsibilities with which they have been entrusted.
17. The Synod encourages the members of the governing bodies of all churches, schools and organisations in the Diocese to work in partnership with the Synod in seeking appropriate standards of governance in their context. Such standards are to be underpinned by prayer, sacrificial service, a dependence upon God for wisdom and a proper regard to best practice so that decisions made will enhance the effectiveness of each church, school or organisation in proclaiming Jesus Christ as Lord and making disciples.

### Application of this Policy

18. This Policy sets out the expectations of the Synod which apply to churches, schools and organisations in the Diocese (and the members of their governing bodies) and represents an expansion of the scope of the Policy which previously only applied to a limited number of organisations. This Policy classifies churches, schools and organisations in four tiers, broadly as follows –
  - (a) churches, councils and committees, and unincorporated organisations,
  - (b) entities which operate within the Diocese and are authorised to use the word "Anglican" (or another "Church name") under the Use of Church Names Canon 1989,<sup>3</sup>

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<sup>3</sup> Section 6 of the *Anglican Church of Australia Act 1976* (NSW) provides that a person shall not, for the purposes of, or in connection with, any business, trade or profession use, or cause or permit to be used, names and descriptions relating to the Anglican Church of Australia unless the person is authorised to do so pursuant to a canon of the General Synod. "Church name" is defined in the Canon to mean –

- (a) each of the names or descriptions "Church of England", "Church of England in Australia", "Anglican Church of Australia" or "Anglican", and
- (b) any name, initials, word, title, addition, symbol or description which, either alone or in conjunction with other matter (i) refers to this Church or an instrumentality of this Church, or (ii) implies, or tends to the belief, or indicates, or is capable of being understood to indicate, or is calculated to lead persons to infer, that it is a reference to this Church or an instrumentality of this Church.

The Canon authorises the Archbishop-in-Council to issue and withdraw a certificate authorising the use of a "Church name" and impose conditions on the issue of such a certificate.

- (c) incorporated organisations which conduct an enterprise in their own right, and
- (d) larger incorporated organisations which conduct a complex enterprise, or an extensive external regulatory regime is applicable to the organisation.

Each tier is more fully described in Appendix 1.

Foundational standards of governance apply to the first tier (and the members of their governing bodies), whereas increasingly comprehensive standards of governance apply to the second, third and fourth tiers (and the members of their governing bodies).

*During the consultation period for this Exposure Draft, comments are particularly invited on -*

- *the desirability or otherwise of expanding the scope of the Policy to all the churches, schools, organisations and other bodies described in Appendix 1, only some of them or retaining the scope of the Policy to only those organisations set out in Tiers 3 and 4,*
- *the number of tiers and the placement of churches, schools, organisations and other bodies within the tiers is appropriate, and*
- *whether it would be preferable to use another word (e.g., category) rather than “tier” in this Policy.*

19. The expansion of the scope of the Policy recognises changing public expectations of transparency, accountability and good governance within the not-for-profit sector (including charities). The concept of governance encompasses the rules, relationships, policies, systems and processes to ensure that authority within a church, school or organisation is exercised and maintained.

An effective governance framework should have regard to –

- (a) the effectiveness of the governing body,
- (b) the contribution of members of the governing body,
- (c) the way in which governance is applied throughout a church, school or organisation, and
- (d) the strength of the relationships a church, school or organisation fosters with its members and other stakeholders, and other entities as partners in our shared ministry, and the disciple-making purposes, of the Diocese.

Good governance of churches, schools and organisations to which this Policy applies is a critical element in protecting and enhancing public trust and confidence in the structures of the Diocese.<sup>4</sup>

20. This Policy does not apply to the Synod as a whole since when in session the primary responsibility of members of Synod is legislative, although it does apply to the Standing Committee. The responsibilities and duties of members of Synod are different to the responsibilities and duties of the members of a governing body of a church, school or organisation.

Nevertheless, Synod commits to having due regard to the principles set out in this Policy in formulating rules and policies for the conduct of its own affairs and business.

*During the consultation period for this Exposure Draft, comments are particularly invited on whether the application of the Policy to Standing Committee, and the commitment of Synod to have due regard to the principles set out in this Policy in the conduct of its own affairs and business, are appropriate.*

21. This Policy –
- (a) sets out the expectations of Synod in relation to the governance of churches, schools and organisations to which this Policy applies,
  - (b) does not create legally binding obligations on any church, school or organisation, except to the extent the provisions of this policy are included in an ordinance, constitution or other instrument which applies to that entity,
  - (c) does not prevent an act or practice that is necessary for a church, school, organisation or person to comply with the law, and
  - (d) is not intended to prevent discussion and debate about contentious issues nor require a withdrawal from, or the exclusion from properties, services or activities of, those who do not share the doctrines, tenets and beliefs of the Diocese.<sup>5</sup>

<sup>4</sup> The fact that the ACNC cannot take enforcement action against churches and organisations which are ‘basic religious charities’ following a breach of the ACNC Governance Standards (which to a large extent reflect basic principles of good governance) reinforces the importance of the Synod exercising its responsibility to facilitate both responsible and effective governance of, and communication, collaboration, and coordination amongst, all entities in the Diocese.

<sup>5</sup> Paragraphs (a) and (b) are intended to clarify the operation of the Policy, especially in relation to entities which operate within the Diocese and are authorised to use the word “Anglican” (or another “Church name”) under the *Use of Church Names Canon*. Paragraph (c) reflects a provision found in other Synod policies (e.g., para. 10(d) of the Property Use Policy).

22. In this Policy –

**ACA** has the meaning set out in paragraph 1.

**ACNC** means the Australian Charities and Not-for-profits Commission.

**basic religious charity** has the meaning set out in section 205-15 of the *Australian Charities and Not-for-profits Commission Act 2012*.

**broader charitable purposes** means the purposes set out in paragraph 2 as amended, updated or prioritised by the Archbishop, or the Synod for the purposes of this Policy, from time to time.

**chief executive officer** means the person who is responsible to the governing body for the leadership and management of an organisation in the Diocese, including the head of a school.<sup>6</sup>

<sup>7</sup> **Christian faith and character** includes -

- (a) belief that God's word written, the Scriptures of the Old and New Testaments, is the supreme authority in all matters of faith and conduct,
- (b) belief in the Christian faith as professed by the church of Christ from primitive times, and in particular as set forth in the creeds known as the Nicene Creed and the Apostles' Creed,
- (c) belief that there is only one way to be reconciled to God which is through his Son, Jesus Christ, who died for our sins and was raised for our justification, and that we are justified before God by faith only, and
- (d) a personal commitment to seeking to live in obedience to the commands, doctrine, sacraments and discipline of Christ.

*During the consultation period for this Exposure Draft, comments are particularly invited on -*

- *the provisions of Appendix 2 which refer to "Christian faith and character" and their application to the proposed four tiers, including whether a different approach is warranted for some organisations (e.g., all or some schools), but not other organisations,*
- *whether all or some of the standards of personal behaviour and, where applicable, the practice of pastoral ministry set out in the ACA's national code of conduct, Faithfulness in Service (FIS), as adopted in the Diocese from time to time, are an appropriate reference point for living in obedience to the commands, doctrine, sacraments and discipline of Christ which could be specifically mentioned in paragraph (d),*
- *if they are an appropriate reference point for obedient living, should the commitments to "maintain chastity in singleness and faithfulness in marriage" (FIS 7.2) and "not engage in disgraceful conduct of a sexual nature" (FIS 7.4) be specifically mentioned. Alternatively, should other commitments in FIS also be specifically mentioned? Listing only one element of faithful living (i.e., chastity in singleness and faithfulness in marriage), or some elements only, highlights that particular issue(s), and may have the (unintended) effect of weakening others which could then be perceived as unimportant, and*
- *whether there are other appropriate reference points for living in obedience to the commands, doctrine, sacraments and discipline of Christ which could be specifically mentioned in paragraph (d).*
- *the removal of an express statement equivalent to paragraph 2(d) of the Statement of Personal Faith in the current Policy (i.e., that [Christian] faith produces obedience in accordance with God's word, including sexual faithfulness in marriage between a man and a woman, and abstinence in all other circumstances), and*
- *whether the use of a declaration or statement of faith (whether in the form of the Statement of Personal Faith in Appendix 3 of the current Governance Policy for Diocesan Organisations, or another form) is an appropriate way of determining or assessing whether a person is of Christian faith and character.*

**doctrine, tenets and beliefs** is a phrase which refers to the teaching of the ACA in the Diocese on any question of faith.<sup>8</sup>

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Paragraph (d) is based on paragraphs 10(a) and (b) of the *Property Use Policy* but may not be necessary for the Governance Policy.

<sup>6</sup> For the purposes of this Policy, a parish does not have a chief executive officer.

<sup>7</sup> Paragraphs (a), (b) and (c) of the definition of Christian faith and character draws on the sources of doctrine set out in the *Interpretation Ordinance 1985* and statements of doctrine made the Synod or the Archbishop-in-Council, as well as the Statement of Personal Faith in Appendix 3 of the current Governance Policy for Diocesan Organisations. Paragraph (d) introduces a new requirement relating to a person's behaviour.

*During the consultation period for this Exposure Draft, comments are particularly invited on the use of the words “tenets and beliefs”, and the necessity or desirability of the doctrines, tenets and beliefs of the Diocese being collated in a single place as a reference for churches, schools and organisations to which this Policy applies.*

**Diocese** has the meaning set out in paragraph 1.

**entity** means a parish or organisation<sup>9</sup> as classified in one of the four tiers set out in Appendix 1.

**Governance Standards** means the standards in Appendix 2.

**governing body** means the body of persons responsible for governing an entity. A governing body includes a body known as a board, council or committee.

**meeting** means a meeting of a governing body.

**member** means a member of a governing body.

**organisation** means a school or another incorporated or unincorporated body (including trustees of a trust) –

- (a) which is constituted by ordinance or resolution of the Synod, or
- (b) in respect of which, or whose property, the Synod may make ordinances, or the Archbishop-in-Council may impose legally binding conditions.<sup>10</sup>

<sup>11</sup> **parish** means a parish or provisional parish constituted under or recognised as such for the purposes of the *Parishes Ordinance 1979* or a recognised church or provisional recognised church recognised under the *Recognised Churches Ordinance 2000* and, for the purposes of this Policy, includes a cathedral.

**Parish Council** means the council, chapter or similar body of a parish as constituted under an ordinance.

**Policy Guidelines** means the policy guidelines adopted by the Standing Committee in accordance with paragraph 24.

**Regional Council** means the council of a Region constituted under the *Regions Ordinance 1995*.

**Standing Committee** means the Committee appointed pursuant to the *Standing Committee Ordinance 1897*. **Synod** means the Synod of the Diocese and includes, when the Synod is not in session, the Standing Committee of the Synod.

23. In support of our shared ministry, and the disciple-making purposes of the Diocese, this Policy sets out the Governance Standards that the Synod considers should apply to the churches, schools and organisations to which this Policy applies (and the members of their governing bodies) in the manner indicated in Appendices 1, 2 and 3.
24. The Standing Committee may set policy guidelines for the constituting ordinances of Tier 3 and 4 entities which are bodies corporate (including guidelines in relation to governing body composition, the term of office of members and casual vacancies, quorum for meetings, and the passing of resolutions). Such policy guidelines may go beyond the Governance Standards but must be consistent with the Governance Standards and applied in a flexible manner reflecting Synod’s partnership with Tier 3 and 4 entities in our shared ministry, and the disciple-making purposes of the Diocese.

<sup>8</sup> The Schedule to the *Interpretation Ordinance 1985* defines “doctrine” in these terms, and for the purposes of this Policy the addition of the words “tenets and beliefs” reflects terminology used in other contexts but is not intended to add to the word “doctrine”.

The sources of doctrine include (a) the Scriptures of the Old and New Testaments, (b) the Christian faith as professed by the Church of Christ from primitive times, and in particular as set forth in the creeds known as the Nicene Creed and the Apostles’ Creed, (c) the commands, doctrine, sacraments and discipline of Christ, and (d) the book of Common Prayer, the Ordinal and the Thirty-Nine Articles.

Doctrine may also be declared in statements made by (i) the Synod of the Diocese with the concurrence of the Archbishop, or (ii) the Archbishop-in-Council, provided that such statements are consistent with the sources of doctrine in paragraphs (a), (b) and (c) above. Such statements include Synod’s *Property Use Policy*, which outlines doctrines of salvation, the human person, marriage and human sexuality, and Christian freedom, and Synod’s *Doctrine Statement on Gender Identity*.

<sup>9</sup> This Policy uses the expression “churches, schools and organisations”. However, Appendix 1 and the Governance Standards in Appendix 2 use the expressions “entities”, “parish” and “organisations” as defined in this paragraph 22 for simplicity.

<sup>10</sup> This includes entities which operate within the Diocese and are authorised to use the word “Anglican” (or another “Church name”) under the Use of Church Names Canon – see footnote 3.

<sup>11</sup> Are there other parochial or ecclesiastical units which should be listed in this definition and the definition of “Parish Council”?

Where it is proposed to amend the constituting ordinance of a Tier 3 or 4 entity which is a body corporate in order to conform with the Policy Guidelines, a consultation process must be undertaken with the governing body of the entity before any such amendments are made. Where a governing body believes that a particular Policy Guideline should not apply, it would usually be appropriate for the governing body to provide a brief explanation of its position as part of the consultation process.

25. The Synod anticipates that it will amend this Policy from time to time in order to better align the Governance Standards with our shared ministry, and the disciple-making purposes of the Diocese, and to reflect any changes to regulatory requirements and governance standards observed by secular organisations. For this purpose, the Synod encourages on-going input from the members of governing bodies.

exposure draft

Appendix 1: Application to Churches, Schools<sup>12</sup> and Organisations

	Types of Churches, Schools and Organisations	Specified Entities <sup>13</sup>	Applicable paragraphs of Appendices 2 and 3 [To be completed]
<b>Tier 1 Entities</b>	<p>The wardens of a parish (as trustees of church trust property)</p> <p>A Parish Council</p> <p>Any unincorporated or incorporated entity controlled by a Parish.<sup>14</sup></p> <p>A Regional Council</p> <p>The Standing Committee</p> <p>Any other unincorporated organisation<sup>15</sup> (other than an unincorporated organisation declared by the Standing Committee to be a Tier 3 or 4 entity).<sup>16</sup></p> <p>(including in each case, any of their committees or subcommittees)</p>	<p>Anglican Media Council</p> <p>Arundel House Council</p> <p>Living Faith Council</p> <p>Ministry Training and Development Council</p> <p>Sydney Church of England Finance and Loans Board (Sydney Anglican Loans)</p> <p>[others to be included as identified]</p>	
<b>Tier 2 Entities</b>	<p>An entity which operates within the Diocese and is authorised to use the word "Anglican" (or another "Church name") under the <i>Use of Church Names Canon 1989</i><sup>17</sup>.</p> <p>An entity associated with an entity referred to in the preceding paragraph which also uses a "Church name" (as defined in the Canon).<sup>18</sup></p>	<p>Entities registered on the Use of Church Names Register maintained by the General Secretary of the ACA under the <i>Use of Church Names Canon</i> including –<sup>19</sup></p> <p>Anglican Deaconess Ministries</p> <p>[Anglican Insurance Agencies Pty Ltd]</p> <p>Anglican Mothers' Union [Australia, Diocese of Sydney]</p> <p>[Church of England Historical Society]</p> <p>Anglican Youth Department Diocese of Sydney</p> <p>Ski Lodge Limited (t/as Southern Cross Alpine Lodge)</p> <p>International Chinese School</p> <p style="text-align: right;"><i>Continued on next page</i></p>	

<sup>12</sup> For the avoidance of doubt, in the Appendices to this Policy, the word "school" is not intended to include a pre-school or any other entity which is not registered and accredited for the purposes of the Education Act 1990 (NSW).

<sup>13</sup> The column headed "Specified Entities" contains a non-exhaustive list of organisations which are included in the relevant tier. An entity which meets the description in the column headed "Types of Churches, Schools and Organisations" is required to comply with the applicable paragraphs of Appendices 2 and 3 even if it is not listed in the column headed "Specified Entities". The Diocesan Secretary may update the column headed "Specified Entities" as required from time to time.

<sup>14</sup> For example, a pre-school where a parish is entitled to appoint a majority of the members of a management committee or other governing body.

<sup>15</sup> For the avoidance of doubt this includes any fund or trust controlled by another Tier 1 entity.

<sup>16</sup> In making such a declaration, the Standing Committee is to have regard to the similarity of the activities of the unincorporated organisation to the activities of incorporated organisations classified in Tiers 3 or 4. A power to classify such an unincorporated organisation as a Tier 3 or 4 entity includes a power to re-classify the organisation as a Tier 1 entity.

<sup>17</sup> The following entities listed in the Schedule to the *General Synod – Use of Church Names Canon 1989 Amendment Canon 2014* appear to no longer exist - Anglican Boys' Society, Anglican Girls' Friendly Society, Anglican Men's Society and Anglican Women of Australia – as their registration with the ACNC has been revoked.

<sup>18</sup> There appear to be a number of foundations and associations linked to some of the entities in the list which also use uses a "Church name" (as so defined in the Canon). See footnote 3 for the definition of "Church name".

<sup>19</sup> The list excludes organisations which appear to operate only outside the Diocese.

	Types of Churches, Schools and Organisations	Specified Entities <sup>13</sup>	Applicable paragraphs of Appendices 2 and 3 [To be completed]
		Kambala Meriden School Mosman Church of England Preparatory School Limited SCEGGS Darlinghurst SCEGGS Redlands [list to be confirmed]	
Tier 3 Entities	<p>An incorporated organisation which conducts an enterprise in its own right (rather than an administrative function under an ordinance), has an Australian Business Number and is not a Tier 4 entity.</p> <p>Any unincorporated or incorporated entity controlled by such an incorporated entity.</p>	<p><b>Diocesan schools</b></p> <p>Abbotsleigh (The Council of) Arden Anglican School Council (The) Barker College (The Council of) Campbelltown Anglican Schools Council Illawarra Grammar School (The Council of The) King's School (The Council of The) Macarthur Anglican School Council St Andrew's Cathedral School (The Council of) St Catherine's School, Waverley (The Council of) Sydney Church of England Grammar School Council (SHORE) Tara Anglican School for Girls (The Council of) Trinity Grammar School (The Council of) William Branwhite Clarke College Council</p> <p><b>Other organisations</b></p> <p>Anglican Church Growth Corporation Anglican Church Property Trust Diocese of Sydney Anglican National Superannuation Board Anglican Youth and Education Diocese of Sydney (Anglican Youthworks) Archbishop of Sydney's Anglican Aid (The) Endowment of the See Corporation. Evangelism and New Churches Glebe Administration Board St Andrew's House Corporation Sydney Anglican (National Redress Scheme) Corporation Sydney Diocesan Services</p>	

*During the consultation period for this Exposure Draft, comments are particularly invited on whether it would be appropriate to split Tier 3 into two tiers (i.e., five tiers in total)– Diocesan schools in one tier, and other organisations in another tier – and, if so, the extent to which the Governance Standards in Appendix 2 would apply to differently to the two tiers.*

	<b>Types of Churches, Schools and Organisations</b>	<b>Specified Entities</b>	<b>Applicable paragraphs of Appendices 2 and 3</b> [To be completed]
<b>Tier 4 Entities</b>	<p>An incorporated organisation declared by the Standing Committee to be a Tier 4 entity for the purposes of this Policy.<sup>20</sup></p> <p>Any unincorporated or incorporated entity controlled by such an incorporated entity.</p>	<p>Anglican Community Services (Anglicare)</p> <p>Anglican Schools Corporation</p> <p>Moore Theological College Council</p>	

<sup>20</sup> In making such a declaration, the Standing Committee is to have regard to the complexity of the enterprise(s) conducted by the organisation and the regulatory regime(s) applicable to the organisation. Relevant factors to be considered by the Standing Committee would include (a) the annual revenue (including the extent of direct or indirect government funding) and net assets of the organisation, (b) external accreditation by one or more Federal or New South Wales regulatory authorities, and (c) the extent of the duties and compliance obligations imposed on the organisation and/or the members of its governing body by legislation and regulatory authorities. A power to classify an incorporated organisation as a Tier 4 entity includes a power to re-classify the organisation as a Tier 3 entity.



## Appendix 2: Governance Standards

The Synod regards the following Governance Standards as applicable to all entities (and the members of their governing bodies) in the manner indicated in Appendix 1 and this Appendix and expects all entities to implement each of the Governance Standards applicable to them in an appropriate and demonstrable way.

### Part 1 Purpose and organisational faithfulness

#### A. Mission clarity

- (a) The charitable purpose(s) of the entity must be clearly expressed in an ordinance and must align with the broader charitable purposes, of the Diocese.
- (b) The charitable purpose(s) of the entity –
- (i) must be clearly expressed in its constituting ordinance or other instrument, and
  - (ii) in the case of a Tier 3 or 4 entity, must align with the broader charitable purposes, of the Diocese,
- and information about them should be made available to the public, including donors, employees and volunteers, as well as those that benefit from its activities.
- (c) All entities registered with the ACNC should be registered with “advancing religion” as their charitable subtype, or one of multiple charitable subtypes.
- (d) The entity must pursue the charitable purpose(s) for which it is established in a manner which is consistent with the doctrines, tenets and beliefs of the Diocese.
- (e) To the extent permitted by law and in recognition that each entity is part of a network of entities within the Diocese, each entity should pursue its charitable purpose(s) in a manner which advances the broader charitable purposes, of the Diocese.

Tier			
1	2	3	4
Y			
	Y	Y	Y
Y	Y	Y	Y
Y	Y	Y	Y
Y		Y	Y
Tier			
1	2	3	4
Y	Y	Y	Y

#### B. Not-for-profit character

- (a) The funds and other property of the entity must not be distributed for the private benefit of individuals or any other entity -
- (i) during the operation of the entity, other than in the pursuit or furtherance of the entity’s charitable purpose(s), or
  - (ii) on its winding-up or dissolution, other than in the pursuit or furtherance of similar charitable purpose(s).
- (b) The entity must comply with its not-for-profit character.

## Part 2 Leadership and membership of governing bodies

## c. Christian leadership shaped by the Bible

- (a) The wardens of a parish, members of a Parish Council and members of a Regional Council or the Standing Committee must be an active member of a parish in the Diocese and otherwise satisfy the requirements of the ordinance or other instrument governing their election or appointment.

Members of other tier 1 entities must satisfy the requirements of paragraphs C.(b) and (c).

- (b) Members elected or appointed by the Synod, the Archbishop or another (Diocesan) organisation must -

- (i) be of Christian faith and character, attend regularly and be actively involved in a Bible-based Christian church, and
- (ii) otherwise satisfy the requirements of the ordinance or other instrument governing their election or appointment.

*During the consultation period for this Exposure Draft, comments are particularly invited on:*

- *the definition of “Christian faith and character” and the specific questions set out under the definition in paragraph 22 of this Exposure Draft, and*
- *whether a definition of “Bible-based Christian church” (e.g., a church where the Bible is honoured and taught as the written word of God, to be believed and obeyed by all Christ’s disciples) should be included in the Policy.*

- (c) Other members must satisfy the requirements of the ordinance or other instrument governing their election or appointment.<sup>21</sup>

*Paragraph C.(c) is a significant change from the current Policy which currently requires such members to sign a Statement of Personal Faith. During the consultation period for this Exposure Draft, comments are particularly invited on this proposed change. See also paragraph C.(g).*

- (d) Any person who nominated for election or appointment by the Synod, the Archbishop or another (Diocesan) organisation must -

- (i) provide evidence of their Christian faith and character and involvement in a Bible-based Christian church,
- (ii) consent to the nomination and the collection of personal information,
- (iii) be willing to sign the Personal Commitment to Organisational Faithfulness (see paragraph D),

	Tier			
	1	2	3	4
(a)	Y			
(b)				
(i)				
(ii)				
<i>During the consultation period for this Exposure Draft, comments are particularly invited on:</i>				
• <i>the definition of “Christian faith and character” and the specific questions set out under the definition in paragraph 22 of this Exposure Draft, and</i>		Y	Y	Y
• <i>whether a definition of “Bible-based Christian church” (e.g., a church where the Bible is honoured and taught as the written word of God, to be believed and obeyed by all Christ’s disciples) should be included in the Policy.</i>				
(c)				
<i>Paragraph C.(c) is a significant change from the current Policy which currently requires such members to sign a Statement of Personal Faith. During the consultation period for this Exposure Draft, comments are particularly invited on this proposed change. See also paragraph C.(g).</i>		Y	Y	Y
(d)				
(i)				
(ii)			Y	Y
(iii)				

<sup>21</sup> Although other members (e.g., members of the governing body of a school) need not be of Christian faith and character, attend regularly and be actively involved in a Bible-based Christian church, in the case of Tier 3 and Tier 4 entities, such members are required to sign a Personal Commitment to Organisational Faithfulness (see paragraph D) which is a much stronger commitment than the previous Statement of Support for Christian Ethos which was included as a transitional measure in the current Policy when it was first adopted by the Synod.

(iv) have the relevant qualifications, skills, experience and Christian ministry involvement required under any applicable law or ordinance or any other instrument governing their election or appointment, as stipulated by the chair,

in the manner required by the ordinance or other instrument governing their election or appointment.

*During the consultation period for this Exposure Draft, comments are particularly invited on -*

- *the move away from a nominee being willing to sign a Statement of Personal Faith to a broader means of assessing a nominee's Christian faith and character,*
- *how a nominee's Christian faith and character can be best ensured,*
- *the effectiveness of statements of personal faith,*
- *the use of a new a Personal Commitment to Organisational Faithfulness, and*
- *the nomination process and how it might be improved to ensure that a nominee has the qualifications, skills, experience and Christian ministry involvement which are required by the governing body at that time to enable it to effectively pursue its charitable purpose(s) (i.e., not just those qualifications, skills, experience and Christian ministry involvement required under any applicable law, ordinance or other instrument).*

(e) The chair must satisfy the requirements of paragraph C.(b).

(f) The total number of members should be no less than 9 and no more than 14.

*This requirement is unchanged from the current Policy. During the consultation period for this Exposure Draft, comments are particularly invited on whether the current minimum (9) and maximum (14) numbers remain appropriate*

(g) A two-thirds majority of the members must be elected or appointed by the Synod, the Archbishop or another (Diocesan) organisation.

*This provision allows, among other options, for a governing body to appoint additional members or the governing body of a school to include alumni representatives. During the consultation period for this Exposure Draft, comments are particularly invited on whether a higher proportion (e.g., three-quarters) would be appropriate.*

(h) Members must include at least –

(i) two clergy licensed in the Diocese, and

(ii) two members with (at minimum) a three-year theological degree from Moore Theological College or another college that is endorsed by the Archbishop for the purpose of this paragraph,

noting that the requirements of paragraphs C.(h)(i) and (ii) may be met by the same two people.

		Y	Y
		Y	Y
		Y	Y
		Y	Y

- (i) Except as otherwise set out in the ordinance or other instrument governing their election or appointment, a retiring member should only be eligible for re-election or re-appointment where such re-election or re-appointment would not in the normal course result in that person being a member for more than 14 consecutive years.<sup>22</sup>
- (j) The chair and any other officer of the governing body should be elected by members for a term not exceeding 3 years. Such persons are eligible to stand for re-election but should not serve in the same office for more than 9 consecutive years.
- (k) <sup>23</sup> The chief executive officer must –
- (i) be of Christian faith and character,<sup>20</sup> attend regularly and be actively involved in a Bible-based Christian church,
  - (ii) be willing to sign the Personal Commitment to Organisational Faithfulness (see paragraph D), and
  - (iii) otherwise satisfy the requirements of applicable law or ordinance or any other instrument governing their election or appointment.

In addition, prior to their appointment, the Archbishop (or his delegate) must be satisfied that the Christian faith and character of the chief executive officer will enable the purpose(s) of the organisation to be pursued in a manner which is consistent with the doctrines, tenets and beliefs of the Diocese.

#### D. Personal Commitment to Organisational faithfulness

The election or appointment of a person as a member or chief executive officer is subject to the person signing a Personal Commitment to Organisational Faithfulness and delivering it to the Chair of the governing body prior to the person taking up the role of member or chief executive officer.

The form of the Personal Commitment to Organisational Faithfulness is set out in Appendix 3.<sup>24</sup>

*During the consultation period for this Exposure Draft, comments are particularly invited on the form and content of the Personal Commitment to Organisational Faithfulness. See also paragraph C.(d).*

		Y	Y
		Y	Y
		Y	Y
<b>Tier</b>			
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
		Y	Y

<sup>22</sup> For this purpose, years are consecutive unless they are broken by a period of at least 12 months.

<sup>23</sup> This paragraph is to be reviewed following the release of the Federal Government's response of any recommendations of the Australian law Reform Commission's inquiry into Religious Educational Institutions and Anti-Discrimination Laws.

<sup>24</sup> The Personal Commitment to Organisational Faithfulness is a new concept and is not proposed as a replacement for the Personal Statement of Faith. It is a new, and different, concept.

Whether the use of a declaration or statement of faith (whether in the form of the Statement of Personal Faith in Appendix 3 of the current *Governance Policy for Diocesan Organisations*, or another form) is an appropriate way of determining or assessing whether a person is of Christian faith and character is a separate question and one of the matters on which comments are particularly invited during the consultation period for this Exposure Draft.

**E. Role of the Archbishop**

- (a) Except where required by an Act of Parliament, the Archbishop should not be a member and, accordingly, the relevant ordinance or other instrument constituting the entity must clearly set out –
- (i) whether the Archbishop is, or is not, a member, and
  - (ii) if a member, whether or not he has a deliberative and/or a casting vote.
- (b) If the Archbishop is a member, he should be entitled to chair meetings when present.
- (c) The Archbishop (or his nominee) should be able to address the governing body on any pastoral or policy issue concerning the ACA as it applies to the entity, including the appointment of a chief executive officer for the entity.
- (d) If the Archbishop is not a member, the relevant ordinance or other instrument constituting the entity may designate the Archbishop as President of the entity.
- During the consultation period for this Exposure Draft, comments are particularly invited on the role of the Archbishop in the governance of entities including when it is appropriate for the Archbishop to be a member of a governing body, and whether, as a general rule, the term Visitor should be used rather than President (with consequential drafting changes to paragraphs E.(e) and (f)).*
- (e) If the Archbishop is not a member (whether or not the Archbishop is President of the entity), he (or his nominee) should be entitled to receive meeting papers at his request and attend meetings.
- (f) If the Archbishop is President of the entity the relevant ordinance or other instrument constituting the entity should clearly provide that the Archbishop is entitled to exercise the responsibilities, rights and duties of a visitor.<sup>25</sup>
- The responsibilities, rights and duties of a visitor include -
- (i) the power to settle disputes between members of the entity,
  - (ii) making determinations on the interpretations of the [internal rules] of the entity, and
  - (iii) visiting and inspecting the premises and/or ministries of the entity to ensure that its charitable purpose(s) are being pursued in a manner which is consistent with the doctrine s, tenets and beliefs of the Diocese.

Tier			
1	2	3	4
Y	Y	Y	Y
Y		Y	Y
		Y	Y
		Y	Y
		Y	Y

<sup>25</sup> Nothing in this policy prevents an ordinance or other instrument providing that the Archbishop (even if not President) is entitled to exercise the responsibilities, rights and duties of a visitor, nor does it prevent the Archbishop exercising responsibilities, rights and duties otherwise afforded by law.

**F. Governing body member responsibilities**

Members must –

- (a) ensure that the entity's charitable purpose(s) are pursued in a manner which is consistent with the doctrines, tenets and beliefs of the Diocese,
- (b) act in good faith,
- (c) act honestly and fairly in the best interests of the entity and to further the charitable purpose(s) of the entity,
- (d) exercise the powers and discharge the duties of the entity with the degree of care and diligence that a reasonable individual would exercise as a member,
- (e) not use their position as a member for an improper purpose or in a manner which is inconsistent with the entity's charitable purpose(s),
- (f) maintain any confidentiality of information obtained in the performance of their duties as a member, and not use such information for an improper purpose or in a manner which is inconsistent with the entity's charitable purpose(s),
- (g) ensure that the financial affairs of the entity are managed in a responsible manner, and
- (h) ensure any actual, potential or perceived conflict between their material personal interests (including as a member of the governing body of another entity), and their responsibilities set out in the preceding paragraphs, are disclosed and managed in a proper manner.

**G. Additional suitability requirements**

- (a) Members who are clergy or church workers<sup>26</sup> must comply with the standards of personal behaviour and the practice of pastoral ministry set out in the ACA's national code of conduct, *Faithfulness in Service (FIS)*, as adopted in the Diocese from time to time.
- (b) Other members elected or appointed by the Synod, the Archbishop or another (Diocesan) organisation should observe standards of personal behaviour consistent with:
  - (i) seeking to live in obedience to the commands, doctrine, sacraments and discipline of Christ,<sup>27</sup> and
  - (ii) their obligations as a member of the governing body of a Diocesan organisation.

*During the consultation period for this Exposure Draft, comments are particularly invited as to whether paragraphs G.(b)(ii) and (c) should also refer to standards of personal behaviour which do not bring the Diocesan organisation or the Diocese into disrepute and, if so, how such a standard could be worded.*

Tier			
1	2	3	4
Y	Y	Y	Y
Tier			
1	2	3	4
Y	Y	Y	Y
Y		Y	Y

<sup>26</sup> References to clergy and church workers are to such persons within the meaning of FIS.

<sup>27</sup> This paragraph to be reviewed and updated for any changes to the definition of "Christian faith and character" in paragraph 22.

- (c) Other members should observe standards of personal behaviour which are consistent with their obligations as a member of the governing body of a Diocesan organisation.
- (d) The chief executive officer must comply with the standards of personal behaviour and the practice of pastoral ministry set out in FIS.
- (e) Members and the chief executive officer must comply with applicable legislative requirements for working with children and/or vulnerable people.
- (f) A member must not have been disqualified by the ACNC Commissioner, at any time during the preceding 12 months, from being a responsible entity of a registered entity under the ACNC Act.
- During the consultation period for this Exposure Draft, comments are particularly invited as to whether paragraphs G.(f) and (g) should also apply to the chief executive officer.*
- (g) A member must not be a person who is disqualified from managing a corporation within the meaning of the Corporations Act 2001.

Y		Y	Y
Y		Y	Y
Y	Y	Y	Y
Y	Y	Y	Y
	Y	Y	Y

### Part 3 Organisational accountability

#### H. Responsibility and transparency

- (a) The entity must ensure its on-going operations, the safety of people in its care and the safety of its assets through compliance with applicable laws and ordinances and policies of the Synod.
- (b) The governing body should have the power to delegate the performance of any of its functions to one or more committees provided any such committee is chaired by a member and reports the exercise of its delegated functions to the next meeting.
- (c) All entities registered with the ACNC must comply with the ACNC External Conduct Standards (if applicable).
- (d) The entity must not, and its governing body must not allow entity to, operate while insolvent.
- (e) An entity registered with the ACNC as a basic religious charity should comply with the ACNC Governance Standards.
- (f) An entity registered with the ACNC (and which is not a basic religious charity), must comply with the ACNC Governance Standards.
- (g) The governing body should develop policies –
- (i) to ensure members have undertaken safe ministry training in accordance, and otherwise comply, with the *Safe Ministry to Children Ordinance 2020* and other applicable ordinances relating to ministry to children and youth,

Tier			
1	2	3	3
Y	Y	Y	Y
Y	Y	Y	Y
Y	Y	Y	Y
Y	Y	Y	Y
Y			
	Y	Y	Y
Y		Y	Y

<ul style="list-style-type: none"> <li>(ii) to ensure appropriate identification and management of related party transactions,</li> <li>(iii) for the management of risks to the entity,</li> <li>(iv) for the professional development and training of members in matters relevant to the entity's operations including governance practices, and</li> <li>(v) [other].</li> </ul>				
<ul style="list-style-type: none"> <li>(h) The entity must maintain an adequate level of accountability and transparency to – <ul style="list-style-type: none"> <li>(i) the Synod in accordance with applicable ordinances, and</li> <li>(ii) parishioners, members, donors, employees and volunteers, as well as those that benefit from its activities.</li> </ul> </li> </ul>	Y		Y	Y
<ul style="list-style-type: none"> <li>(i) A Tier 3 entity should, and a Tier 4 must, have a charter which sets out the responsibilities of the governing body including - <ul style="list-style-type: none"> <li>(i) the role of the chief executive officer and senior management of the entity,</li> <li>(ii) matters specifically reserved for governing body decision-making, and</li> <li>(iii) the governing body's operating protocols.</li> </ul> </li> </ul>			Y	Y
<ul style="list-style-type: none"> <li>(j) The entity must - <ul style="list-style-type: none"> <li>(i) ensure that personal information (as defined in the <i>Privacy Act 1988</i> (C'lt)) is managed in accordance with applicable law or ordinance,</li> <li>(ii) [other]</li> </ul> </li> </ul>			Y	Y
<ul style="list-style-type: none"> <li>(l) <sup>28</sup> The governing body of a Tier 3 entity should, and of a Tier 4 entity must, develop effective processes to ensure – <ul style="list-style-type: none"> <li>(i) the collective qualifications, skills, experience and gender balance of its members are adequate having regard to its charitable purpose(s) and the activities the entity it undertakes in pursuit of its charitable purpose(s),</li> <li>(ii) the induction of new members and the ongoing training and development of existing members,</li> <li>(iii) the regular review of the performance of the governing body, and</li> <li>(iv) member succession planning and governing body renewal under the direction of the chair.</li> </ul> </li> </ul>			Y	Y
<ul style="list-style-type: none"> <li>(m) <sup>25</sup> An entity should maintain as a reference for members a record, preferably in the form of a handbook, of the ordinances by which it is constituted or regulated and any other documents or policies by which it is governed.</li> </ul>			Y	Y

<sup>28</sup> Should this requirement also apply to tier 1 entities?



- (n) Members should not be remunerated for their service as members except by way of reimbursement for reasonable out-of-pocket expenses.
- (o) To the extent permitted by law, the governing body may develop a policy for the remuneration of the members of its governing body for their service as members (including by way of reimbursement for reasonable out-of-pocket expenses), subject to the maximum annual remuneration amount being approved by the Standing Committee.

*Paragraph H.(o) is a change from the current Policy (i.e., paragraph H.(n)) and has been suggested having regard to the complexity of the enterprise(s) conducted by a Tier 4 entity and the regulatory regime(s) applicable to them. During the consultation period for this Exposure Draft, comments are particularly invited on whether this change is appropriate.*

Y		Y	
			Y
Tier			
1	2	3	3
Y		Y	Y
Y		Y	Y
		Y	Y
		Y	Y
			Y

**I. Reporting to Synod and/or Standing Committee**

- (a) The entity must provide annual and other reports in accordance with applicable ordinances.
- (b) In an annual report provided by an entity in accordance with an applicable ordinance, the governing body must disclose any failure by the governing body to comply with the Governance Standards and set out the steps taken, or being taken, to remedy non-compliance.
- (c) An entity which manages church trust property must submit to the Synod for tabling an annual report or such other reports as Synod are required in accordance with applicable ordinances and must take reasonable steps to ensure such reports are accurate, complete and provided on a timely basis.
- (d) Members of the Synod must have reasonable access to the annual reports of the entity tabled at the Synod and must have an adequate opportunity to ask and have answered questions about the governance of the entity.
- (e) In addition, an entity must promptly advise the Standing Committee of –
  - (i) any failure to comply with –
    - (A) applicable governance standard or requirement, or any financial or prudential reporting requirement, of any government authority (other than the ACNC) likely to lead to loss of any licence or approval required to conduct current activities, or
    - (B) the financial or other covenants under any agreement with a bank or other financial institution for the provision of financial accommodation in excess of \$10,000,000 likely to lead to the early termination of such financial accommodation,

- (ii) [event or circumstance which may result in the entity (or any member of the governing body) being indicted in relation to the alleged commission of an offence under any law punishable on conviction by a penalty that may include imprisonment for a maximum period -
  - (A) if the offence involves fraud or dishonesty - 3 months or more, or
  - (B) in any other case--12 months or more, and
- (iii) [*describe any additional reporting requirements*].

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exposure draft

### Appendix 3: Personal Commitment to Organisational Faithfulness

#### Personal Commitment to Organisational Faithfulness

1. I acknowledge that the purpose(s) of [*insert name of entity*] (the “**diocesan organisation**”) as set out in [*insert name of constituting ordinance / describe the diocesan organisation’s constitution*] \* (“**constitution**”) are to be pursued in a manner which is consistent with the doctrines, tenets and beliefs of the Anglican Church of Australia in the Diocese of Sydney. \*\*
2. As [a member / a member of [*insert name of the governing body*] / the chief executive officer] \* of the diocesan organisation I shall endeavour to –
  - (a) fulfill my duties in accordance with the constitution and applicable laws and ordinances,
  - (b) wherever practicable, ensure other provisions of the Diocesan Governance Policy are adopted by the diocesan organisation, and
  - (c) ensure that the diocesan organisation’s purpose(s) are pursued in a manner which is consistent with the doctrines, tenets and beliefs of the Diocese.
3. I agree that my continuance as a [member / a member of [*insert name of the governing body*] / the chief executive officer] \* is dependent upon my continuing agreement with this commitment and I undertake to resign if this ceases to be the case.

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Signature

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Full name (in block letters)

Date:

\* Delete whichever is not applicable.

\*\* In this statement the phrase “doctrine, tenets and beliefs” has the meaning set out in the Diocesan Governance Policy.