REPORT OF THE VIABILITY & STRUCTURES TASK FORCE

& other materials impinging on the Small Groups Discussion Program

The Sixteenth General Synod

BOOK

8

Adelaide
June/July 2014

The Anglican Church of Australia

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CONTENTS

INTRODUCTION

In November 2010, the then newly elected Standing Committee met for the first time after the Fifteenth Session of the General Synod. One of its tasks designated by s3 of the Strategic Issues, Commissions, Task Forces and Networks Canon 1998 was to identify the specific strategic issues to be addressed in the period to the next session of the General Synod. Section 2 of Book 3 of the Synod papers outlines the Standing Committee's response to this task, commencing at page 34.

Two strategic issues arose from resolutions of the Fifteenth Session of the General Synod, namely, the viability of dioceses and unity in the Church. The Standing Committee established the Viability and Structures Task Force and the National Church Unity Task Force to address these matters.

In parallel, the work of the Diocesan Financial Advisory Group during the triennium caused it to become concerned about the quality of financial management, financial reporting and governance, all of which are relevant to questions of viability.

In light of the work of these three groups, the Standing Committee considered that the Church would benefit from the General Synod devoting time to small group discussion of matters vital to the Church's mission and ministry at this session.

To facilitate the small groups discussion program, this volume brings together reports of the three bodies already mentioned. It also contains an edited version of a proposal put by the General Secretary to the Standing Committee to deal with the complex task of implementing the kinds of recommendations made in those reports. Finally, but by no means least, the Standing Committee wished to provide a theological reflection to prompt us to consider what God is telling us in our current situation.

As will be seen from the reports of these and other reports in the Synod papers, matters of viability and unity are related. The connection may be expressed in three questions: how should the Church as a whole respond to crises in one or more of its parts; how should the Church as a whole respond to legitimate community concern about events in one or more parts of the Church which impinge on the reputation of the gospel that the Church serves; and how can the Church best address the spiritual needs of the nation?

An outline of the Small Groups Discussion Program is provided in Book 6 of the Synod papers.

The small groups discussion program and this volume of materials are commended to your prayerful consideration.

Anglican Church of Australia

Viability and Structures Task Force

VIABILITY AND STRUCTURES TASK FORCE

REPORT TO GENERAL SYNOD

ST PETER'S COLLEGE, ADELAIDE
2014

BOOK 8   THE VIABILITY AND STRUCTURES TASK FORCE REPORT

CONTENTS

PREFACE

At the meeting of the General Synod Standing Committee meeting on 12-13 November 2010 it was resolved to form a Viability & Structures Task Force. The Task Force was given the following Terms of Reference:

(a) Theoretical:
- What is a diocese?
- How should we restructure our groups of dioceses?
- What is the existing structure for provinces?
- What is the impact of changing demographics?
- Do we need to adjust our rural/urban structures?
- Problems with our small rural dioceses or large metropolitan dioceses.
- What models need to be adopted to encourage and enable people in remote locations to minister to themselves?
- What are the marks of a viable diocese; pastorally, missionally, risk management and human capacity?

(b) Practical:
- How do we enable the dioceses and provinces to deal with problems?
- How do we reorganise a diocese in trouble?
- Do we have sufficient ability to deal with such a problem promptly? If not, how do we get that ability?

Since its formation, the Task Force has met regularly over three years, sorted information from every Australian diocese, looked at overseas experiences of dioceses in similar situations and met with a cross section of people from around the Anglican Church of Australia to seek their views and gather information. In addition to this, a number of individuals and bishops wrote, made submissions or sent material online to the Task Force.

In preparing the report, the Task Force drew upon a great deal of data from the 2011 Census, material prepared by the Christian Research Association, diocesan websites and Synod reports. The Task Force also sent out a survey to all dioceses, with 18 out of 23 responding. Standing Committee members were also surveyed about their own views on diocesan viability and restructuring. It is important to note that a lack of data was a key problem for the Task Force. Many dioceses were able to supply some data, but most lacked a comprehensive data base on a range of matters the Task Force would have liked to have examined. For example, many dioceses were not able to supply statistics on Sunday worship over the past decade and, in some instances, over the past five years.

The Task Force wants to acknowledge the assistance and information it received from the Diocesan Financial Advisory Group (DFAG). The group also helped in the framing of some parts of the Report. The General Secretary of General Synod, Mr Martin Drevikovsky, gave invaluable help to the Task Force on a range of matters.

Members of the Task Force appointed by the Standing Committee in 2010 were:

- The Right Rev'd Stuart Robinson, Bishop of Canberra-Goulburn
- The Most Rev'd Jeff Driver, Archbishop of Adelaide (Resigned 2013)
- The Right Rev'd Doug Stevens, Bishop of Riverina (Resigned 2012)
- The Right Rev'd Garry Wetherill, Bishop of Ballarat (Appointed 2012)
- Mrs Audrey Mills, Diocese of Tasmania
- The Hon. Robert Fordham AM, Diocese of Gippsland
- The Right Rev'd Andrew Curnow AM, Bishop of Bendigo, Convenor

INTRODUCTION

The Anglican Church of Australia is at a crossroad. For over 30 years it has been slowly declining and the time has come for a revolution if it is to be a strong and sustainable church for the future. As we approach the middle of the second decade of the 21st century, there are 23 dioceses in the Church and of that number, nearly all are experiencing significant challenges about their future. It may not be economic or resources issues, but it may be rapid urban growth and the inability of the parish system to keep pace.

This report begins with a look at what a diocese is and the criteria for establishing viability. It then considers the present state of Australian dioceses including an examination of current structures and the impact of changing demographics. It concludes with findings and recommendations.

Map of the Anglican Dioceses of Australia

Province of Victoria
1   Gippsland
2   Wangaratta
3   Melbourne
4   Bendigo
5   Ballarat

Province of South Australia
6   The Murray
7   Adelaide
8   Willochra

Province of New South Wales
9   Sydney
10   Canberra & Goulburn
11   Riverina
12   Bathurst
13   Newcastle
14   Armidale
15   Grafton

Province of Queensland
16   Brisbane
17   Rockhampton
18   North Queensland
19   The Northern Territory

Province of Western Australia
20   North West Australia
21   Perth
22   Bunbury

Extra Provincial Diocese
23   Tasmania

It is vital to say at the beginning of this Report that all the material presented is done with a profound understanding and commitment to the mission of Christ's Church. As the Anglican Church of Australia, we are part of that Church and I would hope that this Report makes, in some way, a contribution to our calling to be the Body of Christ in and across this vast land. Our Church is seeking to discern what is the call of God in relation to our Church today and about the future, and this Report is written to help and encourage us to be a Church at mission.

If the Anglican Church of Australia is at a crossroad, it would be more accurate to say that there are 23 crossroads. As this report will show, every diocese is facing major issues in relation to their mission and ministry. Task Force member, the Hon Robert Fordham comments:

"*Much attention is quite properly given to the difficulties being faced by many of our dioceses in rural and regional Australia and the necessity to reshape these dioceses if they can be effective mission units. However the data for the metropolitan dioceses is frightening. How can a single diocese serve 5 million people plus? How can any diocesan bishop adequately relate to more than say 50 parish units?"*

There are also concerns about the cost of General Synod, its office and bodies and the role of the Primate. Being at a crossroad requires that, as a Church, we address some fundamental questions:

1. During the 60 or so years that the Constitution of our Church was being established and negotiated, a strong theme was that we were to be a Church to the nation. Do we still see ourselves that way today and into the future? That is, do we see ourselves in the future spreading the gospel, nurturing the faithful and doing good works throughout our entire nation?

2. If we do see ourselves that way, how will we do it at a time when we need to make wider contact with and penetrate deeper into the spiritual life of our society with all its complexities, when the evidence presented in this report indicates that our capacity for mission and ministry is declining?

3. Do we want to tackle these issues facing us as a National Church or as 23 independent dioceses?

4. How do we understand ourselves as the Anglican Church of Australia in the 21st Century?

It is salutary to reflect on how an institution outside our Church sees us. When the Primate, Dr Philip Aspinall, gave evidence before the Commonwealth Royal Commission into Institutional Responses to Child Sexual Abuse in late 2013, the Chairman, Justice McClellan, raised the point that since we adopt the name "The Anglican Church of Australia", the community at large would assume that we are a unitary national body. Therefore, the community would also assume we have power to institute uniform national standards, policies and procedures to prevent and respond to child sexual abuse, with appropriate mechanisms for uniform enforcement of those standards, its policies and procedures, and which accepts corporate responsibility for the failings for one part of the whole. The Chairman asked whether the Primate would understand that the community at large would be mystified to learn that this was not so!

"*The Royal Commission has repeatedly referred to the perception that the Anglican Church of Australia holds itself out as a single corporate entity and expressed the view that the community would be surprised at the revelation that the perception does not reflect the reality.*" (General Synod Royal Commission Working Group 2014)

The Constitution of our Church, which has laid down the way we have operated as a Church since its adoption in 1961, has been possibly one of our greatest strengths, but potentially in the future could be one of our greatest weaknesses. As a nation we have changed dramatically over the past 60 years, and so, in many ways, has the Church. Our message may be the same, but the context and the mediums for the message have undergone immense change. On a warm Saturday in 1966, the Sunday School of the Parish of St Augustine's Moreland in Melbourne boarded an electric train for their annual Sunday School picnic to Brighton Beach. Parents and children clamoured on board, numbering over 650. Now there is no Sunday School and a small congregation at St Augustine's. The area has undergone massive sociological, demographic and economic change that has typified most of our large capital cities over the past 40 years.

In the large urban cities of modern Australia, the Church has struggled with the rampant growth of population, the increasing diversity of cultures and the development of secularism. The Church no longer enjoys the status it once did in the nation and in fact, as the Royal Commission referred to above shows, the reverse is true. There have also been many other changes:

- Patterns of the week: Sunday is no longer sacred. With the increasing complexity of many people's lives it has become a shopping day or an event day.

- The development of networks: The way we relate to one another has changed with the development of the internet, Facebook and Twitter. Networks have hastened the immediacy of communication. At the same time people feel they want to belong and there is the increasing focus on local neighbourhoods in our large cities.

- We are no longer a mono cultural society: many cultures have emerged with immigration and a growing awareness of the indigenous peoples and cultures of Australia.

- Spirituality: While the majority of the population do not go to Church and the number stating no religion in the Census is growing, people are still hungry for meaning and purpose in their lives, but do not believe it will be found in the Church.

- The alternatives that people have today to explore meaning are as diverse as our multi-cultural society.

This range of changes is often referred to by commentators as signs of the end of Christendom. An interpretation is that society, in many Western cultures, has undergone a profound and fundamental shift in a move away from its Christian roots, imagery and self-understanding. The former head of the Roman Catholic Church in England, Cardinal Cormac Murphy O'Connor summed it up this way:

"Christianity is now a sort of backdrop to people's lives and moral decisions – and to government and the social life of the country."

In our own nation, the rise of secularism is often seen as the reverse to the decline of Christendom. However, missiologist Bob Jackson adds a note of caution to simplifying the situation too quickly:

"*From different perspectives we may pick out three threads. One is that there is a clear erosion of any meaningful 'Christendom culture', if it ever existed in our contemporary society. The second is that the influence of the Christian faith and Church seems*

surprisingly resilient. Finally, history rarely proceeds in a straight line and it is unwise to forecast the future by extrapolating recent trends." (Bob Jackson, Hope for the Church CHP London, 2003 p. 63).

US Christian leader and writer Brian McLaren argues that the Church should not get too bogged down in sociological analysis, but recover its missiological heart to find the way forward:

"In a missional/apostolic approach to Christianity, every component of our faith (worship, liturgy, creeds, theology, fellowship, spiritual formation, religious education, publishing etc.), though itself valid and valuable, must lead to good works, good lives, good creativity and goodness to help our world get back on the road to being truly and wholly good again, the way God created it to be." (Brian McLaren, Generous Orthodoxy, Zondervan 2004, p. 251)

While both these writers are writing from outside of Australia, their comments about Christianity in western culture are relevant to Australia. It may be more accurate to say that Australia has never quite experienced Christendom in the way it is found in the UK and North America, but the Anglican Church of Australia has behaved, at times, like an established church in a Christendom culture.

Indeed the truth is that Christianity in Australia has struggled in many places. Church going was at its zenith after World Two II and particularly during the baby boomer period, as illustrated by the Moreland Sunday School picnic, but things changed very quickly as a nation as we entered the 1980's.

In an address to the Trinity College Theological School Summer School in February this year, theologian Stanley Hauerwas said:

"Australia is definitely one of the most secular countries in the world, but that doesn't mean the Church and its ministry cannot make a significant contribution."

The Melbourne Anglican of March 2014 reported on the Hauerwas visit stating:

"As the Church struggles to survive and adapt, he predicts that it will increasingly become 'a community of people who need one another, just in order to survive, and therefore friendship will become increasingly precious for such a community and that will be a wonderful witness to the world".

In rural and regional Australia all these expressions of change are also to be found, but not on the same scale or diversity of expression as found in large cities. The largest change across rural and regional Australia over the past 60 years has been population decline. While some regional cities have grown, such as Bendigo, Dubbo and Toowoomba, the population of the surrounding hinterland has dwindled.

Amongst our 23 dioceses, those based on capital cities (federal and state) and some of our large regional cites are facing challenges associated with population growth. Some dioceses are facing a mixture of circumstances with population growth in some parts of the diocese and decline in others. Some dioceses are facing the prospect of solely population decline. However, the challenges facing dioceses are not just about size of population, but are more complex and deeper than issues of people, money and resources, and have to do with a myriad of issues involving the changing nature of Australian society. Our nation and society will continue to evolve and change over the next 50 years and more. The issues for this Report are to look at our current diocesan structures and ask if are they sustainable and will they advance our Church's mission and ministry in the years to come.

If one takes the view that much of our current structure is based on a Christendom model of church, one would argue that the structure will die along with much of the Church. This view would place a strong emphasis on allowing the local church to develop in relation to its local context, and on training and empowering leaders to achieve this outcome. Others in our Church would believe that the diocesan and parish system, while needing a major overhaul, can work and is still the best thing our church has going for it.

Despite the issues and challenges we face, the Anglican Church of Australia, across the country, has many loyal and committed members who are out there doing all they can for the Church and the Gospel. It is not the intention of this Report to discourage them, but at the same time the realities and matters that this Report was asked to consider cannot be denied or swept under the carpet.

This Task Force was established at the last General Synod in 2010 because of a growing concern about the mission of our Church and its ability to engage with Australian society. The issue of viability is a word usually associated with economic feasibility, although one dictionary defined it as "the capacity to plan and put something into practice". The Terms of Reference flesh viability out in the context of our Church and its diocesan structures and this Report seeks to address the capacity of our Church to put into practice its calling by God through Christ to:

"Go therefore and make disciples of all nations, baptising them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything that I have commanded you. And remember I am with you always, to the end of the age".
(Matt. 28:17-20)

Andrew W Curnow AM, Bishop of Bendigo, Task Force Convenor

CHAPTER 1: DIOCESES AND THEIR VIABILITY

The role and nature of a diocese is not set out in the Constitution of the Anglican Church of Australia except to say:

"A Diocese shall be in accordance with the historic custom of the One Holy Catholic and Apostolic Church continue to be a unit of organisation of this church and shall be the see of a bishop" (Constitution, Clause 7).

Generally, a diocese is simply defined as a geographic area divided into parishes and overseen by a bishop. The word diocese comes from the Greek term 'diokecis', meaning administration and housekeeping. A diocese is a defined area of mission and ministry and is normally overseen by a bishop.

In Australia, dioceses have evolved since Bishop Broughton was enthroned as Bishop of Australia in June 1836. Since then, their development has had much to do with a variety of factors including:

- Who were their founders?
- Theological culture: This was often reflected in leadership and senior clergy positions, even in church building and architecture
- Organisational culture: some were more centralised, while others have developed to give congregations more influence and capacity for autonomy
- The foundation of theological colleges, schools and other diocesan institutions
- Financial and property endowments
- Some dioceses have actively engaged in fostering co-operation and others have tended to work in isolation with affiliates

The Anglican Church in Australia currently consists of 23 dioceses, with five dioceses, Sydney, Melbourne, Brisbane, Perth and Newcastle (based on the 2011 Census), accounting for 65% of the Anglican population of Australia. Another five dioceses, Tasmania, Adelaide, Canberra-Goulburn, North Queensland and Grafton, take the percentage up to nearly 80% and the other 13 dioceses share the rest. What this means is that dioceses in Australia are more related to place and geography than the actual number of Anglicans. For example, a number of dioceses have very small numbers of Anglicans, but exist because of the geographical area they have to cover. Also, it needs to be said that historically there were greater numbers of Anglicans in rural areas, just as the rural population itself was once larger. Australia now is one of the most urbanised countries in the world, but this is not reflected in our current diocesan structure. The five large dioceses mentioned above have all approached the rapid growth of their cities and environs by creating episcopal regions or assistant bishops within their dioceses, and there have been no new dioceses created for over 25 years. The diocesan structure we have today has evolved over the last 200 years and is the base on which the Anglican Church of Australia has been built.

English church leader and writer Bob Jackson writing in his book **Hope for the Church,** (London, Church House Publishing 2003) states that:

"The evidence and arguments so far suggest that dioceses are key units for determining the future decline or growth of local churches, and that the ethos, culture, structure and policies of a diocese will partly determine its own future growth or demise" (p. 168).

"A diocese is far more than just an administrative body needed to keep the parish system ticking over. It can hold the key to the future of the Church in its locality. By being proactive, by joining up its policies around a coherent aim, by giving strategic impetus to every local church, by all the ways in which it can itself model the marks of a healthy community of faith and help to multiply new and healthy expressions of local church life, the diocese can ensure that the church grows rather than declines in the twenty first century" (p. 181).

For a diocese to achieve this goal it is important that it understands its ethos, structure and operating culture. Jackson identifies seven different modes by which a diocese can work, ranging from the least to the most effective. They are:

1. The **disapproval mode** in which a diocese treats with suspicion or hostility any moving away from inherited traditions.

2. The **disinterest mode** where the diocese just simply doesn't show a great deal of interest in imaginative ministries and parishes.

3. The **permission giving mode** where bishops give verbal encouragement to their parishes to experiment and to engage better with the modern world, but it needs to be backed with extra diocesan resources to succeed.

4. The **encouragement mode** goes further as the diocese intentionally brings clergy and lay people together for training and they are actively encouraged to think and work towards renewed mission for the local church.

5. The **proactive mode** goes further where the diocese does more than simply encourage or goad parishes into better practice, but has its own programmes for growing new forms/expressions of Church.

6. The **policy mode** is where the diocese has its own unique set of practices in relation to matters like employment, preferment, finances, pastoral visitation, asset management, housing, training and evangelism that are aligned to an overall diocesan policy for imaginative church growth. Mission cannot be just another added department in the diocesan offices, but needs to be integrated into every aspect and activity of diocesan life.

7. The **strategy mode** is the final mode identified by Jackson, where clear goals and targets are set by the diocese with strategies to achieve this set down. Jackson writes:

   "The key requirement for successful strategy is to have leaders who are capable of strategic thinking. This ability may need to be a necessary characteristic of future bishops". (p. 179)

The modes that Jackson identifies raise many questions about the way dioceses operate, but it goes much deeper than that. Too often the call for the Anglican Church of Australia to be a Church at Mission has been seen as a call to add a new programme or process to what we have, rather than a major rethink about how we might be the Church in 2014 and beyond.

Jackson believes that there are some critical areas that dioceses must be able to address if they are to see the Church have a strong future and operate in the strategy mode. The emphasis here is not on making the diocesan infrastructure and administration bigger, but on encouraging and resourcing the coal face more adequately. The critical areas he identifies are:

1. **Leadership:** This is the single most important factor in determining the life of a diocese and its effectiveness. By effectiveness one is not just referring to resources, but to the spiritual heart of a diocese as well. One can have all the plans and resources in place, but is there soul and spirit in the diocese as well? Do people feel connected with leadership? It is not just leadership ability, but also leadership style that is important - it is thought that effective leaders today work through teams and through bringing out the gifts and ministries of others.

2. **A Diocesan Church Growth Strategy or Mission Action Plan:** Some bishops and clergy are inclined to be sceptical about such concepts, but the evidence from the Church of England is that they can make a real difference to the whole future of a diocese and its mission potential. Plans and strategies are not to be seen as inflexible and rigid, but as a way of encouraging local initiatives. It is a way by which a diocese assesses its priorities and enables Synods to more systematically examine diocesan performance and outcomes.

3. **Well Supported and Trained Clergy and Lay Leaders:** In Australia this is a mixed bag, depending entirely on the ability of the diocese to address this area. In recent years there has been a sharp decline in the number of residential theological schools and colleges and some theological colleges have closed. A variety of new training arrangements have been put in place and there is a set of national standards that are purely voluntary. All dioceses, if they are to have a strong future, must address this area and have in place well organised and capable programmes of training and development.

4. **Permission Giving and Proactive:** Jackson argues that many dioceses, in terms of a relationship to parishes, operate in a disapproval mode in which moving away from inherited tradition or policy is looked at with suspicion and annoyance. Everything is about conforming. Related to this mode is disinterest, where the diocese simply ignores what is happening on the ground. As opposed to these two modes there is permission giving and being proactive. The diocese is flexible, encouraging and sees how it can help. It may even want to be involved (Hope for the Church, p. 41).

The General Synod Resource book **Building the Mission Shaped Church in Australia** (Sydney, GSO 2006) stated the task for Australian dioceses very clearly:

"The culture of a diocese – that is of its bishop, committees, administrative structures, training and resourcing groups – is critical. It needs to enable and model a culture of growth. When a diocese is focusing upon the factors that make for healthy churches, for growth and experimentation, this will make a huge difference to how things are in parishes and other new ministries…However, much of the diocesan leadership of our church still needs to wake up to the realities of the situation and move out of denial…We need also to address a perhaps more fundamental dimension of diocesan existence - not just the ways we do things, the practices they adopt, but their very soul and nature, their ethos, culture and spiritual health" (p. 38-39).

These were strong words eight years ago, but the Task Force is of the view that they are even more relevant now given the challenges facing our dioceses, which include demographic changes, financial sustainability, governance and leadership.

Bishop Robert Forsyth has taken the work of Bob Jackson further and proposes four reforms that a diocese should apply that will enable them to develop a strategic impetus for mission.

(i)   The diocesan structure must make serving the front-line parishes in mission its key priority rather than the other way round.

(ii)   The diocesan structure must serve the front-line parishes by providing mission-focused governance.

(iii)   The diocesan structure must serve the front-line parishes by providing mission-focused resourcing.

(iv)   Other diocesan structural reform. This includes reviewing:

- The parish system: It has many advantages, but can also create a whole series of closed shops that end up excluding other needed Anglican ministry.
- New churches & ministries: Proper diocesan provision needs to be made for new initiatives similar to the Church of England's *Dioceses, Pastoral and Mission Measure 2007.*
- Diocesan boundaries: There may have to be far greater co-operation across diocesan boundaries for the Church to be effective in the future. (From **Facing the Future,** Melbourne Acorn Press 2009, p. 54ff).

A more recent Report of the Church of England, **From Anecdote to Evidence: Findings from the Church Growth Research Programme 2011-2013**, contains some interesting material relevant to this investigation. This is the first time that a systematic multi method study of factors relating to church growth has been undertaken within the context of the Church of England. Using data collected from parishes and dioceses, and profiling some 1,700 churches from a wide range of contexts and traditions, the Report finds:

"Certain churches stand out as having experienced significant growth. These include some parish churches, church plants and fresh expressions of Church (new worshipping and witnessing communities which seek especially to engage with non churchgoers). Cathedrals are shown to have experienced overall growth in numbers over the last decade and especially weekday attendance. Researchers have concluded that while there is no single recipe, there are common ingredients strongly associated with growth in churches of any size, place or context;

- *Good leadership*
- *A clear mission and purpose*
- *Willingness to self-reflect, to change and adapt according to context*
- *Involvement of lay members*
- *Being intentional in prioritising growth*
- *Being intentional in chosen style of worship*
- *Being intentional in nurturing disciples"* (p. 8).

Although the report focused upon local churches and parishes, it does discern that the culture and encouragement of the diocese has much to do with the outcomes.
Jackson, Forsyth and the new English report raise some fundamental issues for the operation of dioceses in the future and these have been taken into account by the Task Force in establishing a list of criteria for looking at the viability of dioceses.

1.2 Viability Criteria

The list developed by the Task Force seeks to be fair and broad. They are:

1. Capacity for Mission
2. Demographic factors

3. Geography
4. Diocesan Resources
5. Distribution, Number and Age of Clergy
6. Governance
7. Leadership
8. Goals and Strategy of a diocese
9. Capacity to resolve persistent problems
10. New Models of Being Church

1. Capacity for Mission

This includes all the factors as listed above in relation to being a missional church. A diocese needs to be able to demonstrate an intentional plan of action to resource, sustain and grow the church. Prayer, passion and hearts and minds deeply committed to the mission of the Church are critical. The Church will survive by faith, but we constantly need to be reminded that:

"Mission is not a fringe activity of a strongly established Church, a pious cause that may be attended to when the home fires are burning brightly. Since god is a Missionary God, God's people are a missionary people…One can no longer talk about church and mission, one can only talk about the mission of the Church" (David Bosch, **Transforming Mission**, New York, Orbis Books, 1991 p. 10).

Capacity for mission is not related necessarily to size or financial resources, but it does depend on a clear diocesan theology for mission and the capacity to implement it. Having sufficient capable laity and clergy with the necessary skills and gifts is paramount in a diocese having a capacity for mission.

2. Demographic Factors

With 90% of Australia's population now living within 100km of the coastline and that trend continuing to strengthen, it presents enormous challenges for Australia's inland dioceses. As with all the criteria, demographic change is simply one measure, but it is a critical measure in looking at diocesan capacity for growth and long term sustainability. An important factor in demography is to look at the number of Anglicans, their age breakdown and spread across various communities and parishes (critical mass). Some years ago, former Melbourne Archdeacon Peter Corney estimated that for a parish to be viable it needed a population of at least 4,500 nominal Anglicans. Many parishes in Australia would not meet this estimate.

3. Geography

This is an important factor in Australia with the Diocese of North West Australia being nearly the size of Europe. Many other rural dioceses cover vast distances to reach small and isolated communities. The tyranny of distance has always been a challenge to the Church in Australia, and over its history various strategies have been employed to address the challenge, such as bush brotherhoods in the late 19th and 20th centuries and the ongoing work of the Bush Church Aid Society and Australian Outback Fund in our present time. Aerial missions have come and gone, and there has been the development of various schemes of local non-stipendiary clergy, but their sustainability has always been an issue. The size of Australia will not alter, but the ability to sustain ministry to remote and regional Australia will continue to be a test for our rural dioceses.

4. Diocesan Resources

This includes financial capacity, person power, diocesan infrastructure, and a skill bank. It also includes the capacity of the diocesan administration and Registry to meet contemporary standards of management and financial practice. Another dimension is the capacity of the diocese to implement and manage professional standards. Relevant to this area is also the distribution of resources. Unlike other parts of the Anglican Communion where resources are more centralised and an attempt is made to distribute them more equally across a province, this is not the case in Australia. Each diocese is responsible for its own resources. The impact of this is that there can be very wealthy dioceses and very poor dioceses within the same province. There is no intentional General Synod policy or constitutional arrangement in our Church where resources can be more adequately and evenly distributed. It can happen to a limited extent informally.

5. Distribution, Number and Age of Clergy

Melbourne diocese layman Colin Reilly has undertaken considerable work in this area to map trends over the past twenty years about the clergy in the Anglican Church of Australia. He observes:

"*In the Anglican Church of Australia the average age of active clergy has risen from 50 in 1995 to 54 in 2010, and the median age from 51 to 55. The average age at which clergy leave active ministry (through retirement, death, or for other reasons) has remained within the same 63 to 65 years old band throughout the 1995-2010 period. Yet the number of active clergy has risen slightly from 2,379 in 1995 to 2,438 in 2010.*
In only three dioceses (Armidale, North West Australia and Sydney) are sufficient numbers of clergy being ordained to replace those in current active ministry."

(From Australian Anglican Clergy 1995-2010, A Working document for Comment, Colin Reilly. Please note: the Task Force is aware the situation may have changed, but this was the latest data available to it. See Appendix 1).

With the ageing of the clergy and research showing that clergy tend to attract people to congregations within a ten year radius of their own age, there are significant challenges for the Church in relating to the various age groups of the Australian population. Also relevant to the clergy is their level of training, range of skills, ongoing education and mobility. Dioceses with a small number of stipendiary clergy will struggle to meet the complex requirements of ministry, mission and professional practice in the 21st century.

6. Governance

This relates to how a diocese is governed and managed. Traditionally, the core of governance in Australian dioceses has been Synod and Diocesan Councils or Bishop in Council. Given the complexity of financial systems, the reporting now expected by government and the community and the rapid development of professional standards, how dioceses are governed will soon be under the spotlight. Accountability for decision making, the role of the bishop, Synod and Diocesan Councils will all be under review as the community expects more transparency. The collapse of a number of church schools of other denominations and the financial vulnerability of some Anglican schools will all attract greater scrutiny of diocesan governance (this area is discussed further in the report on

page 20*ff*). A senior strategic consultant told the Task Force that if many dioceses were independently audited on governance, financial reporting and occupational health and safety compliance they "would fail miserably!"

7. Leadership

A crucial area in its own right and very involved with a number of the other criteria as well, leadership is perhaps the number one criteria related to viability. Bishop Alan Smith is Bishop of St. Alban's, one of the Church of England's largest dioceses, and has written:

"*When I was ordained bishop in 2001, I set about reading (and in some cases, re-reading) books on episcopacy and the theology of episcopacy. I soon discovered that nearly all the theological reflections on leadership and episcopacy, as well as the examples of how particular bishops have been chosen to use their time, come from the periods when the Church was an established institution in Christendom…While the church continued to grow, or was at least strong enough to survive, the principal role of bishops was oversight…The task of bishops in this generation is to create space where a vision of society that is about human justice can be nurtured and articulated; where listening can happen; where experimentation is encouraged and blessed; where new initiatives in mission and evangelism are tried and tested; where theological reflections on new developments takes place*" (**God-Shaped Mission**, Norwich, Canterbury Books, 2008, p. 191ff).

If Smith is right in saying that the leadership required of bishops has changed, this should have a profound influence on the sort of people chosen to be bishops and on the various systems that are employed to choose them. English theologian Trevor Beeson, writing in his book **The Bishops** (London SCM Press, 2002), makes a similar point. Beeson argues that the qualities and abilities needed in bishops today will be different to those of 50 or more years ago. The Church and society have dramatically changed since the 1950's and he questions the calibre and ability of the episcopal bench to deal with the situation the church now finds itself in. He believes bishops need to understand they are missionaries and must be skilled in in the art of strategic thinking as well as theology and prayer. It will require of bishops;

"*generous amounts of time for prayer, study, analysis and reflection as well as the opportunity to consult with one's senior colleagues, theological advisors and specialists in secular disciplines. The determining of priorities and the deployment of resources, must, as in all strategic thinking, be the aim.*" (p. 233)

However, it needs to be underlined that leadership is not just about bishops, but about the whole people of God, clergy and laity - particularly those called, chosen, elected and appointed to leadership positions within a diocese, from parish council members, Registrars and General Managers to Archdeacons.

Some key elements of leadership include:

- Getting a holistic vision
- Engaging in life-long learning
- Building a shared vision
- Encouraging team building
- Understanding context

- Having clear values
- Being passionate about your message
- Articulating a future
- A capacity to build relationships
- Having the ability to think strategically
- Being an exemplar

Obviously not all these elements can be found in any one leader, nor is leadership meant to be highly individualistic. Leadership in the Church must be creating and encouraging a culture that is about sharing and developing a team (see Chapter 4). At times, different skills may be required in the team according to the context and the issues the diocese is facing.

In addition, it has become increasingly apparent that it is necessary for our Church leaders to improve their:

- business acumen
- financial knowledge
- risk management competencies

In this regard, in the short-term the current leadership may need to identify and leverage relevant experts within the laity to ensure a stronger, healthier and more viable Church. In the medium to longer-term, we should aspire to develop these skills and experience across the Church leadership.

8.   A set of Diocesan Goals or Strategic Plan

A diocese with this in place will tend to have confidence, particularly if there has been consultation across the diocese in drawing them up and their implementation is well managed. Dioceses without goals or plans are drifting, and it is much harder to work out what is actually happening in the diocese. The execution of goals and plans needs competent staff and the capacity of highly experienced lay people to be able to implement them. It has been reported to the Task Force that some rural dioceses struggle to find staff and lay people of a level of competency required to implement strategy and monitor performance, especially in areas of governance, finance, training and professional standards.

9.   Capacity to Solve Persistent Problems

This is related to the above point about the need for competent staff, but needs recognising in its own right. In many dioceses, the Task Force observed problems that seemed to have persisted for a long time before they reached crisis point and external intervention became inevitable. Persistent problems can breed a culture of denial and long term mismanagement. All dioceses, in undertaking a review of their situation, should recognise their strengths and weaknesses, but especially how long these weaknesses have been presenting themselves in the diocese. Most importantly, does the diocese have the capacity to recognise their impact and to deal with them?

10. New Models of Being Church

This criterion should not be set apart from the rest, but it is an important element in assessing the viability of a diocese. The viability of the parish system using full

time stipendiary clergy in many parts of the country is under significant pressure and will be difficult to sustain. In the survey undertaken by the Task Force, most dioceses report variations of part time parishes, locally ordained ministry using a number of models, clusters of parishes, ministry sharing arrangements and in some places long term vacancies. At the same time it needs to be stated that the parish system is a major strength of the Anglican Church of Australia.

The Melbourne Sun (30/12/2013) reported the rapidly growing secularism of Australia and that many in our population are far removed from churches:

"*While 4.8 million or 22 per cent of Australians reported 'no religion' in the 2011 census, 25 per cent nominated as Catholic and 17 per cent as Anglican. On current trends, 'no religion' will be the most popular response by the next census. About half of those reporting no religious belief are less than 30 years old. Almost a third of 22 to 24 year olds reported no religion, and about one in five children under 15 live in a home where one or both parents reported no religion.*

The fall in Christian beliefs has driven an increase in civil marriages, with seven in 10 marriages now conducted by a civil celebrant. The 2010 General Social Survey found that only 15 per cent of men and 22 per cent of women had actively participated in a religious or spiritual group."

Given this growth in secularism, the Church has to be more adventurous and flexible in its structures and initiatives to connect with local communities. Some of this can be done from existing parish structures, but much of it will have to come from new expressions of being church. There is now widespread evidence of the success of new expressions such as internet initiated churches or gatherings, café and pub churches, house churches or home groups, churches meeting in schools or other community facilities, multicultural churches and gatherings of people interested in special areas of ministry and service.

The capacity and commitment of dioceses to encourage these new or fresh expressions of church is vital to long term growth and sustainability of the Church. Some traditional Christians feel this movement or strategy is a compromise and a moving away from the historic faith, but the experience of many mainline denominations is that the historic faith can be communicated in new and vibrant ways.

CHAPTER 2: AUSTRALIAN DIOCESES - THEIR VIABILITY AND STRUCTURES

In the Anglican Church of Australia the 23 dioceses are:

- Adelaide
- Armidale
- Ballarat
- Bathurst
- Bendigo
- Brisbane
- Bunbury
- Canberra-Goulburn
- Gippsland
- Grafton
- Melbourne
- Newcastle
- North Queensland
- North West Australia
- Northern Territory
- Perth
- Riverina
- Rockhampton
- Sydney
- Tasmania
- The Murray
- Wangaratta
- Willochra

This is the current diocesan landscape in Australia, and the purpose of this chapter is to ask: does this diocesan landscape best equip the Anglican Church in Australia for mission? The criteria for viability present mighty challenges for dioceses to fulfil, but they must be addressed if dioceses are to be vehicles of mission, rather than just geographical entities.

In Australia we have the paradox in trying to pursue this goal of mission with dioceses being, in many cases, too large or too small to be effective. Being too small means that there is just not enough critical mass in either resources or people to effectively pursue the mission of the church. Recently the Roman Catholic Diocese of Wilcannia-Forbes has been deemed by church authorities to be in that position, although recently a new bishop has been appointed.

There are also examples from the history of the Anglican Church of Australia, namely the Dioceses of Carpentaria, Kalgoorlie and St. Arnaud, that have closed down and been merged with neighbouring dioceses. The Diocese of Carpentaria was merged into the Diocese of North Queensland in 1996. The Diocese of Kalgoorlie was founded in 1914 and was absorbed into the Diocese of Perth in 1973, whilst the Diocese of St. Arnaud merged into the Diocese of Bendigo in 1977. The Diocese of St. Arnaud was created in 1926 and covered all of north western Victoria including the Mallee. It was originally carved out of the Diocese of Ballarat, but with dramatic changes to agriculture and the decline of small towns in the Mallee beginning in the 1950s, the diocese struggled to survive. When the diocese was inaugurated it had 26 parishes and when it was merged into Bendigo there were 13 - and even some of these were not viable. The diocese had reached a point where it was unable to address the Mission of the Church. In terms of people, parishes, ministries, and resources, it was too thinly stretched and the inevitable decision had to be faced.

At the same time, the 'tyranny of distance' is still very much alive in Australia as dioceses where the role of bishop, in having a pastoral relationship to the People of God, cannot be solely determined by economics and statistics. However, ultimately there has to be a balance struck between theology, ecclesiology, economics, missional capacity and the number of Anglicans. Striking the balance is the challenge!

By being too large it means that the fast growth of urbanisation, particularly in Melbourne, Sydney, Brisbane and Perth, is at a level that far exceeds diocesan resources to keep pace. **The Revised Environmental Scan,** as found in Appendix 4, highlights this situation by stating:

"*Australia's biggest dioceses will face massive challenges in dealing with growing population and establishing a ministry presence in new areas. How big is too big (Diocese of Sydney approaching 8 million and Diocese of Melbourne approaching 7 million)? A number of country dioceses will have little population growth; how small is too small?"* (See Chapter 3 of this Report)

In Australia it is up to every diocese to make that decision. The National Church has no responsibility to tell a diocese that it is no longer able to be an effective vehicle for mission. Reports may be called for by General Synod or Standing Committee, but in the end it is up to the diocese to decide.

The dioceses are gathered into five provinces with the exception of Tasmania. The five provinces are:

- **Victoria**: Melbourne, Ballarat, Bendigo, Gippsland and Wangaratta.
- **New South Wales**: Sydney, Canberra-Goulburn, Grafton, Newcastle, Armidale, Bathurst, Riverina
- **Queensland**: Brisbane, Rockhampton, North Queensland, Northern Territory
- **South Australia**: Adelaide, The Murray, Willochra
- **Western Australia**: Perth, Bunbury, North West Australia
- The Diocese of Tasmania is deemed as extra provincial

Provincial structures vary from province to province, but are generally about establishing meetings at a provincial level, which are opportunities to share and learn rather than establishing policy or passing legislation. They can be a very helpful forum for seeking to establish common policy across dioceses such as in professional standards or identifying ways of collaboration. The strength, potential and effectiveness of provinces are very much dependent upon the commitment of the individual dioceses and the Metropolitan as to what they see the Province for. Potentially provinces could be a very effective means by which dioceses work together and share resources, but history so far shows that they have not been greatly utilised, with Provincial Councils and Synods meeting often only once a year.

The Task Force, in its work and deliberations on the current dioceses and their structures, identified the following viability criteria as needing further comment and analysis.

2.1 Governance

The Constitution of the Anglican Church in Australia (then called The Church of England in Australia) was adopted in 1961, with each diocese independently established and administered. Under a unique constitutional arrangement in the world wide Anglican Communion, General Synod meets every three years but much of the legislation that is passed is not binding. Some legislation is binding on the National Church, namely that which does not affect the order and good governance (including ritual, ceremonial or discipline) of the diocese eg. the National Register Canon. With other legislation that does affect the order and good governance of a diocese, it is up to each individual diocese to then decide whether it will pass and adopt the General Synod legislation for it to become effective in that diocese. This compares with the Church of England where General Synod meets twice a year and all legislation is

binding. In the Church of England all finance is centralised, as is much of the church's administration. Church House in London resembles a major central London office block employing hundreds of people in the Church's programmes and administration. Contrast this with our own General Synod Office in Sydney where less than ten people are employed full time. The Anglican Church of Australia is often described as a 'confederation of dioceses' with each having its own unique character, Acts of Synod, heritage, ethos and style of operation.

In Australia, each diocese belonging to General Synod is levied a General Assessment and a Special Assessment to fund the General Synod Office, church commissions, taskforces, programmes and national church commitments. It is up to each diocese to establish and fund its own Registry and diocesan office and programmes. The larger metro-political dioceses will tend to have substantial offices and staff, while some smaller dioceses would barely have three to five staff.

The Dioceses of Adelaide, Brisbane and Canberra-Goulburn have, in recent times, pooled their diocesan administration with that of their diocesan Anglicare agency in a variety of arrangements, but all involve the 'Shared Services' concept of utilising resources. Other dioceses are also exploring the Shared Services approach to pooling resources to develop a more effective administration of dioceses.

In recent years the amount of work required to be carried out by diocesan offices has grown substantially, with the introduction of many new levels of compliance in professional standards, occupational health and safety, insurance, building regulations, accounting standards and the newly passed federal legislation in relation to not-for-profit organisations. This trend is expected to continue, and in the years ahead the findings from the Royal Commission into Child Abuse and other state enquires could add significant extra work to diocesan offices.

At the national level, the General Synod Professional Standards Commission has put in place a great deal of material to assist dioceses in developing a comprehensive and transparent policy and practice in relation to professional standards. The document: **The Path to Safer Ministry – Using the Professional Standards Documents of the Anglican Church of Australia**, identifies resources and when to use them.

"They are tools for effective ministry. Some are most useful for bishops while others are for clergy and church workers. Some are very specific in their use and others have a broad application across the Church." (p. 2).

The Task Force believes the document, and the policies and practices it points to, are fundamental to the future wellbeing of our Church, but would again question whether many of our smaller dioceses would have the capacity to implement, maintain and manage such a comprehensive range of policies.

The Victorian Report on Institutional Child Abuse, in its recommendations, stated:

"*The Victorian Government consider requiring non-government organisations to be incorporated and adequately insured where it funds them or provide them with tax exemptions and/or other entitlements.*" (Recommendation 28.1, Part H)

As a result of this recommendation in Victoria, all dioceses are exploring legal incorporation under the Australian Securities and Investment Commission (ASIC) and the introduction of Work Cover for clergy. Again, this is expected to introduce new levels of accountability and compliance for dioceses that are already stretched in their diocesan offices. At the same time, it is encouraging the Victorian dioceses to explore,

with more commitment, the Shared Services model of what we could be doing together better rather than separately.

In Chapter 4 of this Report the Diocesan Financial Advisory Group (DFAG) has also raised many pertinent points about diocesan financial accountability and the need for quality financial administration and compliance. With the introduction of the Australian Charities and Not-for-Profits legislation (2012), and again with the impact of the Royal Commission into Child Abuse, it can be expected that there will be much closer scrutiny of diocesan governance. Coupled with this, the financial troubles of dioceses like Bathurst will bring regulators to diocesan doors wanting to know a lot more about how we operate and what levels of scrutiny and accountability there are. Most dioceses in Australia have Incorporated Property Trusts, some have incorporated the diocesan offices, but the legal arrangements are diverse and complex. In view of the level of accountability for not-for-profits and incorporated bodies in the secular sphere - will our dioceses stand up to public scrutiny?

There is evidence in a number of dioceses where Diocesan Councils have made decisions to borrow large sums of money, or authorised the acquisition or building of new schools, that this has left them in serious financial circumstances.

The Report of DFAG to the Standing Committee in November 2013 stated:

"*Right now the financial health of the Anglican Church in Australia, outside of the large metro-political dioceses, appears to be in a parlous state. What's more, in light of relevant trends (eg. population shifts, changing demographics, declining church membership, etc) it is hard to see how many dioceses will remain sustainable into the near future…Strong leadership from within the Church is needed to address the financial and governance (and other) challenges we face. We believe there is a 'burning platform' which requires urgent attention now.*"

Dioceses of concern to DFAG, listed at the beginning of 2014, are: Bathurst, Grafton, North Queensland, Canberra-Goulburn, Wangaratta and the Northern Territory. The above report also stated:

"*Some of the early learnings from Bathurst for the broader church relate to governance and business acumen, financial and risk management and involvement in non-core activities, such as schools and aged care facilities. The Bathurst situation also revealed the genuine impediments caused by the current structure of the church, including that most assets are held in trusts which legally are very difficult to unwind.*"

All dioceses in Australia have, as their main base of governance, Archbishop-in-Council, Bishop-in-Council, Diocesan Council or Standing Committees. All have some association in terms of reporting, membership and operation back to Diocesan Synods, and most of them are large by way of comparison to secular companies. The Board of BHP is six members, but the Diocese of Melbourne Archbishop-in-Council has 35 members - and that is half what it was until recent reforms. Most Diocesan Councils seem to have a membership of over 20 members and a survey of half the Anglican diocesan websites for Australia found only two, Perth and Adelaide, to have material about governance and the membership of Diocesan Councils listed on the website. Does this mean governance is taken for granted, and not regarded as an important matter for disclosure, or that profiles of bishops and diocesan services are more important?

The governance of all Australian dioceses eventually makes its way back to Synods. All dioceses in Australia have books and manuals of Synod Acts covering an enormous

amount of material pertaining to governance, parishes, church order, polity, property, trusts, and a multitude of other matters. From the point of view of government regulation and compliance, it makes for a very complex and at times confusing situation because the Anglican Church of Australia is not one organic organisation, but 23. For many years it has been our greatest strength, but in the times ahead it could be our greatest vulnerability.

Society is changing, as are community expectations of public and charitable bodies. The Church is strictly neither, but can expect the same level of expectation by the community for accountability - if not more. The public, the media and even the government find the structure of the Anglican Church of Australia very hard to understand and comprehend. They tend to see us as one organic body and believe that they are dealing with a highly centralised body. Indeed they are not, and our structure may increasingly be a burden rather than a help. The view of the Task force is that if we, as a church, do not act, the time may come when, at both a state and federal level, parliaments may require individual or all dioceses to make changes to their governance arrangements. This Report is therefore strongly of the view that all dioceses need to review their governance.

From a practical point of view it means that each diocese is responsible for itself and very relevant to this Report is that none of the recommendations, even if passed by General Synod, are binding but are up to each individual diocese to consider and decide upon. By way of contrast, the General Synod in England made a decision in 2013 to merge three dioceses in Yorkshire; Bradford, Ripon and Leeds, and Wakefield, into one new Diocese of Leeds - and this is binding. Although each of the individual dioceses had a local synod vote, the General Synod had the power to make the final decision. The main elements of the draft reorganisation scheme are namely:

Replacing the current Dioceses of Bradford, Ripon & Leeds and Wakefield with a new Diocese of Leeds (which may also be known informally as 'the Diocese of West Yorkshire and the Dales');

- Configuring the Diocese of Leeds with five episcopal sees (one diocesan see and four suffragan sees) – Leeds itself, Bradford, Huddersfield, Ripon and Wakefield (on the basis that these would each have episcopal areas conterminous with the Archdeaconries of Leeds, Bradford, Halifax, Richmond & Craven and Pontefract respectively);
- Retaining the existing cathedrals of Bradford, Ripon and Wakefield on an equal basis as centres of mission;
- Providing for Leeds Parish Church to be a pro-cathedral at some point in the future, should the Bishop of Leeds so decide;
- Transferring a number of parishes to neighbouring dioceses, thus bringing diocesan and county boundaries into closer alignment

Included with the Commission's report is **a statement setting out the implications of what is proposed for the mission of the Church**. Central to the proposals is the creation of episcopal areas, with area bishops and 'light touch' area councils, designed to bring bishops closer to the parishes and communities that they serve.

The ability of the Church, at a national level in Australia, to operate in this way is negligible and finds the Church, at a General Synod level, severely restricted as to what it can do. This Report recognises that there appears to be no great desire or energy to change the Constitution of our Church, and so the present legal

arrangements will prevail. However, it needs to be asked if this is mostly due to the preference of some of the larger dioceses which seem to be operating mainly out of self-interest. It needs to be asked - is the Constitution now an impediment to the mission of the Anglican Church of Australia? Does the Constitution help us to address many of the issues dioceses are now facing? Furthermore, is operating as 23 independent dioceses a good witness in itself of what the Church is trying to model about the Gospel? Should not the whole Church be caring of the parts? As our Church currently operates, the parts are more important than the whole. The same issue is replicated when we see parishes wanting to operate independently of a diocese. In the end the witness and mission of the whole is weakened. As the Anglican Church of Australia we must address what it means to be the Body of Christ, the Vine and the Branches.

Task Force member Audrey Mills comments on this matter:

"*The change required by the church is a **radical change** and this will not be easy to achieve. We are very change adverse and appear to prefer maintenance of the status quo even if this means slow death. We need to instil a sense of urgency and see if there is agreement that change needs to occur.*

Our organisation system (dioceses) is really based on the same model as the Australian Government (Commonwealth and the States) and reflects the same problems that this system is now struggling with. In Australian Government, the Federal Government has assumed and taken much more authority in the last 20 years which has seen a resultant loss of power at the State level. This has had the advantage of common regulation across the country in a number of areas and ensuring the same standards are applied. The Church will continue to struggle however to give power to our national body. We do work cooperatively on a national level in some areas (administrative and compliance matters), but the pace of change in this area needs to increase radically."

The Anglican Church of Australia is unique in the Anglican Communion with our diffuse structure and we have consistently refused to develop a clear and agreed role for the national church. A priority must be to overcome the fears that lay behind an enhanced role for national body that is adequately resourced. The time has come for us to quit our diocesanism and look at what it means to be a truly national Church, sharing resources to spread the gospel across this land.

With this in mind the General Secretary of General Synod, Martin Drevikovsky, submitted a paper to the Task Force which is printed in Appendix 6. The submission sets out clearly what would be the implications of giving the General Synod Office an enhanced role in addressing many of the issues our Church currently faces;

"Many issues arise which require a national response because either the community or government expect it, or because even though only one part of the Church is directly involved, they affect the whole church. The General Synod Office becomes involved in these issues and there is an expectation that the General Synod Office will be on top of them." (See Appendix 6)

2.2 Demographics

The data in this report has been largely collected and collated by the Christian Research Association (CRA).

In the Australian Census periods 1991-2011 (See Appendix 1), the nominal Anglican population grew in only in five dioceses: Brisbane, Bunbury, Canberra-Goulburn, Newcastle and Bunbury. In the rest there was decline, with Riverina experiencing a decline of over 34% and five other dioceses over 20%; Adelaide, North West Australia, Sydney, Tasmania and Willochra. While figures only tell part of the story and in no way reflect the morale, energy and passion for mission within a diocese, they are nonetheless a significant indicator of trends and a guide to future planning and capacity for mission.

The table in Appendix 1 shows that the most significant growth in nominal Anglicans over the period 1991-2011 is in the Dioceses of Bunbury and North Queensland. Much of this would be related to population growth of the coastal areas in both dioceses, and in North Queensland the significant build-up of army personnel in Townsville.

The number of Anglicans noted by the Census was:

- 1991: 3,984,895
- 2001: 3,881,162
- 2006: 3,718,247
- 2011: 3.679,907

Over the 20 years from 1991-2011 the decline was 7.7%, but in the five years from 2006-2011 the decline had slowed to 1%.This is encouraging news and could suggest our church has an opportunity to turn this around into positive growth. However it also needs to be said that as Australia grows in population, the Anglican population is not keeping pace. Indeed, since 1947 the proportion of Anglicans in the population has steadily fallen.

Figure 1 below shows, state by state, the percentage of Anglicans and the percentage in each capital city, as well as the national capital, as found by the 2011 Census. This is followed by Figure 2 which shows Anglicans as a percentage of the population from 1911-2011.

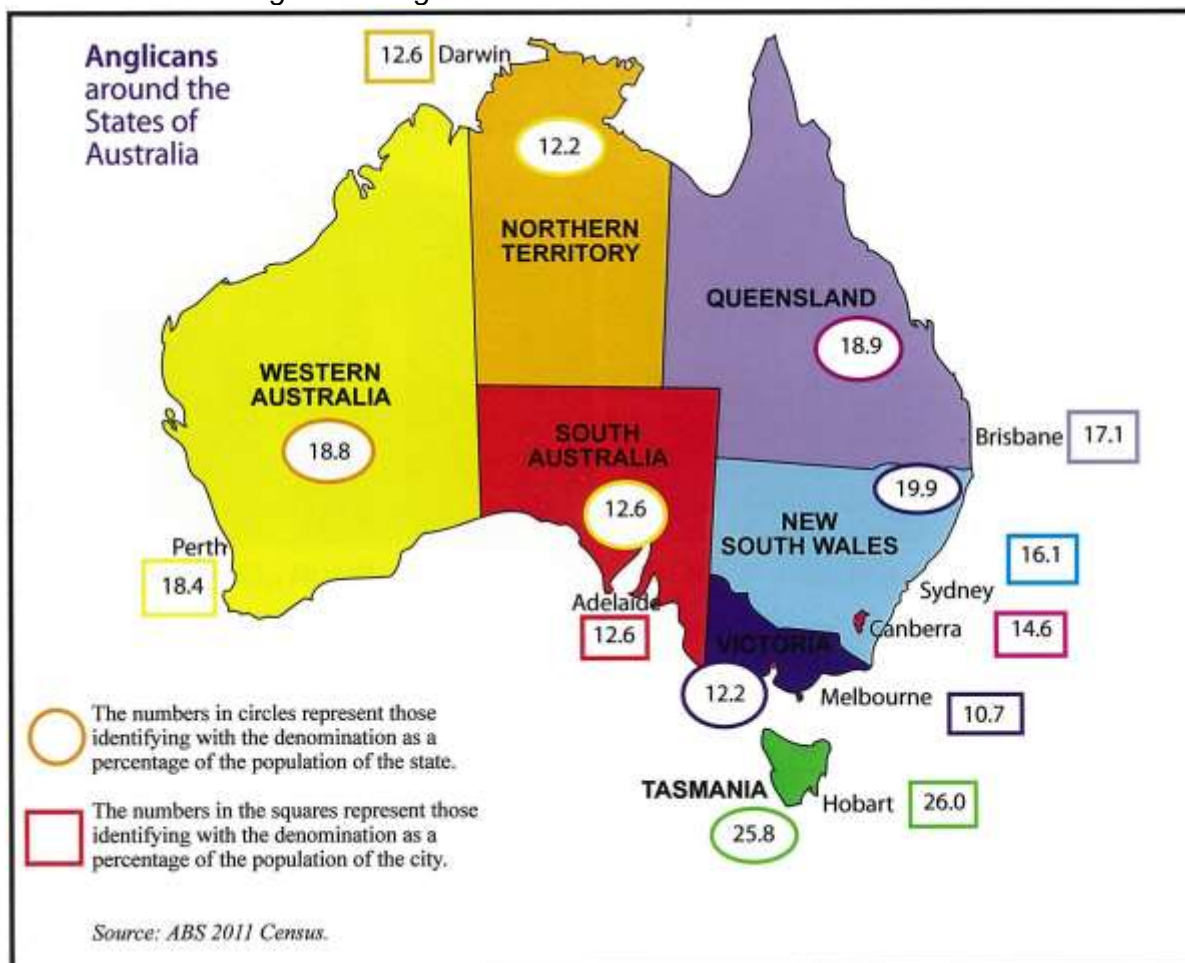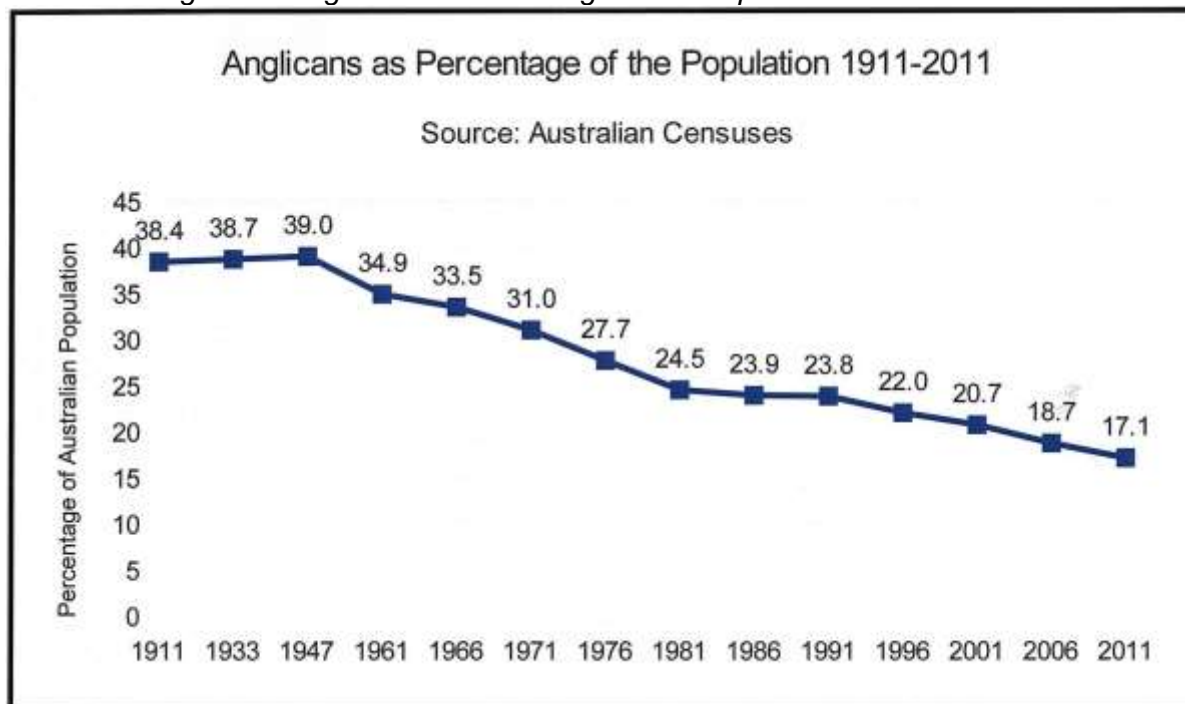Figure 1: Anglicans around the States of Australia

Figure 2: Anglicans as Percentage of the Population 1911-2011

On another more positive note, between 2001 and 2011 nearly 150,000 Anglicans have arrived from overseas, mainly from the United Kingdom and New Zealand with smaller numbers from South Africa, the Horn of Africa, China and India. This helped to reduce the rate of decline in the years 2006 - 2011 to 1%. The report from the Christian Research Association, *Australia's Religious Communities (Facts and Figures from the 2011 Census),* makes the following observations:

1. The strength of the Anglican Church varies considerably from one part of Australia to another. On a state basis, Anglicans are strongest in Tasmania as a percentage of population (26%), followed by New South Wales (19.9%), Queensland (18.9%), and Western Australia (18.8%). The Church is weakest in South Australia (12.6%), Northern Territory (12.2%) and Victoria (12.2%). In most states, the proportion of Anglicans is higher in rural areas than in the capital cities and this reflects the position of other Christian churches as well. This would account for why many rural parishes are able to remain viable from a smaller nominal Anglican base compared with their capital city parishes. A former Director of Church Growth and Evangelism in the Diocese of Melbourne, The Ven. Peter Corney, estimated that at one time in the Diocese of Melbourne it would require a nominal Anglican base of 4,480 people for a parish to be viable. Very few parishes in rural Australia would meet this base.

2. While immigration has helped to boost numbers, many Australian-born people have dropped their identification as Anglican over recent years. The Australian Survey of Social Attitudes (2009) indicated that around 41% of those who had grown up as Anglican now regarded themselves as having no religion.

3. The age profile shows that comparatively few people under the age of 40 identified with the Anglican Church in the 2011 Census. The ageing of Anglicans is particularly notable among those who frequently attend church. Of those attending monthly or more often, 62% are aged 60 years or older. Because of this age profile, it is likely that the numbers involved in Anglican churches will continue to decline in coming years. Again this trend is stronger in rural areas where the population is more aged than in the capital cities and some coastal growth areas.

    The number of Anglicans indicating attendance at church on a monthly or more often basis, based on the 2011 Census, is 214,378, which is estimated at 6% of the nominal membership of the church (compare this with a 63% attendance rate for Baptists). Of course there are exceptions, with many Anglican churches recording much higher attendance rates and a much stronger percentage of people under the age of 40 attending, but across Australia the general pattern is as reported above.

Some dioceses are proactive in addressing these challenges. For example, the Diocese of Brisbane has established the Parish and other Mission Agencies Commission (PMC), which has pioneered the Connect2Church programme and a range of other programmes including Natural Church Development. Similarly, the Diocese of Melbourne has established the Bishop Perry Institute to work with parishes on increasing the breadth and depth of attendance. At the 2013 Diocese of Melbourne Synod, the director of the Institute, Mr Ken Morgan, indicated that 30 parishes had participated in a Pilot Programme that provided structured training and coaching growth and mission and these parishes had experienced an average 8% increase in worship attendance.

The Archbishop of Melbourne, Dr Philip Freier, was invited by the Task Force to one of its meetings and made an important presentation on initiatives underway in his diocese which includes:

(a) A strong focus on the development of multi-cultural ministry and the ordination of cross cultural ministry candidates.

(b) The development of a policy on the use of diocesan assets away from maintenance to building up the diocesan endowment for mission.

(c) The development of a missional model, based on the 'Sheffield Model' to establish new parishes.

(d) The establishment of a joint school/parish at Craigieburn in Melbourne's new northern suburbs.

(e) The introduction of a Pilot Programme for revitalising parishes using a Coaching strategy to work with clergy and key lay leaders.

(f) The establishment of the Bishop Perry Institute to develop the best practice in ministry.

(g) The appointment of Key Staff to diocesan positions, eg. the Registrar.

The underlying principles I identified in Archbishop Freier's presentation were:

- Cultural sensitivity and relevance (between cultures and within cultures)
- Growing and shaping a strong judicatory
- Holy pragmatism - if it might work, try it
- Educate, Educate, Educate
- Accountability in every direction
- Good leadership based on consultation AND persuasive power
- Balance between Pastoral and Functional Ministry styles
- Leadership modeling engagement with wider communities
- Strong personal leadership from the episcopate

These initiatives are a good illustration of a diocese being proactive to address mission and ministry in contemporary urban communities. At the same time, it highlights the unevenness of the Anglican Church of Australia and illustrates the inability of many dioceses that just simply lack the resources to undertake such initiatives. While both dioceses of Brisbane and Melbourne are more than open to the material they produce being used in other dioceses, there still needs to be a capacity in a diocese for co-ordination, leadership and enough parishes to undertake such programmes. It should also be noted that while both dioceses are able to provide models of the Church planning for strengthening parishes, the demands of urban growth are still largely to be faced.

The future shape of the Anglican Church of Australia is not dependent upon demographics, but they are an important consideration in looking at the future of our church and its dioceses. The figures, as outlined in Appendix 1, do raise significant questions for a number of dioceses as to their future, with the Dioceses of Willochra, Northern Territory, North West Australia and Riverina having the smallest Anglican populations.

The following table lists dioceses, in order, by numbers of Anglicans from the 2011 Census and records clergy numbers from two sources: Australian Active Clergy prepared by Colin Reilly (Appendix 2) and the Australian Anglican Directory (AAD)

2013 (Appendix 3). Also included is expected Anglican Attendance taken from the ABS 2011 Australian Census of Population and Housing and Australian Survey of Social Attitudes* and average Sunday attendance figures 2011 supplied by dioceses that responded to the Task Force's survey.

Table 1: Numbers of Anglicans and Clergy Across Australian Dioceses

Diocese	No. of Anglicans	Clergy		Attendance*	
		CR/2011	AAD/2013	Expected	Diocesan Est.
Sydney	703,525	655	754	54, 429	68, 149
Brisbane	626, 947	248	267	49, 360	12, 985
Melbourne	464, 411	372	439	38, 658	20, 740
Perth	318, 753	176	224	25, 479	8, 165
Newcastle	278, 808	125	126	22, 821	-
Canberra-Goulburn	159, 727	137	185	12, 882	-
Tasmania	128, 488	103	114	10, 994	3, 233
Adelaide	127, 591	96	127	11, 508	6, 834
North Queensland	119, 849	83	97	8, 689	-
Grafton	115, 931	61	56	10, 459	2, 370
Bunbury	75, 861	41	40	6, 725	1, 642
Rockhampton	68, 982	20	20	5, 234	-
Bathurst	68, 653	54	57	5, 375	-
Armidale	64, 011	56	53	5, 025	3, 685
Bendigo	53, 914	40	53	4, 810	1, 983
Gippsland	53, 877	33	46	4, 775	2, 407
The Murray	53, 248	17	25	4, 767	1, 361
Wangaratta	51, 686	32	36	4, 404	2, 142
Ballarat	42, 319	28	29	3, 694	-
Riverina	27, 902	20	25	2, 343	-
North West Australia	24, 392	20	23	1, 767	-
Northern Territory	23, 903	29	31	1, 548	-
Willochra	19, 289	23	33	1, 783	-
TOTAL	**3, 679, 907**			**293, 134**	

Note: The above table is calculated on the basis of the percentage of people of various ages who indicate on national surveys that they are Anglican and that they attend church monthly or more often. Nationally, less than one in ten Anglicans attends church at least monthly. On any particular Sunday, the proportion of those identifying as Anglican who are present in a church service is close to 75 per cent of the Expected attendance figures above, or around 7 per cent. (ABS/CRA 2013)

These figures, while only representing one part of the demographic data, do give an indication of where the concentrations of Anglicans are and the distribution of clergy across the dioceses. It needs to be noted that the accuracy of the figures is not easy to verify, and Colin Reilly notes that the figures may not tally with local diocesan statistics as some clergy who work in non-Anglican institutions may or may not be included in the above figures. It is also not clear whether active includes all clergy with a full licence, whether stipendiary or non-stipendiary. However, the figures do give a guide and show some interesting trends and comparisons:

- Brisbane, with nearly twice the number of Anglicans as Perth, has not that many more clergy. Brisbane, compared with Sydney, has far less clergy, which translates as Brisbane having 2,438 Anglicans per priest compared with Sydney having 933 Anglicans per priest. Does this mean Brisbane has much bigger

parishes or that its parishes cannot afford more clergy or that its clergy work harder?

- A similar situation exists between Newcastle and Canberra-Goulburn where, based on the 2013 AAD statistics, the ratio is Newcastle having 2,212 Anglicans per priest compared with Canberra-Goulburn having 857 Anglicans per priest. Again what does this mean and what is the impact in each diocese for its mission and ministry?

- The situation in North Queensland is interesting as the Diocese reported to the Task Force that it has only 15 fully stipended clergy. The figure would indicate a lot of local non-stipendiary clergy.

- Bendigo indicates a significant increase in the number of clergy and the Diocese reports that this is the result of the introduction of a locally ordained ministry programme.

- Willochra, with the smallest number of Anglicans, has one of the best ratios: 584 Anglicans per priest and this compares with the other rural diocese in South Australia, The Murray, which has a ratio of 3,133 Anglicans per priest.

The Rev'd Dr Michael Stead from Sydney has provided a further table which looks at the number of Full Time Equivalent Clergy based on those contributing to the Anglican Long Service Leave Fund. This table, found in Appendix 4, further underlines the distribution of Anglican Clergy per numbers of Anglicans and the general population across the dioceses. Armidale, Gippsland, North West Australia, Melbourne and Willochra have the best distribution of clergy to the number of Anglicans. The Murray and North West Queensland have the lowest average of clergy per number of Anglicans.

The variations between dioceses, to a large extent, indicate the different histories, foundations, theological tradition, endowment, geography and socio-economic factors eg. the capacity to pay the clergy. But it also indicates the unevenness of clergy across the country and again this reflects our diocesanism, where nothing is planned centrally, but each diocese makes its own arrangements. The downside of this set of circumstances is that we may, as a Church, not have clergy where they need to be and in some cases may have too many clergy where they do not need to be!

CHAPTER 3: THE SURVEY OF DIOCESES

As noted earlier, 18 out of 23 dioceses responded to a questionnaire from the Task Force. What became apparent from the survey was the lack of clear, up to date data kept by many dioceses and this included dioceses right across the size spectrum. Replies were received from the dioceses of:

- Adelaide
- Armidale
- Bendigo
- Brisbane
- Bunbury
- Canberra-Goulburn
- Gippsland
- Grafton
- Melbourne

- Newcastle
- North Queensland
- Perth
- Riverina
- Rockhampton
- Sydney
- Tasmania
- The Murray
- Wangaratta

The following dioceses did not respond:

- Bathurst
- Ballarat
- North West Australia

- Northern Territory
- Willochra

The following dioceses recorded a **growth in average Sunday attendance 2006-2011:**

- The Diocese of Armidale: 3,439 - 3,685
- The Diocese of Bunbury: 1,502 - 1,642
- The Diocese of Perth: 7,250 - 8,165
- The Diocese of Tasmania: 2,889 - 3,233
- The Diocese of Sydney: 67,227 - 68,149

In the case of the first four dioceses, the growth could be attributed to just one or two parishes, rather than across the board growth over the whole diocese. The same could be said for the Diocese of Sydney.

The following dioceses recorded **a decline in average attendance 2006-2011**:

- The Diocese of Adelaide: 7,189 - 6,834
- The Diocese of Melbourne: 22,057 - 20,740
- The Diocese of the Murray: 1,663 - 1,361
- The Diocese of Grafton: 3,305 - 2,370

The Diocese of Canberra-Goulburn could not supply accurate figure, but acknowledged a decline.

The following dioceses responded, but could not supply comparative figures for the period 2006-2011: Bendigo, Brisbane, Gippsland, Newcastle, North Queensland, Riverina and Rockhampton.

The dioceses that responded reported the following trend in baptisms, weddings and funerals over the period 2002-2011:

Table 2: Trends in Baptisms, Marriages and Funerals

Diocese	Decline in		
	Baptisms	*Weddings*	*Funerals*
Adelaide	✓	✓	✓
Armidale	✓	✓	✓
Bunbury		✓	✓
C&G	✓	✓	✓
Grafton	✓	✓	✓
Melbourne	✓	✓	✓
Perth	✓	✓	
Tasmania		✓	✓
Wangaratta	✓	✓	✓
The Murray	✓	✓	✓
	Increase in		
Diocese	*Baptisms*	*Weddings*	*Funerals*
Bunbury	✓		
Perth			✓
Tasmania	✓		
Incomplete data: Bendigo, Brisbane, Gippsland, North Queensland, Newcastle, Riverina, Rockhampton, Sydney.			

The dioceses that responded reported the following:

Areas of Growth/Potential:

- Cross cultural ministry, refugee and migrant ministry
- Some growth in church attendance numbers in a small number of parishes
- Church Planting
- Fresh Expressions
- Ministry Clusters
- Messy Church
- Mainly Music
- Natural Church Development (NCD)
- Schools, especially low fee schools where chapels were used for Sunday parish worship
- Anglicare
- New parish, ministry, church districts
- Coastal areas around the nation
- Development of ministry teams
- Clergy education and training
- Lay education

Areas of Challenge and Decline:

- Parish mode of ministry
- Fewer full time ministry appointments
- Financial sustainability of full time appointments

- Difficulty of filling part-time positions
- Population decline in rural areas
- Decline in the number of worshipping Anglicans
- Financial stress, loans from banks, general decline in income
- Decline in Sunday Schools
- Lack of availability of suitable clergy
- Decline in suitable candidates for ordination
- Ageing demographic of congregations
- Too many struggling parishes
- Too many small parishes
- Finding suitably qualified people for Diocesan boards and committees
- Difficulty of finding clergy for rural and remote dioceses
- Inability to resource new initiatives in mission and ministry
- Rapid urban growth and the inability to keep pace with the provision for ministry.

From the demographic analysis, the material collected by the Task Force and supplied by dioceses, and the application of the viability criteria, the following summary of the situation of dioceses is provided:

- Four dioceses are very large and have many parishes, clergy, assets, schools, welfare agencies and a team of bishops: Sydney, Melbourne, Brisbane and Perth. All four of these dioceses are stretched to keep up with urban growth and struggle on the one hand with parishes that are doing very well, but an equally similar or larger number that are struggling. An issue with these four dioceses is whether to create more regions, and even with their existing regions, how much autonomy to allow them. Compared to similar dioceses in the Church of England where regions have a lot more authority, the trend in Australian dioceses with regions is for a growing concentration of power at the centre.

- The four dioceses that come next in terms of size, Newcastle, Canberra-Goulburn, Tasmania and Adelaide, all differ in geographic and resource size considerably. Adelaide is geographically quite small and includes most of the city and the Barossa Valley, whereas Tasmania covers the whole state. Canberra-Goulburn has three distinct areas; the national capital, the western agricultural and southern NSW areas and the South Coast, and Newcastle is comparatively compact, but includes the city, Hunter Valley and Central Coast regions.

  In this category of the survey, only Tasmania reported growth in average attendance of 344 over a five year period, but this could be the result of growth in just one or two parishes. The diocese, in their return to the Task Force, also questioned the accuracy of their figures. Three of the dioceses have been significantly impacted by professional standards issues; Adelaide, Tasmania, and Newcastle. Canberra-Goulburn is struggling with financial pressure as a result of unprofitable nursing homes and school loans, and Adelaide continues to struggle to pay off a large debt resulting from professional standards payouts. Newcastle seems to be well resourced, but will have to face the challenge of finding enough clergy.

- The remaining dioceses are primarily rural. Many of them are based on large regional cities like Ballarat, Bendigo, Rockhampton, Townsville and Bathurst, but all have large rural areas as well as towns to serve. Some like Willochra, North West Australia, the Northern Territory, Rockhampton and North Queensland have vast areas of the outback to serve.

In nearly all dioceses there are good things happening, but in the end we have to ask (using the criteria) are we a Church that is structurally and strategically resourced to grow the Church and claim Australia for Christ? Is this diocesan landscape the best structure and distribution of diocese to achieve this gospel goal?

The Task Force would make the following points about each diocese. These have come from the dioceses themselves and have been contributed from a range of sources:

- **Sydney:** Some question whether the diocese is geographically too large? Too many resources concentrated all in one diocese? The diocese is much centralised in its operation. Has some very large and growing churches, but also many churches are struggling. The diocese is very committed to growth.

- **Melbourne:** Most dramatic change in the Anglican base of any diocese since 1950 with Anglicans as a percentage of the population going from 30% to 11%. Melbourne is expected to exceed Sydney in population size by 2030 which will stretch diocesan resources. The diocese has a significant institutional footprint with schools and agencies, but worship numbers are a real concern.

- **Brisbane:** Centralised silo structure with all diocesan administration of parishes, schools and welfare agencies working on a shared services model. Despite significant growth in schools, worship numbers are relatively static. Challenges in the supply of ministry in the rural and bush areas of the diocese and in rapid urban growth areas.

- **Perth:** Significant growth in urban areas. The diocese has significant assets that will need careful management to grow ministry and mission. Supply and recruitment of clergy and provision of ministry in rural areas are a challenge.

- **Newcastle:** For its size is well-resourced and managed. There is strong population growth in coastal towns. The supply of well trained and capable clergy is a high priority for the diocese.

- **Canberra-Goulburn:** A complex diocese with three distinct regions. Canberra is a large and expanding urban society, the western side of the diocese is predominantly rural and the coastal fringe entirely different again. Significant financial challenges facing and to be faced by the diocese.

- **Tasmania:** The diocese consists of 55 parishes and half are unable to sustain full time ministry. A large number of historic buildings cannot be maintained by local parishes or the diocese. The population spread outside of Hobart, Launceston and the North West is very thin. Attracting quality clergy is a requirement.

- **Adelaide:** A compact diocese, with energised leadership. Significant drain on resources while professional standards payouts are met, and some unviable parishes, but there is the potential to turn things around.

- **North Queensland:** The diocese is one of five dioceses in the ACA where the number of nominal Anglicans has risen; 31% from 1991 to 2011. Despite this the diocese is at crunch point in terms of finances, resources, numbers of stipendiary clergy and a large reliance on non-stipendiary clergy has not led to parish growth. There appears to be poor stewardship in parishes and strong resistance to change.

- **Grafton:** A new bishop and many inherited issues financially and in relation to professional standard matters. Given the size of the nominal Anglican population there is a small, declining and ageing church attendance. The establishment of diocesan schools has not led to an increase in active church membership.

- **Bunbury:** Growth along the southern coastal strip, south of Bunbury particularly around Margaret River and in the area north of Bunbury commutable to Perth. General rural decline. Natural Church Development and Every Member Ministry are signs of hope.

- **Rockhampton:** Fifth largest diocese in Australia geographically, with less than a quarter of a million people, of whom more than half live within 50 kilometres of the coast. The diocese is financially sound and through good stewardship it is able to cover the costs of ministry to the outback and mining towns. Declining number of full time clergy.

- **Bathurst:** The diocese is beset with financial woes through over borrowing for schools. The future of this diocese is a question mark. It may be able to keep going, but will it recover? Every diocese needs to learn from the Bathurst experience!

- **Armidale:** Out of all the Australian rural dioceses this diocese has been the most consistent in sustaining its numbers of clergy and numbers attending worship. A very high nominal Anglican base on which to build.

- **Bendigo:** After twenty years recovering from near insolvency due to financial difficulties associated with a former diocesan school the diocese is trading in the black. The diocese with few resources has established two new churches in Greater Bendigo. There is significant growth along the Bendigo-Melbourne corridor and along the Murray River, but the Mallee and East Wimmera areas are declining. The diocese has established a Ministry Formation Programme.

- **Gippsland:** After Armidale the most stable rural diocese with strong diocesan endowment. Population decline in the east. Youth and Indigenous Ministry programmes established. Fresh expressions of church are being encouraged. The diocese would like some of the outer eastern growth suburbs of Melbourne transferred to it.

- **The Murray:** After a long period of vacancy a new bishop is now in place and committed to mission. The diocese has a growing metro region on the south and outer eastern side of Adelaide. Decline in the south east and Riverland regions. Strong need to attract new and younger clergy.

- **Wangaratta:** Geographically quite compact, but mountainous. Albury-Wodonga region moderate growth. Many small towns and parishes struggling to be sustainable. Financial pressures on the diocese. Questions of long term viability.

- **Ballarat:** Strong financial base from good historical endowment that has been nurtured over the years, but declining number of Anglicans across the diocese is putting pressure on the diocese. Considerable amount of diocesan earnings are going into sustaining ministry.

- **Riverina:** As the table in Appendix 1 shows, the number of nominal Anglicans in this diocese recorded a drop of 34% from 42,316 in 1991 to 27,907 in 2011. In a paper written and submitted to the Task Force by the former bishop, The Right Rev Doug Stevens highlights the challenges facing the diocese which include geography (distance), declining population, declining number of Anglicans, less than fifteen stipendiary clergy and finances. On the basis of this he argues for a proactive approach that would be to redistribute the number of parishes to and from the diocese. This initiative would assist in the development of a Riverina identity by reducing the area and creating more of a focus on the Riverina. The redistribution would see:

  - Wagga Wagga and several surrounding parishes move from Canberra-Goulburn diocese.
  - West Wyalong move from Bathurst
  - Broken Hill would go to Willochra
  - Wentworth to Bendigo

  His strategy would mean that the Diocese of Riverina would be more sustainable.

- **Northern Territory and North West Australia** on paper are not viable and would fail many of the criteria. However, it is hard to conceive how as a church we could continue to have an effective presence in these large and remote regions if we didn't have the structure of a diocese and the leadership of a bishop given the ecclesiology of our church. The Diocese of North West Australia receives substantial assistance from the Bush Church Aid Society and also the Diocese of Perth does assist in a variety of ways at a provincial level, as does Anglicare West Australia. The Diocese of the Northern Territory was originally started as a missionary diocese and is made up of a small number of parishes as well as maintaining a ministry presence in many aboriginal communities. For both dioceses to continue long term they need the commitment of the rest of the Anglican Church in Australia to support them, but this would require a major change of thinking at the General Synod level.

- **Willochra:** The diocese has the smallest Anglican base and the decline in the number of nominal Anglicans has been 24.6% over the years 1991-2011 and in actual numbers 25,582 to 19,289 nominal Anglicans. Willochra has been very proactive in adopting a ministering communities model which has seen the ordination of significant numbers of non-stipendiary local priests and deacons. The diocese has also taken significant initiatives in the training of laity and non-stipendiary clergy to sustain the ministering communities model. The diocese's tag line is "Little Tribe – Big Vision," and given that it covers 90% of the land area of South Australia with 80 small congregations it is meeting many of the viability criteria. However, the decline of population from many parts of the diocese means that the diocese will struggle to maintain a workable base from which to operate.

This 'helicopter view' of the dioceses has limitations, but it does raise many questions about viability, structure and the future. The big issue for us in Australia is what we are going to do about it? As said earlier, it is up to each Australian diocese individually to consider the issues that have been raised and to honestly and objectively look at the life of their diocese. There is no doubt that in Australia there are dioceses that are under resourced and face a critical test of whether they can operate and move from a survival mode to a mission mode. It also needs to be stated that larger dioceses face issues about their ability to engage in mission in pluralistic contemporary Australia.

Many parishes largely devote their time and energy to ministering to the faithful and find that they do not have the time, energy or vision to do much else. Even capital city dioceses feel overwhelmed by the urban growth taking place and their inability to keep up in the provision of ministry.

In the Diocese of Melbourne for example, the Southern Region of that diocese is the largest episcopal area in Australia in terms of the number of parishes that fall under the responsibility of one bishop. Is it asking too much of that bishop to have oversight of over seventy parishes with a population close to two million people?

Many dioceses are attempting to address the future. Some have put a great deal of emphasis on establishing new Anglican schools and this has been seen as an important strategy to engage young people and their families. Time will tell if this strategy does bring people to Christ and is reflected in their involvement in the Church. At this stage it is too early to tell as most of the new schools would say they are still in the seeding stage. Other dioceses have put more resources into recruiting and training clergy to bring new skills and vitality to the Church in Australia. Another example is the growth of Anglicare Australia and the agencies it represents. Many agencies have grown significantly, but whether this is related to the mission of our church is another question waiting to be adequately answered.

The tenor of this chapter is very much about wanting the Dioceses of Australia to critically examine themselves and ask the questions about their purpose, ethos, mission and culture. Is there a spirit of openness to change and new directions or is the attitude going to be business as usual? The Task Force holds the view that dioceses across Australia must all engage in a process of review that genuinely looks at their capacity for mission and be open to both cultural and structural change.

CHAPTER 4: THE FUTURE

How can we be sure about the future? We can't! St. Paul admonishes the Corinthian church to live by faith:

"For we walk by faith and not by sight." (2 Cor. 5:7)

The same is true for us as a Church in our day and age. As the Anglican Church of Australia we are accountable to God and, in terms of our viability and structures, there are things we can do by faith and sight to build for the future. In this chapter a number of models of cooperation between dioceses are given. These models have arisen out of the experience of various dioceses as they seek to be better stewards of resources and build on the strengths of co-operation and shared leadership. These are followed by some suggestions that have come to the Task Force for consideration. Finally, recommendations by the Task Force to General Synod are given.

4.1 Models of Co-operation

1.   The Tri Diocesan Covenant:

This **Covenant** between the dioceses of Canberra-Goulburn, Riverina and Bathurst is an example of inter provincial co-operation. The three dioceses in the covenant have made a commitment to work together on Professional Standards and Safe Churches, Vocational Discernment, Mission, Anglicare and Regional and Remote ministry. It is a good example of three dioceses making an intentional commitment to work together in a variety of areas and serves as a model for other dioceses in our Church. The covenant has been impacted by the difficulties in Bathurst, but continues to function and is a model of co-operation that would be well worth other dioceses investigating.

2.   The Albury- Wodonga Agreement:

This was an agreement struck by the Dioceses of Canberra-Goulburn and Wangaratta for one diocese to assume ministry responsibility on the New South Wales-Victorian border where previously the two dioceses had responsibility for areas defined by state boundaries. There was a mutual arrangement agreed to whereby the parishes in Albury were surrendered to the Diocese of Wangaratta by the Diocese of Canberra-Goulburn in 1989. The transfer was enshrined in the Schedule to an Ordinance of the Diocese of Canberra-Goulburn and an acceptance in an Ordinance by the Diocese of Wangaratta. The actual means that was created to effect the transfer was for the Diocese of Wangaratta to form a Company limited by Guarantee under the NSW Companies code. This resolved constitutional and legal problems about transferring property from a diocesan trust fund in one state to one in another state. The Agreement was a landmark in Australian Anglican history of what can be done between dioceses to make for better provision for ministry and mission.

3.   Memorandum of Understanding (MOU):

Another example of this type of co-operation, but not as nearly structured, nor effecting a full transfer of diocesan property is an MOU between the Diocese of Bendigo and the Diocese of Riverina in relation to the Parish of Wentworth in far south western NSW. The MOU is about the provision of pastoral ministry and worship. Wentworth parish is still part of Riverina and abides by its Acts of Synod, but receives the oversight of clergy from the Bendigo Parish of Northern Mallee based in Mildura.

Both of these are examples of how dioceses are cooperating on state borders and looking to see what is the best way forward.

4.   Agencies and Networks of the Anglican Church of Australia:

The best examples are:

- The Anglican Board of Mission - ABM
- The Church Missionary Society - CMS
- The Bush Church Aid Society - BCA
- Anglican Overseas Aid - AOA

These organisations are all incorporated in their own right but work at a national level to serve the Church and their purposes.

Another example of a different structure is the **Anglicare Australia Network** which has been in operation for over 16 years. It is not one organic body, but a network of Anglican welfare agencies that exist in many dioceses and function in their own right, but belong to the peak body and join together to look at many areas in common. A feature of the Network is its Annual Conference. The national office of the network in Canberra also operates as an effective voice to the Federal Government on behalf of Anglican welfare agencies.

The **Australian Anglican Schools Network** was founded in 1999 and seeks to be an effective network of co-operation by fostering discussion, running conferences, encouraging development and undertakes consultation with the Federal Government on areas the schools have in common.

Information on other networks can be found on the General Synod website. They all seek to engage and develop relationships across the dioceses and in this less formal way build the National Church.

5.   Other Models of Co-operation

Other models of co-operation can be found across the National Church. One is the **Anglican National Insurance Office**. Although based in Melbourne in the Diocesan Registry office, 22 of the 23 dioceses participate in it to provide greater buying power for insurance and to provide a set of national standards and protocols when it comes to insurance.

Another is the **National Long Service Fund** managed out of the General Synod Office in Sydney. It means that in the Anglican Church of Australia Long Service Leave is portable for clergy moving between dioceses.

Other examples of this level of co-operation are the increasing relationships by **Directors of Professional Standards** to set some common policy and ways of operating across the Australian dioceses.

6.   Shared Service Centres

The Diocesan Financial Advisory Group (DFAG), in consultation with the Registrars' Network, have been developing a proposition to establish a broader level of cooperation across the 'back offices' of dioceses, namely Shared Service Centres.

The fundamental drivers for introducing a Shared Service Centre(s) are two-fold:

(a) to free-up and remove distractions from the 'front office' within dioceses so that they can focus on their priority of spreading the gospel and nurturing the faithful; and

(b) to improve the generally sub-standard timeliness and quality of the diocesan 'back office' functions which support the 'front office', particularly around financial reporting, regulatory compliance and risk management.

Note that when they refer to the 'back offices' of dioceses, DFAG includes the 'back offices' of related entities such as deposit/development funds, corporate trusts and potentially schools and Anglicare etc.

Businesses in Australia have progressively introduced shared services since the beginning of the 1980s. The logic was that certain back office activities which were then distributed across various business locations - such as accounting and HR/payroll - could be consolidated and improved in one or more centres, resulting in lower unit costs and better service levels. The front offices - primarily sales and customer service, but could include production facilities - remained distributed across the business locations (eg. branches, outlets, factories, etc).

Over time, the types of consolidated/shared activities have expanded to include things like procurement and IT management. In more recent times, corporates in Australia have implemented offshoring and/or outsourcing of certain back office activities. This is not being promoted by DFAG at the current time; although it is easy to see that some things (eg. payroll) might be outsourced to providers in due course.

To be clear, Shared Service Centres involve the standardisation and physical consolidation of 'scattered' common activities, much like 'centralisation'. But unlike 'centralisation', an independent not-for-profit entity would be created, with participating dioceses setting its governance and direction, including the quality and quantity of services required. The idea would be for the Shared Service Centre to provide more value added services to the dioceses without interfering with the identity and culture of each diocese.

This would be achieved, largely, by identifying and then combining current best-in-class practices (whether within the Church or outside the Church) and better performing staff into one place with modern facilities and technology, and building genuine expertise. The big prize for many dioceses would be the ability to access/leverage leading practices, scarce skills and infrastructure from across the broader Anglican Church.

There already exist some examples of small scale shared services operating successfully across the Church. These include the previously mentioned Anglican National Insurance Office and National Long Service Fund. In addition, some dioceses like Brisbane and Canberra-Goulburn have already introduced Shared Service Centres within their own dioceses, together with their Anglicare and school operations, and achieved significant benefits. However, they have not necessarily been able to identify best-in-class practices and thus all the benefits potentially available.

The thinking of DFAG has been shaped by their conducting a survey of all dioceses in December 2012, followed by hosting expert-facilitated workshops in Sydney in March 2013 and in Melbourne in June 2013, which were attended by representatives from 15 dioceses.

Some of the relevant challenges/concerns nominated by the dioceses in relation to their current 'back office' activities included:

- increased complexity of financial reporting, including public expectations around transparency
- inability to keep pace with emerging regulatory requirements eg. APRA, ASIC, ACNC
- lack of appropriately skilled/experienced resources, and difficulties in managing peak workloads
- limited input into 'front office' strategy and key decision-making
- ineffective and inefficient IT delivery capabilities and disparate legacy systems
- concerns about sub-standard controls and risk management
- Inadequate governance and oversight

The vision of DFAG is for a Shared Service Centre(s) that strengthens the Anglican Church but protects individual diocesan identity. The key is to build an opt-in model which is governed by the dioceses with clear accountabilities and performance expectations and with appropriate safeguards.

As well as providing better quality versions of existing activities, the Shared Service Centre(s) would be ideally placed to provide additional services such as:

- regular benchmarking across dioceses, and comparisons of performance against KPIs
- forecasting and trend analyses
- development/sharing of practices eg. controls and risk management plans
- insights on the implications of emerging regulation or stakeholder expectations.

The intention of DFAG was to encourage as many dioceses as possible to be involved nationally. This is not only because it would create the necessary critical mass and potential cost savings, but also because it would increase the participants from which best practice could be identified. Some expressed the view that it would be more practical and expedient to seek to create more local or regional Shared Service Centres. DFAG held the view that, while less ambitious intra-diocese or intra-province shared services might provide immediate benefits to those involved, they would be comparatively sub-optimal; and if a national solution were indeed the end-game, the effort and cost of subsequently disbanding them would incur an unnecessary human and financial burden.

Through the workshops and with the help of pro-bono consulting expertise, DFAG developed:

- an overall approach to designing the Shared Service Centre(s)
- an illustrative operating model
- selection criteria for determining which 'back office' activities should be migrated to a Shared Service Centre(s)
- for 20 or so activities, a preliminary analysis of potential benefits and complexity of migration
- a list of the potential concerns and barriers to success to be overcome/managed
- the outline of, and costings for, a more detailed feasibility study.

It was the view of DFAG that a more detailed feasibility study was required to not only prove up the business case but also to produce a blueprint to implement a shared

service model. It was also their view that an external consultant would need to be engaged to prepare the feasibility study:

- partly in order to bring the requisite skills and experience, which do not exist within the Church or DFAG

- to ensure that the study commences with an independent and impartial review of current practice at participating dioceses to identify existing best practice, which cannot be done objectively from within the Church, and, where necessary, introduce thinking on other good practices from outside the Church.

This proposal was put to the General Synod Standing Committee in November 2013 with a request for a contribution towards the cost of the feasibility study. The Standing Committee considered the proposal extensively and came to the view that it was unlikely to be implemented in sufficient time to avoid financial failure in dioceses where the problems are acute and it was concerned about the estimated cost to arrive at a point before implementation could commence.

While recognising the legitimate short-term concerns of the Standing Committee, the Task Force believe and recommend that in due course, the role of Shared Service Centres must be further explored as part of the review of the optimum structure for the Church in the future.

The big question for General Synod to discuss is do all these models and initiatives go far enough? Will they be sufficient to save some dioceses? In the material that the Task Force has received much is made of the state of technology today and how that can help with dioceses becoming more efficient and co-operating in many ways. However, the Church is a human organisation and technology will always be subject to the building of relationships, trust and goodwill.

4.2 Suggestions for the Future

In the material that flowed into the Task Force, many suggestions were made as to how our Church could be restructured and more effective dioceses created for the future. The suggestions have not been analysed in depth. However, the Task Force felt it important to bring these to the attention of our Church and General Synod. They show that many Anglicans across our nation are giving thought and careful consideration to the issues this Task Force has sought to address. Each of the suggestions would need consulting and modelling to see that they meet the viability criteria, and recognition that the current diocesan structure no longer fits the circumstances we are in. Some suggestions may overlap because they have come from different submissions, but an effort has been made not to be too repetitive. The suggestions are largely unedited and include:

- The creation of a new South Coast diocese in New South Wales that would come about by moving Wollongong and the areas to the south of it in the Diocese of Sydney and combining it with the south coast region of the Diocese of Canberra-Goulburn. This would mean a significant new diocese stretching right along the south coast of NSW.

- Similarly a new combined Diocese of Newcastle and Grafton to be constituted in terms of strengthening ministry and mission right along the NSW north coast.

- South Australia to become two dioceses, with Adelaide to be divided into two; one incorporating the area to the north and the Diocese of Willochra, and the

other to the south incorporating the Diocese of the Murray. The Diocese of the Northern Territory to become part of the Province of SA.

- The Province of Queensland, without the Northern Territory, to review the current diocesan structures and boundaries to make for at least three long term sustainable dioceses in Queensland.

- In Victoria, Geelong to be incorporated into the Diocese of Ballarat making for a much stronger diocese. The new diocese would be financially, geographically and demographically sustainable.

- The Dioceses of Bendigo, Ballarat and Wangaratta to meet and look at the issues of viability and structure.

- In Victoria, the four rural dioceses and the Diocese of Melbourne to be restructured so that the four rural dioceses each include parts of outer metropolitan Melbourne given the city's growth.

- At present the capital cities and coastal areas are strong and wealthy - the bush is not. Should not each diocese have a slice of the city/coast and a slice of the inland? Should we go rather for the Province as the diocesan unit with a bishop in each town over 30,000?

- In the long run there will be only two alternatives:
    - Merge country dioceses.
    - Allow financial resourcing of country dioceses from major metropolitan ones – that is to leave them as independent dioceses.

- Look at ways by which dioceses can focus on sharing more with each other eg. diocesan offices, infrastructure, expertise and finance, professional standards, training and information. Consider relationships which would cross current geographical boundaries.

- Create many smaller dioceses from the metro cities, but retain centralised administration offices (a) resourcing education (b) resourcing professional standards (c) resourcing schools/Anglicare

- Existing smaller dioceses should be grouped to share resources where possible, but retain episcopal autonomy. Larger dioceses may need to be divided into semi-autonomous regions, but with a Shared Services model.

- We have in our current structures exactly what government lacks – an ability to seriously focus on regional and rural Australia. That may have its difficulties, but it also has huge advantages, we need to look at new models of ministry in rural areas.

- De-centralised dioceses can be a major force for good in an increasingly centralised culture. Urban dioceses need to be less paranoid about sharing clergy with regional/rural dioceses.

4.3 Findings

The suggestions contain a wide range of views, theology and different understandings of ecclesiology. The gospel paradigm of the rich helping the poor comes through very clearly as does the idea that surely if we want to be a church that covers the nation we need a strategy to do that which is fair and resourced. Everyone in Australia, no matter where they live, should have access to the ministry and pastoral care of the Anglican Church. If this is our intention as a Church, what is the best way to achieve it?
The Task Force, in its investigations, submissions and gathering of data, has found:

1. A Failure of Appropriate Financial and Governance Accountability

Some dioceses have, from a financial and governance point of view, acted well beyond their means and borrowed sums of money far in excess of their capacity to pay. This highlights the expertise, or lack of, that these dioceses have used and points to major governance issues with Diocesan Councils or bodies established by dioceses to undertake borrowings. It highlights major problems with risk assessment, diocesan management processes and a lack of critical business judgement. The sad thing about these borrowings is that they were often for projects which dioceses thought would put dioceses on the map. In some rural dioceses the focus was on the establishment of low fee schools and now the very action that was taken has impacted in such a way that the whole ministry and mission of a diocese could be threatened. As stated in the report from DFAG:

"Some of the lessons from Bathurst for the broader church relates to governance and business acumen, financial and risk management and the involvement in non-core business activities such as schools and aged care facilities." (Report to General Synod SC, November 2013).

Some dioceses have established schools separately incorporated from the diocese, but others have not. Other dioceses have put in place a School's Corporation to develop a strategy for establishing and funding schools across a diocese with highly qualified leadership and management.

2. Leadership is a Crucial Issue

In our diocesan structure the bishop is the most crucial leader, and how a diocese functions and the decisions it makes usually has something to do with the leadership of the bishop. Across the Anglican Church of Australia bishops are chosen usually either by Electoral Synods or Election Boards elected/appointed by Synod for the purpose of choosing a bishop. The bishop is first and foremost a spiritual leader, but the Ordinal, as found in the A Prayer Book For Australia (APBA, p. 802), does set out quite clearly that the role has temporal responsibility as well:*A bishop is called to maintain the Church's witness*

to the resurrection of Christ from the dead,
to protect the purity of the gospel,
and to proclaim Jesus Christ as Lord.
As a chief minister and pastor in Christ's Church,
you are to guard its faith, unity and discipline,
and promote its mission in the world.
You are to ensure that God's word is faithfully proclaimed,
Christ's sacraments duly administered,
and Christ's discipline applied justly, with mercy.
You are to lead and guide the priests and deacons

under your care,
and be faithful in the choosing and ordaining of ministers.
You are to watch over, protect and serve the people of God,
to teach and govern them, and to be hospitable.
You must, therefore, know and be known by them,
and be a good example to all.
These are the duties of a bishop, and they are weighty.

The bishop is to promote mission, lead and guide the priests and deacons, and serve the people of God, to teach and govern them. A helpful understanding of how the Ordinal translates into the contemporary role of a bishop is provided by the following statement:

Leading into mission: the role of the bishop

Bishops have crucial opportunities to lead a diocese into mission. By focusing a number of mutually reinforcing aspects of the bishop's role, these opportunities may be highlighted. They include the being or life of a bishop, the way in which a bishop relates to the church and to the wider community, the bishop's role in expounding the faith as teacher and preacher, caring for people, pursuing social justice and the bishop's responsibilities for governing the church's life. Each of these is considered briefly.

The bishop's being

The very personal being of a bishop is a modelling of the Christian life. By walking closely with God and living a life marked by prayer, sacrifice and apostolic zeal a bishop may inspire and provide a pattern for clergy and lay people alike. By making mission a priority and having a clear mission strategy a bishop may lead by example, create an expectation of church growth and cultivate an atmosphere conducive to fostering mission in a diocese. Whenever a bishop makes the most of opportunities to make the gospel known, to engage in prophetic and evangelistic ministry, others learn something of the nature of the church and of Christian life.

Relating to the church and wider community

Bishops are often invited to attend or address gatherings of a wide variety in the church and in the community at large. These too are opportunities to further the mission of the church and to lead the church in mission. As a bishop interacts with people in industry and commerce, in government and civic society, in educational institutions and other social agencies, and with people of other faiths, the cause of Christ may be represented, the gospel expounded, dialogue promoted or a prophetic word delivered. On the basis of an underlying sense of shared purpose and common direction, each of these opportunities becomes less an occasion for an ad hoc address, and more one in an intentional series of strategic interventions flowing systematically and purposefully into the mission of God.

Teaching and preaching

When mission becomes a priority in the diocese, a bishop may make use of a whole variety of educational opportunities to further that mission. Retreats, conferences, seminars and other regular occasions in diocesan life may all contribute to a deepening awareness of and equipping for mission. A bishop will have myriad opportunities to identify ministry activity which is already happening, to relate it to broader mission directions and to encourage celebration of those

endeavours. Naming and celebrating mission in this way contributes to a sense of cohesiveness and confidence in the church's mission. Fostering the notion that every baptised person is called to participate in the mission of God will be a constant emphasis in the teaching role of a bishop leading the church into mission.

Caring for people

A bishop can do a great deal to enhance mission in the way pastoral care is undertaken with clergy and lay people. Through one to one meetings, through clergy gatherings and through myriad formal and informal opportunities a bishop can work to keep the mission of God upper most in people's minds. In these encounters a bishop can provide encouragement, make resources available, assist in reflecting on the task and contribute to evaluation and mutual accountability. In these ways a bishop is an enabler and helper in the mission of the church.

Pursuing social justice

The mission of God is directed towards building up the body of Christ and bringing about the reign of God. This reign is marked by peace and justice, so any opportunity is to be grasped by which a bishop may challenge injustice or exercise a prophetic voice in declaring God's will for people and for the whole of creation.

Governing the church

Bishops have an important role in governing the church. The church may be strengthened in mission by bishops intentionally exercising the ministry of governance to this end. A clear intentionality about mission emanating from the bishop and fostered among clergy and lay people is fundamental. A common sense of purpose flowing from a shared vision of the church at mission will be life-giving at a basic level. A bishop may take a whole variety of opportunities, formal and informal, to name the vision, to foster a sense of purpose and direction, to articulate shared goals and to cultivate intentionality about mission at all levels in the life of a diocese. In these ways a mission strategy may infuse and shape the life of a diocese. All who share responsibility, including archdeacons, area deans, clergy, parish and organisational office-bearers and lay people at large, will find a place in such a strategy and thereby make a purposeful contribution to the missionary endeavour.

Central in governing the church are questions of stewardship and the use of resources. Being intentional and purposeful about mission assumes a capacity to direct resources towards the goals of mission. The church's mission will be best served when people, money and physical resources are deployed appropriately and strategically to achieve the purposes of a diocesan mission plan. A bishop has unique opportunities to influence the flow of resources to mission priorities. A prior task may well be to establish processes and mechanisms within the diocese which enable agreed mission priorities to be discerned and resource allocation decisions made. These too are crucial issues to address for a bishop wishing to direct the ministry of governance in the church towards the purposes of mission.

The Task Force believes that it is vital for dioceses, when considering a new bishop, to develop a clear understanding of the skills and personality required to lead the diocese. Dioceses have traditionally tended to go for broad sweeping statements such as "we want a pastoral bishop, someone who can care for us." That all may well

be, but is this the main priority for a bishop in this stage of our society and the context of the Church?

This year was the first time, at the Annual Australian Bishops' Meeting, training was offered, as part of the program, to newly ordained bishops or bishops new to Australia.

While bishops are key to the leadership of the Anglican Church of Australia, many others are involved in delivering leadership in our Church, and the Church has a responsibility to see that it has the very best leadership in all its roles that it can possibly have. Much effort has been made in recent times, under the requirements of professional standards, to improve training and understanding of roles right across the Church. This provides a model of what can be done in other areas, namely leadership training and development.

As stated earlier in the Report, leadership in dioceses is much more than the bishop. Some words from the Chairman of DFAG, Mike Codling, are helpful:

"*This Report sets out many of the challenges currently and about to face the church and its dioceses. I need to emphasise how complex the strategy, deployment and execution will be (and will need to be) in the 'new world' we are entering into. It (the strategy) is going to need to be highly agile/adaptable, multi-faceted, and well controlled. It will need to be agile/adaptable in such a fast changing (and increasingly so) environment. It will need to be multi-faceted to deal with an increasingly wide range of challenges and diversity of expectations and needs. And if it is to be successful, it will need to be well controlled with risks managed carefully*".

Task Force member Audrey Mills further underlines that a strong emphasis be given to lay leadership in a diocese. A bishop cannot act alone:

"Whilst we recognise that bishops are the key authority figure, the strength of the whole diocesan leadership team is crucial. None of the problems we are facing can be solved by one person working alone within a diocese and without a strong team including both lay and clerical members - no progress will be made. It is important that the skills and gifts of people with suitable skills and experience are recognised and utilised. There needs to be a concerted team approach engaging key lay persons. Lay people should be encouraged and given the authority to work within the structures of the church in finding solutions to effecting change."

If the Church is to have this level of expertise to implement this level of strategy it will require a very well equipped and skilled level of leadership, both lay and ordained.

3. Training in Skills and Leadership Development is Urgently Required

While it is one thing to state the issue, there needs to be immediate action to address the development of skills and leadership.

However, it needs to be recognised that training can take extended periods to bear its fruit and, more importantly, training will only get you so far. Most businesses with mature people development programmes apply the 70:20:10 philosophy. That is, their high-performing leadership is developed through:

- 70% informal, on-the-job, experience and coaching
- 20% formal mentoring and support

- 10% training and reading

Given the Church's unique variety of leadership requirements, and the current critical lack of some of these, the Task Force believes the Church would significantly benefit from a holistic and well-designed leadership development program. The program would presumably recognise the aspects where the Church leadership is currently highly proficient - eg. on-the-job (70%) experience in leading worship, preaching the gospel, caring for people, etc. - versus those where development might be useful - eg. building a shared vision. While many of the metro political dioceses provide some form of post ordination training and in some cases continuing education for ministry, many do not. Specialist laity assistance will likely be needed to develop the programme and DFAG have already indicated their willingness to assist. The Task Force can conceive this starting with a 'development needs analysis', which should also help define the role of training. These initiatives should not prevent or hinder the existing and proposed training initiatives, such as that recently introduced at the Annual Australian Bishops' Meeting.

The Task Force also believes that, while the leadership development program is being designed and embedded, other steps can be usefully undertaken in the near-term. For example, in relation to the previously mentioned need to improve business acumen and financial competence across Church leadership, the Task Force believes there is much merit in Archbishops and Bishops having a personal financial advisor. Such a role could be informal or formal in nature, and would be akin to the honorary Chancellor role in relation to the legal affairs of a diocese. The benefits would be; in the short-term, support and guidance on complex and challenging finance/business issues and decisions; and in the medium to longer-term, the transfer of skills and experience (ie. the 70%) from the advisor to the bishop and potentially his/her teams.

The Task Force also endorses DFAG's recent proposal to the General Synod Standing Committee that we should introduce a Finance and Risk Officer - a senior but part-time role, reporting to the Primate, General Secretary and Standing Committee - who, amongst other things, would be available to support/advise/coach any bishop (or his senior staff) on key finance and risk matters.

4. The lack of a Comprehensive Training Programme in Ordained Local Ministry across the Church

Many rural dioceses, as intimated elsewhere in the report, have adopted various schemes of locally ordained ministry as a strategy to meet declining population, remote locations and the inability to pay a stipend. Some of the models that have been adopted have been heavily influenced by the Ministering Communities model that largely has its origin in the Episcopal Church from the USA. This model is heavily influenced by a baptismal theology that believes that every baptised person is a minister and the task of the Church with baptised members is to equip them for every member ministry. This means that some will be called specifically to celebrate the sacraments and ordained, others to teach, others to pastor and so on. The best examples of this model are to be found in the Dioceses of Newcastle and Willochra, although in the case of Newcastle it is not about remote locations or necessarily poor parishes. In Newcastle, the model is very much driven by the theology that every member is part of the ministry of the Church.

Other dioceses have other models, with an Enabler Model being employed in Tasmania and a non-stipendiary ministry model in North Queensland, introduced by a former bishop where over three quarters of the clergy are in this category. The Diocese of Bendigo has implemented an Ordained Local Ministry Model based on the system

adopted by the Church of England. Candidates have to undergo two years of training and formation prior to ordination and another two years in-service following ordination. They cannot be in charge of a parish, but work in teams with a stipendiary priest. The Diocese of Perth tried a model for some years in the wheat growing areas, but it has not been sustained. Other dioceses have worked with some other variations.

Of the models looked at by the Task Force, all face issues of long term sustainability in finding second generation candidates. The Diocese of North Queensland, which has had the model in place for many years, reported it has not grown the church and, over a period of time, led to a significant decrease in stewardship. Other issues are standards of training, supervision, ongoing support and training of clergy in these categories, professional standards and, at times, local acceptance of candidates.

There are no national standards for non-stipendiary clergy in terms of training. However, the models do bear further investigation as a means of enabling ministry in urban, rural and regional areas. The various models of non-stipendiary or local ordained ministry can be missional in their approach and relieve the church from the burden of having to pay for its entire ordained ministry. At the same time it can never replace a well-trained and resourced stipendiary ministry group across our Church.

5.   More Provincial Co-operation

At the recent annual Australian Bishops' Meeting held in Ballarat in early April, over 40 bishops of our Church had the opportunity to read a draft of this Report and there was strong endorsement for the strategy that a way forward to act on many of the issues raised in this report was to work provincially.

Although it was recognised that provincial structures vary, it was also strongly affirmed that already the provincial structure is being used to good effect with the administration of professional standards and other matters. In Victoria the move towards incorporation of dioceses is being managed through the Provincial Council structure and this shows an effective means by which we can work as dioceses in future: not alone, but together! Another example from Victoria is the move towards Anglicare Victoria being a welfare agency for the whole state. This already happens in Western Australia with the three dioceses in that province.

The bishops felt that there was more capacity and energy to work together provincially than trying get the National Church to work as an organic entity in addressing issues. The complexity of our Church's Constitution and with General Synod meeting only every three to four years, it was felt provincial structures offered a more immediate way forward. Provincial Councils and Synods have the capacity to meet annually and more if required. The bishops were largely of the opinion that provincial co-operation was a more achievable goal than trying to work as a National Church.

The Task Force would believe that the answer is a "both and." It would strongly endorse the principle and the action of provincial co-operation, but at the same time ask the General Synod and Standing Committee to create an environment of encouraging change and reform. Changes and initiatives at a provincial level should be shared across the whole of our National Church and General Synod and Standing Committee have a role to facilitate this.

6. The need to define more clearly the role of the General Synod Office and Secretary

A proposal outlining as a way forward in relation to this finding is included in Appendix 6. The Task Force has found, in its investigation and the material it gathered, that where dioceses are experiencing difficulties the ability of the National Church to respond is severely limited. The Primate virtually has no role other than to relate to the bishop. Similarly the General Secretary has little in the way of a defined role and does it by mainly relating to Registrars, and DFAG is only an Advisory Group and has to wait an invitation before it can offer any assistance or advice.

Some would argue that the present structure has its advantages in that a major problem in one diocese can be quarantined to that diocese. However, the reputation of the whole Church is affected and neither government of the wider community understand the current structure. As stated earlier in the Report this was evidenced recently at the Royal Commission in Child Abuse. We are naive as a Church if we do not accept that what happens in the Diocese of Sydney will impact on the standing of our Church in North Queensland for example and most other dioceses. In this age of rapid communication, Facebook and Twitter, events in one diocese can be simultaneously reported across the country and overseas. Distance is no barrier to impact!

It is the view of the Task Force that a priority must be to overcome the fears that lie behind an enhanced role for a national body that is adequately staffed and resourced. This does not mean a body that is top heavy and way beyond the financial sustainability of our Church, but it does mean a better defined role for our national body and the ability for that body to service its role and purpose.

7. The Way Ahead

Having read this Report you may have found it insightful, challenging, and laborious, too much use of statistics and too much focus on demographic and governance issues. Not enough vision about alternative forms of being the Church or thinking outside the present structures.

Do we need to have geographical dioceses? With the Christendom model of the church dying do we even need a parish model for the delivery of ministry and mission? The fastest growing congregations in the Diocese of Melbourne are affiliated congregations called the City on a Hill, which are outside the parish system. Do we as a Church need to think radically outside the box?

Given the current structure and politics of the Anglican Church of Australia it is difficult to see a whole of Church response to this Report, but the Task Force particularly encourages the Standing Committee of General Synod to encourage provincial and diocesan responses to it.
In the material that came into the Task Force, some have argued for more and smaller dioceses where the bishop can more effectively be a missional and pastoral leader - a shepherd who knows their flock. Other submissions have argued for less dioceses and more centralised administration. Certainly small dioceses can be missional and proactive and equally, large dioceses can be moribund and bureaucratic. There is a need in Australia for all dioceses to examine themselves and have a look at how they are travelling. It also makes good sense that many dioceses could easily share services and resources and work more effectively together. At the same time it does need to be acknowledged and faced that some diocese are not sustainable and hard decisions need to be made.

Canon Robert Warren, who for many years has been a strong and articulate leader at both the local and national level in the Church of England, has come up with ten marks

for healthy dioceses. His understanding of a healthy church/diocese is based on the biblical concept of salvation, namely wholeness, balance, and harmony with God and creation.

"Christ frequently said to people whom he had healed, 'your faith has saved you'. This is variously translated 'made you well', 'made you whole'. So a healthy church is one that has been touched and energised by the presence of God so that it reflects something of the good news of the wholeness made possible through the knowledge of God as revealed in Christ, by the Holy Spirit". (Robert Warren, Developing Healthy Churches, Church House Publishing 2012, Page v)

Warren's ten marks can be used alongside and in conjunction with the viability criteria and have to be applied to a diocese having a Mission Action Plan (MAP) or Strategic Plan. They are set down here with the consent of Canon Warren:

1. **Rooted in Prayerful Reflection:** Good plans are the outcome of discerning what God wants to do with us.

2. **Wide Consultative Process:** A diocese's vision and vocation arise out of the faith community rather than things to be impose upon it. People today are much more likely to put their energies into plans they have been involved in shaping than plans imposed on them. At the same time there does need to be a leadership to get things going.

3. **Good grasp of the present diocese/church state:** A diocese needs to have a clear understanding of where it currently is and the viability criteria help to build such a profile.

4. **Rooted in spirituality/theology/vocation:** Many dioceses overwhelm themselves with actions, meeting, strategies and projects that are not necessarily directed by careful theological reflection, and may in fact be a squandering of their energies and resources rather than a faithful commitment to engage incarnationally with God in the world.

5. **Clear sense of direction for the next five years:** This is a good time framework for dioceses to work with and the caution is not to over estimate what can be achieved.

6. **Sharp priorities widely communicated:** Mission or strategic plans should not be a way for a diocese to overburden itself, but a means for focusing action and enabling it to work smarter rather harder. All parts of the diocese should be committed to the plan.

7. **Healthy diocesan balance between doing and being:** The danger of activism. Dioceses need to corporately:

   Look up: and focus on the call of God

   Look in: How can the way the diocese operates and handles internal relationships, demonstrate the Good News of God in the life of the diocese?

   Look out: How is the diocese called to serve its communities and the wider world?

8. **Specific achievable actions:** Plans must be SMART: Specific, Measurable, Achievable, Relevant/Realistic and Time related.

9. **Workable plans for implementation:** They need to be well costed about: who will do what, with whom, with what resources and accountable to whom? Does the diocese have the people resources?

10. Identifiable plans for monitoring progress: Plans can be dreamt, written and printed, but they must be implemented. Goals may need to be revised in the light of experience. No plan today can be poured into concrete; they need to be flexible and monitored. And do not forget to celebrate what has been achieved. At the same time be honest and do not exaggerate outcomes.

The hope and prayers of the Task Force are that in some small way this Report will be a catalyst for reform in our Church. We do face major and what may seem overwhelming challenges, but if we are the creation of God we will see the way forward. Across Australia there are many faithful and committed Anglicans who through their faith in Christ build on the rock that is the Church. May this Report offer us encouragement as a Church in our dioceses, parishes and other ministries to respond faithfully.

The time has come for The Anglican Church of Australia to be purposeful about its mission and ministry to the whole nation and the thrust of this Report is to help and inspire us as a Church to make some challenging decisions and to move forward with a profound confidence in the God we trust.

"Let us run with perseverance the race that is set before us,
Looking to Jesus the pioneer and perfector of our faith"   (Heb. 12:1-2)

CHAPTER 5: RECOMMENDATIONS

A.   Recommendations from the Task Force:

1.   That the Report be referred to the Design Group of General Synod requesting that the Report be included in the Group Discussion Programme to be conducted at the Sixteenth Session of General Synod.

2.   That the Report be presented to the Sixteenth Session of General Synod and that General Synod be invited to:

   a)   Refer the Report to the dioceses for their consideration and response to the Standing Committee of General Synod by 31 December 2014,

   b)   Commend the Diocesan Financial Advisory Group (DFAG) for their work on the financial well-being of dioceses and request all dioceses to co-operate with DFAG as they continue with that task,

   c)   Request the Provincial bodies within the Anglican Church of Australia to each institute a review of the number and boundaries of dioceses in their respective Province, using as a guide the viability criteria outlined in this Report,

   d)   Request the Australian Bishops' Meeting to develop a protocol for the training of new bishops in the Anglican Church of Australia,

   e)   Refer the Report to Anglicare Australia, the Anglican School's Network and other organisations within the Church with a request that they report to the Standing Committee of General Synod as to how they can best assist in responding to the issues raised,

   f)   Request the Ministry Commission of General Synod to examine the issues from the Report related to the provision and training for ordained ministry and to report to the Standing Committee of General Synod.

3.   Requests the Standing Committee of General Synod to:

   a)   Establish a Steering Group of seven persons:

   - to plan and coordinate the dissemination of the Report and the responses of the dioceses

   - to develop and implement strategies to address the issues raised in the report.

   b)   Establish DFAG as a Task Force of General Synod under the Strategic Issues, Commissions, Task Forces and Networks Canon 1998 and establish its Terms of Reference.

   c)   Establish, through the Australian Registrar's Network, a programme of ongoing training for Registrars and senior diocesan administration staff.

   d)   Convene a National Conference to examine the various current models of non-stipendiary ministry in the Anglican Church of Australia and the development of appropriate standards of selection, training and professional development,

e)   Seek agreement from the dioceses on a comprehensive and holistic way in which General Synod can address the needs of Dioceses seeking help with financial difficulties, risk management, governance concerns professional standards and operational viability.

B.   Recommendations From the Diocesan Financial Advisory Group (DFAG):

1.   DFAG requests General Synod to adopt this report and agree that significant change is required.

2.   Asks General Synod to adopt a whole of Church approach in addressing issues of governance, professional standards and develop clear guidelines for the intervention of Standing Committee of General Synod in diocesan affairs where necessary and required for the common good of the Anglican Church of Australia.

3.   DFAG recommends that the Standing Committee of General Synod should acknowledge the views of the Advisory Group in relation to the design of a holistic leadership development programme for leaders, both lay and ordained, in the Anglican Church of Australia.

4.   DFAG recommends that the Standing Committee of General Synod should encourage the Archbishops and Bishops of Australia to seek the establishment of the office of "financial chancellor" and the employment of a part time Finance and Risk Officer.

Appendix 1: Number of people identifying as Anglican

Table 1.1a Number of people identifying as Anglican and total Population by Diocese, and change between 1991 and 2011

Diocese	Anglican population 2011	Total population 2011	Per cent Anglican 2011	Anglican population 1991	Total population 1991	Per cent Anglican 1991	Change 1991-2011	Change 1991-2011 (%)
Adelaide	127,591	1,048,537	12.2	169,076	937,387	18.2	-41,485	-24.5
Armidale	64,011	185,453	34.5	69,975	183,396	38.5	-5,964	-8.5
Ballarat	42,319	299,883	14.1	48,656	268,283	18.3	-6,337	-13.0
Bathurst	68,653	247,244	27.8	81,039	253,163	32.3	-12,386	-15.3
Bendigo	53,914	311,342	17.3	65,235	289,977	22.7	-11,321	-17.4
Brisbane	626,947	3,339,354	18.8	570,302	2,256,695	25.5	56,645	9.9
Bunbury	76,681	321,196	23.9	61,256	201,993	30.6	15,425	25.2
Canberra & Goulburn	159,727	753,188	21.2	144,567	546,344	26.7	15,160	10.5
Gippsland	53,877	273,240	19.7	56,709	226,172	25.3	-2,832	-5.0
Grafton	115,931	471,041	24.6	122,411	390,878	31.6	-6,480	-5.3
Melbourne	464,411	4,233,276	11.0	551,637	3,274,256	17.0	-87,226	-15.8
Murray	53,248	386,656	13.8	55,484	311,031	18.0	-2,236	-4.0
Newcastle	278,808	986,654	28.3	265,473	776,443	34.5	13,335	5.0
North Queensland	119,849	649,785	18.4	91,315	398,876	23.1	28,534	31.2
North West Australia	24,392	158,525	15.4	31,677	136,014	23.5	-7,285	-23.0
Northern Territory	23,903	212,688	11.2	28,908	167,640	17.4	-5,005	-17.3
Perth	318,753	1,750,396	18.2	323,599	1,251,051	26.1	-4,846	-1.5
Riverina	27,902	135,129	20.6	42,316	174,280	24.5	-14,414	-34.1
Rockhampton	68,982	331,197	20.8	72,317	287,286	25.4	-3,335	-4.6
Sydney	703,525	4,432,775	15.9	886,349	3,680,499	24.3	-182,824	-20.6
Tasmania	128,488	494,136	26.0	165,811	455,885	36.7	-37,323	-22.5
Wangaratta	51,686	277,848	18.6	53,210	225,592	23.8	-1,524	-2.9
Willochra	19,289	156,539	12.3	25,582	157,398	16.4	-6,293	-24.6
- Other non-Diocesan areas	7,020	51,637	13.6	-	-	-	-	-
TOTAL	3,679,907	21,507,719	17.1	3,984,895	16,850,540	23.9	-304,988	-7.7

Source: ABS 1991 & 2011 Australian Census of Population & Housing.

NB: Total population figures for 1991 are derivations based on Anglican population and Per cent Anglican figures.

Appendix 2: Australian Active Clergy - 1961 – 2011

Australian active clergy, 1961 to 2011

This report gives the number of active clergy in each diocese at decade intervals based on information published in the Year Books of the Diocese of Sydney (1961 to 1981), the Australian Anglican Clergy Directory (1991) and the Australian Angican Directory (2001 and 2011). The numbers may not exactly tally with local diocesan statistics because clergy actively engaged in religious duties that may not be counted as diocesan clergy are included here (e.g. Anglican clergy in non-Anglican theological education institutions or chaplains in government schools). Some of the fifty year percentage changes are misleading: Adelaide in 2011 can be compared to Adelaide less The Murray in 1961 (a fall of about 30%), Bendigo in 2011 can be compared to Bendigo plus St Arnaud in 1961 (a fall of 18%) and North Queensland in 2011 can be compared to NQ plus Carpentaria less NT in 1961 (an increase of about 24%), and Perth in 2011 can be compared to Perth plus Kalgoorlie in 1961 (an increase of 76%).
THE ENTRIES FOR 1961 TO 1981 ARE STILL BEING CLASSIFIED AND FIGURES MAY CHANGE SLIGHTLY FROM THOSE GIVEN HERE.

Colin Reilly
6 January 2014
colre@bigpond.com

Category	Diocese	1961	1971	1981	1991	2001	2011	Change from 1961 to 2011
Metropolitical								
	Adelaide	163	97	113	120	120	96	-41%
	Brisbane	137	166	188	208	284	248	81%
	Melbourne	282	344	354	388	359	372	32%
	Perth	94	113	124	122	186	176	87%
	Sydney	336	415	429	459	526	655	95%
Summary for Metropolitical (5 records)								
Number of active clergy		1,012	1,135	1,208	1,297	1,475	1,547	53%
Proportion of Australia		57.8%	56.7%	58.4%	60.0%	64.1%	62.7%	
Mixed								
	Canberra & Goulburn	78	86	87	94	117	137	76%
	Newcastle	75	93	96	100	96	125	67%
	Northern Territory	0	17	14	19	21	29	100%
	Tasmania	84	88	89	82	64	103	23%
Summary for Mixed (4 records)								
Number of active clergy		237	284	286	295	298	394	66%
Proportion of Australia		13.5%	14.2%	13.8%	13.7%	12.9%	16.0%	
Rural								
	Armidale	44	43	44	43	52	56	27%
	Ballarat	51	48	61	46	36	28	-45%
	Bathurst	65	59	54	48	50	54	-17%
	Bendigo	28	26	53	40	39	40	43%
	Bunbury	33	41	34	28	27	41	24%
	Carpentaria	26	29	34	19			-100%
	Gippsland	33	44	38	33	28	33	0%
	Grafton	45	42	39	43	50	61	36%
	Kalgoorlie	6	8	0				-100%
	North Queensland	47	52	38	81	89	83	77%
	North West Australia	6	20	21	25	21	20	233%
	Riverina	30	30	30	28	22	20	-33%
	Rockhampton	28	25	27	40	36	20	-29%
	St Arnaud	21	26	0				-100%
	The Murray	0	27	27	29	29	17	100%
	Wangaratta	26	36	45	39	31	32	23%
	Willochra	12	26	28	26	19	23	92%
Summary for Rural (17 records)								
Number of active clergy		501	582	573	568	529	528	5%
Proportion of Australia		28.6%	29.1%	27.7%	26.3%	23.0%	21.4%	
Australia		1,750	2,001	2,067	2,160	2,302	2,469	41%

8-056

Appendix 3: Number of Clergy Across the Anglican Church of Australia

THE AUSTRALIAN ANGLICAN DIRECTORY 2013

Statistics

Diocese	Clergy (total active ministry)	Clergy (retired)	Deacons (male)	Deacons (female)	Priests (male)	Priests (female)
Adelaide	127	63	5	7	88	24
Armidale	53	15	2	1	43	2
Ballarat	29	27	1	3	24	0
Bathurst	57	40	4	3	40	10
Bendigo	53	36	4	4	32	12
Brisbane	267	234	14	16	167	66
Bunbury	40	30	1	6	24	8
C & G	185	74	8	21	110	42
Gippsland	46	45	2	7	22	14
Grafton	56	27	4	6	31	15
Melbourne	439	253	19	21	291	96
Newcastle	126	79	4	10	79	28
NT	31	12	5	5	15	6
NQ	97	32	8	10	65	13
NWA	23	3	5	0	17	0
Perth	224	94	6	12	150	45
Riverina	25	3	1	1	15	7
Rockhampton	20	13	1	5	10	4
Sydney	754	211	240	40	467	1
Tasmania	114	48	5	9	71	28
The Murray	25	31	0	0	24	0
Wangaratta	36	23	2	4	21	8
Willochra	33	11	2	0	18	13
Total	**2860**	**1404**	**343**	**191**	**1824**	**442**

Appendix 4: Anglicans per Clergy

Diocese	FTE Clergy (2013)*	Anglicans	Population	Anglican %	Anglicans per clergy	Australians per clergy
Adelaide	54.2	127,591	1,048,537	12.17%	2,356	19,360
Armidale	52.3	64,011	185,453	34.52%	1,225	3,549
Ballarat	18.1	42,319	299,883	14.11%	2,343	16,600
Bathurst	21.5	68,653	247,244	27.77%	3,195	11,507
Bendigo	25.3	53,914	311,342	17.32%	2,132	12,311
Brisbane	146.6	626,947	3,339,354	18.77%	4,275	22,772
Bunbury	23.0	76,681	321,196	23.87%	3,331	13,951
Canberra-Goulburn	71.1	159,727	753,188	21.21%	2,247	10,598
Gippsland	34.8	53,877	273,240	19.72%	1,548	7,848
Grafton	26.2	115,931	471,041	24.61%	4,428	17,993
Melbourne	246.7	464,411	4,233,276	10.97%	1,883	17,162
The Murray	9.0	53,248	386,656	13.77%	5,916	42,962
Newcastle	66.8	278,808	986,654	28.26%	4,175	14,774
North Queensland	20.5	119,849	649,785	18.44%	5,836	31,643
Northern Territory	8.2	23,903	212,688	11.24%	2,929	26,063
North West Australia	19.5	24,392	158,525	15.39%	1,251	8,129
Perth	118.8	318,753	1,750,396	18.21%	2,684	14,738
Riverina	9.8	27,902	135,129	20.65%	2,845	13,778
Rockhampton	13.4	68,982	331,197	20.83%	5,166	24,805
Sydney	522.9	703,525	4,432,775	15.87%	1,345	8,477
Tasmania	40.2	128,488	494,136	26.00%	3,197	12,295
Wangaratta	18.6	51,686	277,848	18.60%	2,777	14,928
Willochra	12.2	19,289	156,539	12.32%	1,578	12,807
Other		7,020	51,637	13.59%		
	1579.5	3,679,907	21,507,719		2,330	13,617

* Full Time Equivalent (FTE) Clergy number for 2013 are based on those contributing to Anglican Long Service Leave Fund
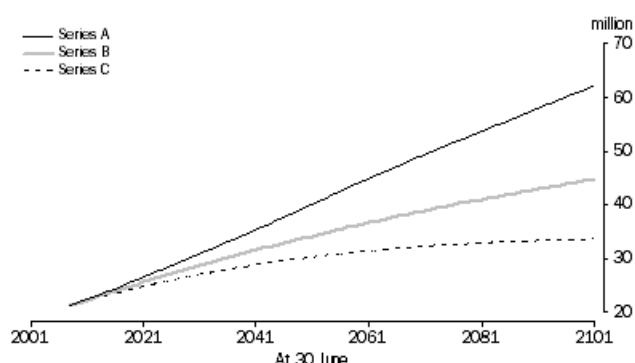
A REVISED ENVIRONMENTAL SCAN
by Archbishop Jeffrey Driver

This chapter seeks to highlight briefly some of the trends in Australian population shifts. Its brevity means that some detailed accuracy is sacrificed. Some implications are suggested; some represent a statement of the obvious and they are by no means comprehensive. It concludes with a brief theological reflection on the trends identified.

1. Australia's population will continue to grow and concentrate on major cities.

The recently released Australian Government Report, *Sustainable Australia – Sustainable Communities: A Sustainable Population Strategy for Australia,* is cautious about projecting Australia's future population, pointing out that population change is the result of complex and varying factors.[i] However, a 2008 report suggests a range of population growth scenarios with the higher growth projections resulting in a resident population of around 40 million by the middle of the century. More conservative predictions suggest a flattening of growth around 2040, with deaths outnumbering births and a small increase provided through immigration: [ii]

PROJECTED POPULATION, Australia

By 2056 the population of New South Wales is projected to reach as much as 10.2 million, an increase of 3.3 million people from 30 June 2007. Victoria is projected to reach 8.5 million, an increase of 3.3 million people.

Queensland is projected to experience the largest percentage increase in population between 30 June 2007 and 2056, more than doubling the 2007 population of 4.2 million to 8.7 million people by 2056. Western Australia is also projected to more than double over the projection period, reaching 4.3 million people in 2056.

The Northern Territory's population is projected to increase by 186,600 people between 30 June 2007 and 2056, to 401,600 people. The population of the Australian Capital Territory is projected to increase by 169,500 people (50%) between 30 June 2007 and 2056, reaching 509,300 people. South Australia is projected to increase by 620,300 people (39%) to 2.2 million people in 2056.

Tasmania's population is projected to increase slowly before levelling out by around 2040 and then decreasing marginally from 2051 onwards (571,000 people in 2056).

Capital cities are projected to experience higher percentage growth than their respective state or territory balances, resulting in further concentration of Australia's

population within the major cities. At 30 June 2007, 64% of Australians lived in a capital city. By 2056 this proportion is expected to reach 67%.

Sydney is likely to continue as the most populous city in Australia, with something like 7.0 million people by mid-century, closely followed by Melbourne with 6.8. One alternative scenario has Melbourne's population overtaking Sydney by this time. Perth is projected to experience the highest percentage growth of Australia's capital cities, increasing in one projection from 1.6 million people at 30 June 2007 to 3.4 million in 2056. The second highest percentage growth (114%) is projected for Brisbane, increasing from 1.9 million people to 4.0 million people. Darwin is also projected to double in size over the same period.

POPULATION SIZE, Observed and projected

Capital city/balance of state	AT 30 JUNE 2006(a) Observed	AT 30 JUNE 2007(b) Observed	AT 30 JUNE 2026 Series A	Series B	Series C	AT 30 JUNE 2056 Series A	Series B	Series C
			NUMBER ('000)					
Sydney	4 282.0	4 334.0	5 487.2	5 426.3	5 358.2	7 649.0	6 976.8	6 565.2
Balance of New South Wales	2 534.1	2 554.0	3 189.9	2 968.8	2 780.2	4 140.1	3 233.4	2 646.1
Total New South Wales	6 816.1	6 888.0	8 677.0	8 395.1	8 138.5	11 789.1	10 210.2	9 211.3
Melbourne	3 743.0	3 805.8	5 272.3	5 038.1	4 861.7	7 970.7	6 789.2	6 100.9
Balance of Victoria	1 383.5	1 399.1	1 626.1	1 624.1	1 636.3	1 879.6	1 749.1	1 742.9
Total Victoria	5 126.5	5 204.8	6 898.3	6 662.2	6 498.0	9 850.3	8 538.3	7 843.8
Brisbane	1 819.8	1 857.0	2 908.0	2 681.1	2 465.6	4 955.1	3 979.3	3 237.0
Balance of Queensland	2 271.1	2 324.5	3 645.4	3 356.9	3 129.7	5 966.3	4 759.6	3 998.2
Total Queensland	4 090.9	4 181.4	6 553.3	6 038.0	5 595.2	10 921.3	8 738.9	7 235.2
Adelaide	1 145.8	1 158.0	1 410.8	1 384.5	1 391.8	1 848.5	1 651.8	1 623.7
Balance of South Australia	422.1	426.2	531.5	499.8	451.0	691.4	552.7	406.7
Total South Australia	1 567.9	1 584.2	1 942.3	1 884.4	1 842.9	2 539.9	2 204.5	2 030.4
Perth	1 518.7	1 554.1	2 455.2	2 267.6	2 112.1	4 164.4	3 358.4	2 815.5
Balance of Western Australia	540.6	552.0	796.8	732.9	660.5	1 207.6	935.0	702.3
Total Western Australia	2 059.4	2 106.1	3 252.0	3 000.5	2 772.7	5 372.0	4 293.4	3 517.7
Hobart	205.5	207.4	266.8	245.3	228.2	367.2	279.7	224.0
Balance of Tasmania	284.5	286.0	338.5	307.0	277.5	411.1	291.2	202.6
Total Tasmania	490.0	493.4	605.3	552.3	505.7	778.3	571.0	426.6
Darwin	114.4	117.4	189.3	165.2	142.4	334.9	243.0	169.2
Balance of Northern Territory	96.3	97.5	140.1	119.8	100.8	238.1	158.6	94.9
Total Northern Territory	210.6	214.9	329.4	285.0	243.3	573.0	401.6	264.2
Total Australian Capital Territory	334.1	339.8	462.5	416.5	373.0	683.2	509.3	374.2
Total capital cities(c)	13 163.3	13 373.4	18 452.0	17 624.7	16 933.0	27 973.0	23 787.5	21 109.6
Total balance of state	7 532.2	7 639.3	10 268.2	9 609.2	9 036.1	14 534.2	11 679.6	9 793.7
Australia(d)	20 697.9	21 015.0	28 723.0	27 236.7	25 971.9	42 510.4	35 470.0	30 906.1

(a) Final estimated resident population.
(b) Preliminary estimated resident population, base population.
(c) Includes the Australian Capital Territory.
(d) Includes Other Territories.

Issues and implications:

Australia's biggest dioceses will face massive challenges in dealing with growing population and establishing a ministry presence in new areas. How big is too big (Diocese of Sydney 8.0 million, Diocese of Melbourne approaching 7.0 million)? A number of country dioceses will have little population growth; how small is too small?
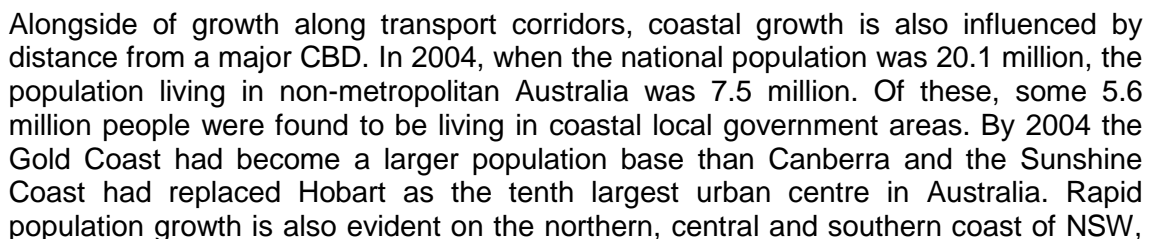
2. Major capitals will develop a more regionalised character.

Almost nine out ten Australians live in urban areas, while about 75 per cent live in cities with populations more than 100,000. Most Australian cities have relatively low population densities when compared to cities in other parts of the world.[iii] The

continued growth of Australia's largest cities is likely to result in significant urban infill and regionalisation. This will be as a result of pressure on infrastructure, especially transport. The Melbourne 2030 plan provides an example. It contemplates the development of seven "Central Activity Districts"[iv]. The Central Business District (CBD) or 'City', Box Hill, Broadmeadows, Dandenong, Footscray, Frankston, Ringwood.

Implications and issues include:

What are the implications for diocesan structures of a move towards greater regionalisation with major metropolitan cities? Should here be a division of some existing large dioceses?

3. Regional growth will be close to major capitals, in large regional towns and along the coast.

Many of Australia's local government areas that have experienced significant growth are located on or near the boundaries of capital cities, where land is often available for subdivision and housing development. For example, in Victoria the largest growth in the state occurred on the fringe of the Melbourne, in Wyndham, Casey and Melton. The growth of population surrounding major cities will also follow commuter routes. This is very apparent in the Melbourne 2030 plan:

Figure 32. Regional cities and townships

Alongside of growth along transport corridors, coastal growth is also influenced by distance from a major CBD. In 2004, when the national population was 20.1 million, the population living in non-metropolitan Australia was 7.5 million. Of these, some 5.6 million people were found to be living in coastal local government areas. By 2004 the Gold Coast had become a larger population base than Canberra and the Sunshine Coast had replaced Hobart as the tenth largest urban centre in Australia. Rapid population growth is also evident on the northern, central and southern coast of NSW,

the southern coast of Victoria and South Australia, the eastern coast of Tasmania and the coastline north and south of Perth, in Western Australia.

Many coastal local government areas were among the fastest-growing in Australia. Rapid population growth occurred in 2007-08 in the Western Australian local government areas of Mandurah (5.1%) and Busselton (4.6%). In South Australia, the fastest-growing of all local government areas was Victor Harbor (3.5%), located on the south coast.

What makes some areas desirable is complex. It relates to many 'push' and 'pull' factors such as employment opportunities and quality of life issues. A recent study identified five profiles of coastal communities that may help to understand some of the significant 'push' and 'pull' factors [v].

These five profiles include:

1. Coastal commuters - suburbanised peri-urban communities within easy daily commuting distance of a capital city (for example, Wollongong in New South Wales)

2. Coastal getaways - within three hours' drive of a capital city and easy weekend access to a holiday home (for example, Lorne in Victoria)

3. Coastal cities - regional urban centres (for example, Albany in Western Australia)

4. Coastal lifestyle destinations - tourism-dominated communities (for example, Byron Bay in New South Wales)

5. Coastal hamlets - small and remote coastal communities (for example, Agnes Waters in Queensland)

Some areas fulfil multiple functions as they either evolve through different waves of immigration and use. For example, the Central Coast of New South Wales was once a holiday getaway location; but improved transport links to Sydney mean the region could be classified as having a coastal commuter profile.

The movement to the coast is expected to continue for the next 10 to 15 years, driven in part by the retirement of the 'baby boomer' generation and by factors such as the rapid increase in house prices in capital cities and a desire by many people to seek a better lifestyle, away from the congestion of the cities [vi].

Implications and issues include:

- For smaller dioceses bordering the capital cities, finding the resources for ministry in peri-city growth areas will present financial and pastoral challenges, particularly for dioceses that are otherwise affected by rural decline.
- Ministering to commuter populations presents problems of their availability and sense of belonging. Weekday community and weekend community can be a hundred kilometres apart. There can be a sense in which people live their private and public lives in two separate places; people can be involvement averse in the town in which they live.
- Equally, there is a ministry challenge in connecting with the weekender communities in coastal towns. This group can be difficult to involve in the place of their main residence (they want to be free to escape) and in their weekender community (they go there to escape!).

5. Large regional towns and cities will continue to absorb growth from their region.

The other area in Australian population growth is in inland regional cities of more than 10,000 people. All inland cities have had population growth over the past ten years, although growth has been slower than in coastal cities. These larger inland cities tend to be "sponge centres", that is they absorb growth from their region, so that smaller communities decline and loose amenity. Regional cities also gain some "tree change" growth from larger cities. Examples are Bendigo in Victoria or Dubbo in NSW [vii].

There has been significant population decline in rural townships with a population less than 2,000 people. In some instances the net result for the larger region is very little growth. South Australia provides an example, where the growth of a number of regional cities and towns is projected to be offset by an overall population decline in the region [viii].

Population Projections, Median Series

Table 2: Projected Populations, South Australia (1996-2026, Median Series) and Statistical Divisions (1996-2016, Median B Series).

Year	South Australia	Adelaide	Outer Adelaide	Yorke & Lower North	Murray Lands	South East	Eyre	Northern
1996	1,474,253	1,079,112	104,385	44,058	67,456	62,707	33,011	83,524
2001	1,507,173	1,107,199	110,619	43,831	67,735	63,122	33,200	81,467
2006	1,540,795	1,137,307	116,750	43,376	67,827	63,383	33,212	78,940
2011	1,570,545	1,165,824	122,522	42,708	67,509	63,250	32,990	75,742
2016	1,595,795	1,191,830	128,053	41,943	66,745	62,666	32,606	71,952
2021	1,617,529	-	-	-	-	-	-	-
2026	1,633,427	-	-	-	-	-	-	-
Actual Change								
1996-2016	121,542	112,718	23,668	-2,115	-711	-41	-405	-11,572
Percent Change								
1996-2016	8.2%	10.4%	22.7%	-4.8%	-1.1%	-0.1%	-1.2%	-13.9%
Growth Rate¹								
1996-2016	0.4%	0.5%	1.0%	-0.3%	-0.1%	0.0%	-0.1%	-0.7%

¹ Average annual rate.

Source: ABS Catalogue No. 3201.0 (1996) and the Department for Transport, Urban Planning and the Arts, 2000.

Despite the projected slow population growth in South Australia, significant changes in the size, composition and distribution are projected for most Statistical Divisions. For example, increase in the proportion of older population is significant and will have implications for service provision, especially in the rural areas. However ageing is not unique to South Australia. It is also expected in most areas of Australia as well as in many Western developed countries.

Implications and issues include:

- Many once viable country parishes will no longer sustain the traditional parish model.

- The shift of population in country dioceses presents resourcing challenges for dioceses that are often economically pressed, as they look to establish parish ministry, schools and caring services in new areas.

6. The Australia age profile will be older, particularly in country regions.

The ageing of Australia's population is expected to continue. This is the result of sustained low levels of fertility combined with increasing life expectancy at birth. The median age of Australia's population (36.8 years at 30 June 2007) is projected to increase to between 41.9 years and 45.2 years in 2056. In 2009 in most dioceses the median age for Anglicans in Australia was in the middle to high 50's [ix].

In 2007, people aged 65 years and over made up 13% of Australia's population. This proportion is projected to almost double by 2056[x]. Generally speaking; regional Australia will have a more aged population profile than that of the major capitals. Projections for Victoria are illustrative of the national trend:

Percentage of Population Aged 60+ Years in Provincial Victoria and Melbourne (2006—2021)
Source: DSE

Year	Provincial Victoria	Melbourne
2006	21.3%	17.3%
2011	24.5%	19.2%
2016	27.7%	20.9%
2021	31.0%	22.8%

There will be regional exceptions, particularly where tourism and mining are large employers.

Implications and issues include:

- The age profile of Australian Anglicanism is likely to rise in the short term and then remain high as the wider population ages.

- Anglicism has developed pastoral and agency capacity in the care of this age group; it does present missional opportunities.

- The dominance of the over 50s in most congregations may present ministry challenges as the Church seeks to reach out to the under 40s. Parallel expressions/ministries may be necessary.

7. Immigration will continue to be an important contributor to population growth

The three major factors in population growth are fertility rates, life expectancy and net overseas migration (NOM) numbers. The Australian fertility rate reached a low of 1.73 babies per woman in 2001 and has increased since then, to 1.81 babies per woman in 2006. A medium scenario suggests a fertility rate of 1.8 babies per woman to around 2021[xi]. One projection is that there will be a gradual decline in natural increase to 69,600 in 2056 and further decline to zero by the end of the century. While net overseas migration levels have been falling in recent years, it is clear that a large part of Australia's population growth will continue to be through immigration[xii]. Australia will continue to be multi-cultural country, in which the ethnic and cultural mixes shift as immigration policy varies.

Implications and issues include:

- Cross cultural and multi-lingual ministry will continue to be important to the mission of the Church in many parts of Australia.

- A robust and evangelical Islam may be as much a part of Australia's future as the now dominant humanist secularism.

- Inter-faith dialogue and a Christian apologia in a multi-faith context will need to be further developed.

SOME REFLECTIONS

1. Place

The spirituality of place is an important theme in Scripture. The Old Testament is the story of a people and a land under God. The exaltation of the land and its fertility as an object of worship is critiqued (The Baals) and its over-exploitation and abuse is judged (the principal of Sabbath and Jubilee). There is a critique of the urban as a place where people are dehumanised (Babel and sometimes Jerusalem). There is a vision for the urban as a place of wholeness and community (Jerusalem and the "new" Jerusalem).

Place still matters for Australians. The dominance of our capital cities means that they assume a large part in the Australian sense of identity and place (the competitive edge between Melbourne and Sydney is but one example). The declining influence of some country areas means that the sense of place and identity is held onto almost defensively.

On the other hand, ease of commuting and communicating means that more Australians are increasingly making decisions about where they live based on lifestyle than employment. A result of this is that "place" can be more associated with the private world than the public. This has obvious implications for religious expression.

A related development is that for most Australians, physical "place" as a part of identity is supplemented by associational identity. The Australian workforce is very mobile, particularly in its younger years, so the identity links with geographical place can be lost or diminished, while associational networks are strengthened. This is assisted by "virtual proximity"; connection through the various and ever present forms of digital networking.

It would appear that the tension between "place" and "association" as the context of human community will characterise Australian life into the coming decades. The growth of the capital cities, the cost of transport infrastructure, pressure on fuel costs and CO_2 emissions may act as a limiter on the "commuter culture". As digital technology continues to develop and impact on the way people work, there is the possibility that more people will live and work in the same place.

Future planning by the broader community does not suggest an abandonment of the sense of region and place for a body such as the Church. It does mean, however, that dioceses will need to recognise the power of networks as the context of belonging and identity and use them more effectively.

From a theological point of view, important themes would seem to be:

- The connection of place to lifestyle, balance and human wellness (wholeness)

- The environment and stewardship of the land

2. Community

In Scripture, the word community (koinonia) is a fundamental descriptor of the being of the Church and a major part of its missional methodology. Often it is used to describe associational commonality: the believers are willing to share their goods "in common". They have a koinonia in proclaiming the Gospel, in sharing the bread of Communion and even in suffering [xiii].

At the same time, a major part of the mission of the early church was radically cross-associational. The Pentecost event results in koinonia around the apostles' teaching, the breaking of bread and the prayers, but it is also interpreted as bringing into fuller participation people previously excluded and divided from each other:

> *In the last days it will be, God declares,*
> *that I will pour out my Spirit on all flesh*
> *and your sons and your daughters shall prophesy,*
> *and your young men shall see visions,*
> *and your old men shall dream dreams.*
> *Even upon my slaves, both men and women* [xiv]

This theme of cross associational mission is developed as the Acts narrative proceeds. One of the earliest ministry structures established is in response to the exclusion of Greek speaking widows. Then the despised Samaritans receive the Gospel, an Ethiopian who is probably a Gentile and even if he is a proselyte probably barred as a Eunuch from the Temple of God; then comes Peter's vision of clean and unclean creatures and his proclamation to Gentiles, then Paul's journey from Jerusalem to Roman, the centre of the Gentile world.

The radical inclusivity of the Gospel is not without boundary or restraint, as the stories of Ananias and Sapphira and Simon Magus function in the narrative to demonstrate (xv). Nevertheless, the Acts narrative works a balance between the unity of believers who are 'one heart and soul' and a radical missional edge that pushes the believers beyond the associational to embrace those who were previously 'other' [xvi].

A particular challenge for the modern diocese is to hold the associational in engagement with wider expression. For Anglicans the 'common' of liturgical prayer, hymnody and cultural heritage has inevitably given away to post-colonial and multi-cultural diversity. The commonality of institutional belonging so powerful through to the 1950's no longer compels the under 50's in Australia to put their names on a roster! We are left with relationality and cross-associational vision and task. This presents a challenge for dioceses often heavily invested in trying to maintain community through institutional expression.

3. Structure and size

If relationship is important to *koinonia* then this must be a major factor in considering the shape and size of dioceses. To the extent that episcopal leaders should be figures of relationship within the community of believers, then this raises the question as to the numerical size and physical area in which relational oversight can occur. This is a

question to be considered in light of the growth projections of metropolitan dioceses and in a different way it must be taken into consideration in proposals to merge often physically huge country dioceses. If large city dioceses are to be maintained without division, then structures will need to be developed to recognize communities of region and association and to provide relational episcopal ministry to them.

4. Missional effectiveness

Broad patterns of attendance within the Anglican Church in Australia, its age profile, as well as population and immigration projections for the wider community combine to suggest that new expressions of mission are critical to Anglicanism having a vital future in Australia. Effective and creative mission is much more resource intensive that maintenance of a diminishing status quo.

Smaller dioceses may be able to continue within existing ministry models, but may not necessarily have the resources to invest creatively in mission. One response is a restructure of ministry models within existing dioceses. The 'Ministering Communities' movement is perhaps the most significant example within the Australian Church. This movement has the potential to release resources for mission both at parish and diocesan level, but at the same time it does require a greater investment in ministry training and the development of supervision skills.

A slightly broader response is for dioceses to work together in areas where resources can be effectively shared. Professional Standards is one area where a number of dioceses have found overall benefit and some financial savings in recent times. The 'tri diocesan' cooperation of Canberra-Goulburn, Riverina and Bathurst is an example of a cluster of dioceses working together in several areas.

Some dioceses may need to merge, particularly in areas where population shifts and growth have meant that the major focus city for a diocese is now outside the diocese. Even where this is not the case, the merging of dioceses might be contemplated in order to produce missional capacity. For instance, there may be a case to suggest that three country dioceses in Victoria may release more missional capacity than present arrangements. A reduction of numbers in New South Wales and South Australia could be contemplated for similar reasons.

In considering such possibilities, however, consideration would need to be given to the challenge of sustaining relational community and providing relational oversight over areas as large as many countries.

While financial and people resources will be less of an issue in the larger metropolitan dioceses, size can also be mission limiting. Whether in the Church or beyond, growth can become self-limiting unless structures are responsively adapted. In a different way the challenge once more is to sustain relational community and providing relation oversight over areas as large as many countries. The continued development of effective regional structures would seem to be one response to this challenge.

There is also a resource challenge; not because large dioceses are necessarily under-resourced, but because the resources are most often not where the growth is. The challenge of shifting resources from stable or declining areas to areas of new growth is often difficult within the decision making structures of most dioceses.

Conclusion

Bob Jackson suggests that contemporary is making the diocese more important than it was in the recent past.

"Anglican ecclesiology has always acknowledged the importance of units of aggregation greater than that of an isolated, individual congregation. In part this is connected with the role of a bishop, in part with the importance of belonging to the historic apostolic Church, and in part with the mutuality in giving and receiving so commended by Paul among the New Testament churches. Anglicans are not natural Congregationalists, and will not willingly abandon their mission to the whole nation, maintained as it is by the mechanism of the strong parishes in a diocese supporting the weak through the parish share. But if our theology has always indicated the importance of the diocese, it is now strengthened by practical argument. The greater significance of the diocesan unit, for good or ill, in the growth or decline of the Church comes from the increased need for the Church to keep up with today's fast changing world by changing itself. In many areas of church life, the unit and instigator of change can only be the diocese." [xvii].

Jackson's insistence on the critical place of the diocese in re-aligning the Church of mission in the contemporary world is both comfort and challenge. That the diocesan unit can act as a major instrument of change in the church may be a source of some assurance. However, his argument that in many areas of church life the diocese is likely to be the only "instigator" of change would suggest that any restructuring of dioceses must focus on this outcome; to enable real capacity to instigate and nurture missional over the coming years.

Jeffrey Driver, Archbishop of Adelaide.

i.   *Communities: A Sustainable Population Strategy for Australia,* 2011, pp. 24-25.
ii.   Australian Bureau of Statistic figures, *Population Projections, Australia 2006 to 2101.* These figures are available online at http://www.abs.gov.au/Ausstats/abs@.nsf/mf/3222.0
iii.   *Sustainable Australia –Sustainable Communities*, p 32
iv.   www.melbourne2030.vic.gov.au
v.   Gurran, N, Squires, C, Blakely, E 2005, "Meeting the Sea Change Challenge: Sea Change Communities in Coastal Australia", Report for the National Sea Change Task Force, Planning Research Centre, University of Sydney.
vi.   National Seachange Taskforce, *The Challenge of Coastal Growth http://www.seachangetaskforce.org.au/Home.html* http://www.seachangetaskforce.org.au/Publications/The%20Challenge.pdf
vii.   *Sustainable Australia –Sustainable Communities*, p. 20
viii. Planning SA Fact Sheet, *Population Projections for South Australia (1996 to 2026) and Statistical Divisions (1996 to 2016,* Adelaide, 2000
ix.   NCLS figures
x.   Australian Bureau of Statistic figures, *Population Projections, Australia 2006 to 2101.*
xi.   ABS paper, *Population Projections Australia 2005-2021,* 2008
xii.   *Sustainable Australia –Sustainable Communities*, p. 14
xiii. Phil 1:5, 3.10; ICor. 10:16-17.
xiv.   Acts 2:17-18
xv.   Acts Chapters 8.28. Acts 5: 1-11;8: 20-24.
xvi.   Acts 4.32. The ideal of citizens being 'one soul' (*mia psyche*) was not uncommon in the Greek world, going back to Plato. It is a highly associational idea.
xvii. Jackson, Bob, *Hope for the Church* (London: Church), pp 168, 169.

Appendix 6: The General Synod Office - Resources for the Way Forward

The General Synod Office

The environment in which the Church finds itself in the second decade of twenty-first century is vastly different from the conditions existing when the Constitution came into effect in 1962.

The range of activities of the General Synod Office has expanded considerably over time and it continues to grow. This is not so much by design but in response to circumstances and events both within and outside the Church. The complexity and volume of traditional activities of the General Synod Office has also increased over time. Rightly, there is an expectation that the General Secretary will be on top of all the issues. I have not found it possible to be across the detail of every major matter coming before the General Synod or the Standing Committee. This is partly because I have had no prior experience in the relevant field and partly because there has not been the time to master the detail.

Issues arise which require a national response because either the community, the commercial world or government expect it or because, even though only one part of the Church is directly involved, they affect the whole Church. The General Synod Office becomes involved in these issues.

The activities which will require most attention in the foreseeable future are:

(a)   The traditional business of the General Synod and its various bodies.

(b)   Strategic matters. The Viability and Structures Task Force, the Diocesan Financial Advisory Group, and the National Church Unity Task Force have been asked to address matters of central importance to the Church or matters which are fundamental to the institutional nature of the Church. Work of these groups addresses important questions of:

- Mission

- Ministry

- Relationships within the Church

- Structures

- Governance

- Risk management

- Compliance

- Funding

- Financial management.

(c)   Professional Standards. The hearing of Case Study 3 by the Royal Commission into Institutional Responses to Child Sexual Abuse raised questions regarding consistency in policy, procedure, implementation and compliance in relation to professional standards within the Church. The Royal Commission has commented that the reality of the constitutional and structural arrangements of a Church which calls itself the Anglican Church of Australia differs markedly from the community's perception of the Church as a unitary body and that the inconsistency in policies and procedures in the Church does not meet community expectations. The Royal Commission

has signalled that it wishes to have further conversations about these matters with the Church. Clearly, there is a need to address these issues regardless of whether the Royal Commission pursues them.

(d)   Response to the Royal Commission into Institutional Responses to Child Sexual Abuse. The Royal Commission will doubtless continue until at least the Seventeenth Session of the General Synod. The General Synod Office does not have the resources to support the activities of the Royal Commission Working Group at the level that is required.

(e)   Diversification of revenue sources. Development of business relationships which yield funding to supplement assessment income is recommended by the Financial Principles and Policies Task Force.

To address some of these issues, there are proposals from various quarters to:

- establish structures and processes to address the decline in the Church's ministry around the country;

- provide training for decision makers in governance and financial management;

- establish means by which dioceses can enhance the efficiency of administration and reduce its cost;

- establish services to assist dioceses to improve the quality of financial management;

- establish criteria and processes for auditing professional standards compliance;

- engage a risk management compliance professional;

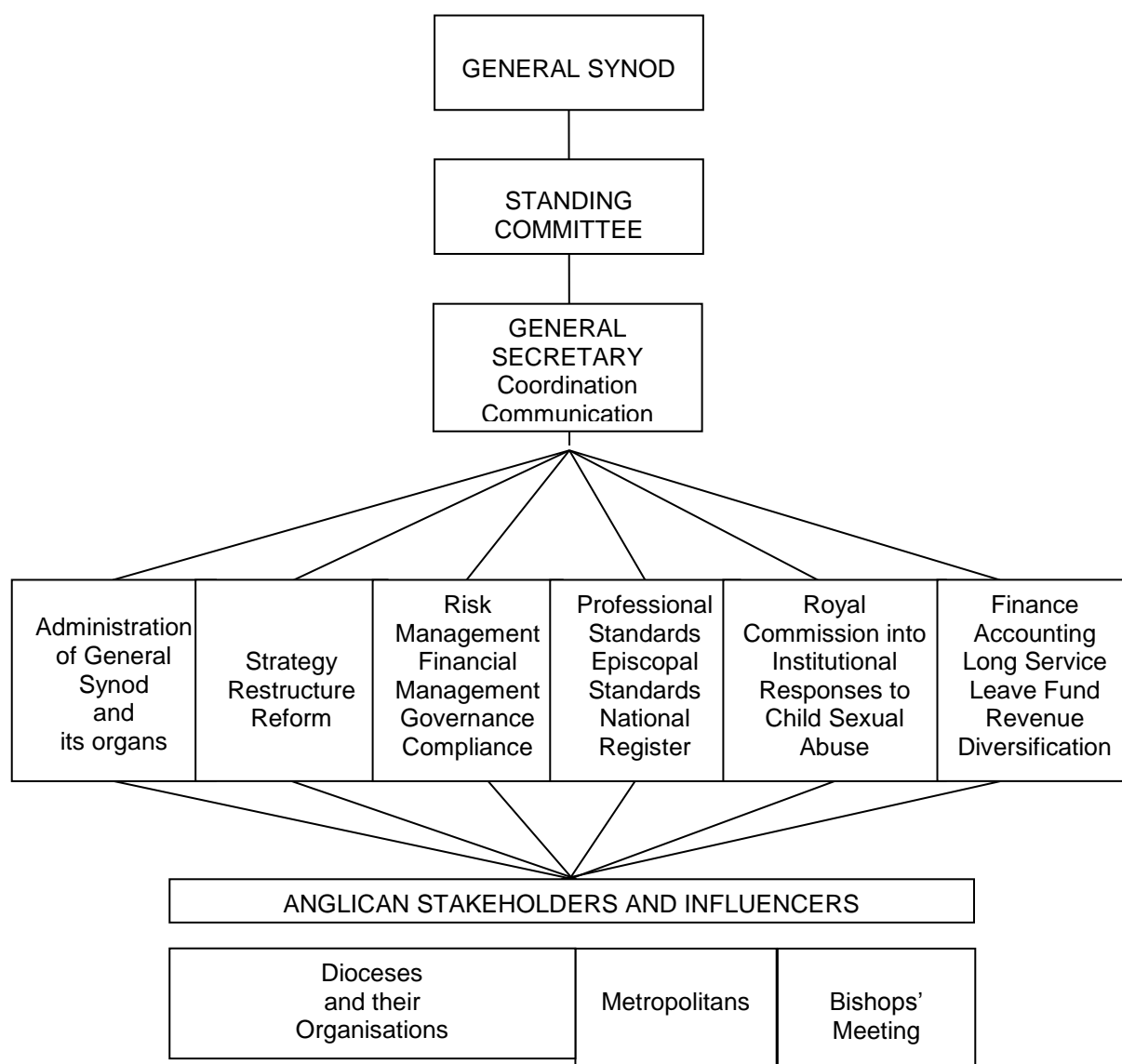- provide additional support for the Royal Commission Working Group.

If these proposals are embraced by the Church, implementing them will require:

(i)   high-level strategic and managerial skills,

(ii)   capacity to engage at a senior level within the Church, with Government and with bodies such as the Royal Commission,

(iii)   identifying and harnessing the expert advice needed,

(iv)   effective communication between stakeholders, and

(v)   coordination of the various threads.

These kinds of proposals cannot be addressed adequately with the limited interactions which triennial sessions of the General Synod and twice-yearly meetings of the Standing Committee can provide. The urgency and complexity of our situation requires planned, focused, regular and coordinated interactions which yield consensus about concrete proposals for implementation. The General Synod Office does not presently have the capacity to support those kinds of activities at the necessary breadth and depth.

Consideration should therefore be given to developing an environment in which people with the necessary skill, quality, energy and commitment can pave the way forward with the necessary permission, goodwill and resources of the Church at large.

If the Church decides to address these challenges, what is required is something like this:

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                    ┌──────────────────┐
                    │  GENERAL SYNOD   │
                    └──────────────────┘
                            │
                    ┌──────────────────┐
                    │     STANDING     │
                    │    COMMITTEE     │
                    └──────────────────┘
                            │
                    ┌──────────────────┐
                    │     GENERAL      │
                    │    SECRETARY     │
                    │   Coordination   │
                    │  Communication   │
                    └──────────────────┘
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| Administration of General Synod and its organs | Strategy Restructure Reform | Risk Management Financial Management Governance Compliance | Professional Standards Episcopal Standards National Register | Royal Commission into Institutional Responses to Child Sexual Abuse | Finance Accounting Long Service Leave Fund Revenue Diversification |

ANGLICAN STAKEHOLDERS AND INFLUENCERS

| Dioceses and their Organisations | Metropolitans | Bishops' Meeting |

At the fourth level from the top, the diagram identifies different activities requiring high-level or specialist skills. Some of those skills may be provided by employees. Some may be provided by consultants. Some may be provided by bodies such as Commissions, or Task Forces or Working Groups which already exist or may have to be formed. Some may be provided by volunteers. Regardless of how the specialist skills are provided, the relevant people must be properly resourced and their work coordinated. The third, fourth and fifth levels of the diagram are not intended to be a hierarchical representation but, rather, to illustrate the interaction between stakeholders concerning the important areas of activity. Logically, it is the General Secretary's task to drive the processes and ensure that all the activities are coordinated to best effect. Experience shows that considerable effort needs to be expended on securing "buy in" from stakeholders. The role must not be hampered by the minutiae of day-to-day administration of these activities and the General Synod Office. The current structure and resources of the General Synod Office do not permit that.

Martin Drevikovsky
April 2014

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Anglican Church of Australia

Diocesan Financial Advisory Group

REPORT TO GENERAL SYNOD STANDING COMMITTEE

22 APRIL 2014

(Edited Version)

This report, as usual, provides commentary on the most significant areas of work undertaken by the Diocesan Financial Advisory Group (DFAG) over the past six months, under the following headings:

1. Developing and accessing expertise

2. Church viability

3. Shared Service Centres

4. Direct support to Dioceses

5. Regulators / Anglican Diocesan Deposit Funds

While DFAG has continued to attend to known existing and looming financial issues at various individual Dioceses, its attention has been increasingly directed towards structural (whole-of-Church) challenges.

As you will read, we believe urgent and significant action is required immediately to arrest the decline of the Anglican Church of Australia, to avoid the potential near-term collapse of a number of Dioceses, and to develop the platform for a sustainably healthy Church equipped to fulfil its mission.

1. DEVELOPING AND ACCESSING EXPERTISE

In our previous report in November 2013, we raised a number of overarching concerns about the financial health of the Church. Some of these observations are mentioned in the next section below. In response, the Standing Committee requested DFAG, in conjunction with Bishop Andrew Curnow, the Treasurer (Allan Perryman) and the General Secretary (Martin Drevikovsky), to form a Working Group to develop a proposal which might have relatively immediate impact in addressing the concerns mentioned by DFAG.

Subsequently a Working Group – comprising the Chair of DFAG (Michael Codling) and the three gentlemen above – was formed and has held conference calls and corresponded over the past few months. Partly through this process, DFAG has become directly involved in supporting the Viability and Structures Task Force (the V&S Task Force) chaired by +Andrew, considering some of the broader issues facing the Church, including the concerns raised by DFAG.

Some of the DFAG concerns had related to governance[1] and business acumen, financial and risk management, and Diocesan involvement in non-core activities such as schools and aged care facilities. The Standing Committee consequently urged the Working Group to specifically focus on: (a) the training of decision-makers in the Dioceses; and (b) accessing external expertise in financial management and governance.

With respect to part (a), we note that some training initiatives are already being introduced, such as the training offered to newly ordained Bishops and Bishops new to Australia at the Australian Annual Bishops' Meeting. Of course, it needs to be recognised that the Church 'leadership' is not just about Bishops, and involves clergy, staff and laity chosen and elected to positions of authority and/or decision-making throughout the Church.

It also needs to be recognised that training can take extended periods of time to bear its fruit and, more importantly, that training by itself can only ever be a small part of the solution.   Most businesses with mature people development programmes apply the recognised '70:20:10' philosophy.   That is, their high-performing leadership is developed through:

- 70% informal, on-the-job, experience and coaching

- 20% formal mentoring and support

- 10% training and reading.

Given the Church's unique variety of leadership requirements, and the current critical lack of some of these, DFAG (and the Working Group) believe the Church would significantly benefit from a holistic and well designed leadership development program.   The program would presumably recognise those aspects where the Church leadership is currently highly proficient – such as their '70% on-the-job experience' in leading worship, preaching the gospel, caring for people, etc -- versus those where development might be useful – such as building a shared vision, business acumen, etc.

Specialist assistance will likely be needed to design the program. We can conceive this starting with a 'development needs analysis', which should also help define the role of training.

DFAG recommends that the Standing Committee should acknowledge our views that the design of a holistic leadership development program is what is required. The timing of the program design will depend on the consideration of the proposed actions in Section 2 below. We note that any such initiatives should dovetail with the existing and proposed training initiatives, like those at the Bishops' conference.

We also believe that, while the leadership development program is (hopefully) being designed and embedded, other steps can be usefully undertaken in the near-term. For example, the following two steps address both parts (a) and (b) of the Standing Committee's specific request.

In relation to the need to improve business acumen and financial competence across Church leadership, we believe there is much merit in Archbishops and Bishops having a personal financial advisor. Such a role could be informal or

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[1] DFAG notes that the ACNC (Charities Commission) have since produced <u>governance standards</u> intended to become mandatory for all registered charities in Australia.

formal in nature, and would be akin to the honorary Chancellor role in relation to the legal affairs of the Diocese. The benefits would be: in the short-term, support and guidance on complex and challenging finance/business issues and decisions; and in the medium to longer-term, the transfer of skills and experience (ie, the 70%) from the advisor to the Bishop and potentially his teams. DFAG would be very willing to help identify suitable candidates for 'financial chancellor' roles.

DFAG recommends that the Standing Committee should encourage Archbishops and Bishops to seek a 'financial chancellor'.

We also strongly recommend the General Synod employ a Finance and Risk Officer, in a senior but part-time role, reporting to the General Secretary and ultimately to the Primate and Standing Committee. This person would, amongst other things, be available to support/advise/coach any Bishop (or his senior executives) on key finance or risk matters, and hence form part of the '70% on-the-job coaching'.

As well as helping individual Dioceses deal with key finance and risk matters, we would expect the Finance and Risk Officer to regularly monitor/benchmark the financial health of Dioceses and related entities, oversight the development of Diocesan risk management plans, and provide support to the development of the Church's long-term strategy (refer also Section 2 below). We have attached as Appendix 1 a proposed job description.

While a 'financial chancellor' would provide impartial, personal advice to the Bishop, we would expect the Finance and Risk Officer to be available to provide expert assistance to the whole Diocese as well as providing guidance to the Primate / Standing Committee.

DFAG recommends that the Standing Committee endorse the General Synod employing a part-time Finance and Risk Officer.

In addition to this, DFAG has commenced a project to identify individuals across Australia – typically retired senior business people, finance executives or professionals – who would be prepared to act in a governance position and/or support DFAG in its role of advising Dioceses.

2. CHURCH VIABILITY

For a number of years, the Standing Committee has requested dioceses to provide their financial statements to DFAG so that it can facilitate improvement of financial reporting. In recent years, this process has brought to light difficulties with financial management and governance. DFAG has been able to assist dioceses by connecting them with expert advisors. DFAG is in a unique position to gauge the financial health of the Church across the board.

The attention of DFAG in recent times has been largely directed towards strengthening and improving the 'back offices' of Dioceses, so that they can better support and remove distractions from the 'front offices'; thereby enabling 'front offices' to focus on their priority of sharing the gospel and nurturing the faithful.

Our previous report to the Standing Committee started with some overarching observations, including the introductory paragraph:

> *"Right now, the financial health of the Anglican Church in Australia, outside of the large metropolitan Dioceses, appears to be in a parlous state. What's more, in light of relevant trends (eg population shifts, changing demographics, declining church memberships, etc) it is hard to see how many Dioceses will remain sustainable into the near future."*

and finished with the concluding comments:

> *"Strong leadership from within the church is needed to address the financial and governance (and other) challenges we face. We believe there is a 'burning platform' which requires urgent attention now. We therefore strongly encourage Standing Committee to establish a serious program of work to stare into the structural and other concerns and to consider alternative remedies. DFAG, as ever, would be willing to support such a project."*

Since then, as noted above, DFAG has become directly involved in supporting the V&S Task Force considering these and some of the broader challenges facing the Church. These include a range of 'front office' and strategic challenges, on which we make some observations in this section.

The V&S Report provides some excellent analysis of the current predicament. And it opens with the introductory statement that *"The Anglican Church of Australia is at a crossroads. For over thirty years it has been slowly declining and the time has come for a revolution if it is to be a strong and sustainable church for the future"*.

DFAG shares the view that a revolution is required. We believe that if the Church continues to 'muddle along' and/or remain averse to radical change then it is courting disaster, and certainly not positioning itself ideally to fulfil the Great Commission.

Without radical change starting now, at a minimum the Church will continue to shrink and become more marginalised. Realistically though, we can predict a number of Dioceses dissolving within 5-10 years which, for all Dioceses, would cause distraction and have tremendous reputational and other negative consequences.

We are acutely aware that designing, deploying and executing a revolution will be very very complex and highly challenging in the 'new world' we're entering into.

We stress that the level of difficulty and effort/perseverance required cannot be underestimated. And half-hearted attempts could be disastrous.

We suspect the required strategy will need to be highly agile/adaptable in such a fast changing (and increasingly so) environment, and bets will need to be placed (recognising that there will be failures, and hopefully fast learning). The strategy will need to be multi-faceted to deal with the increasingly wide range of challenges and diversity of expectations and needs. And if it is to be successful, it will need to be well controlled and the risks managed carefully.

We are also very conscious that currently the Church has limited central leadership and authority. The draft V&S Report notes *"... the Anglican Church of Australia is not one organic organisation, but twenty three. For many years it has been our greatest strength, but in the times ahead it could be our greatest vulnerability."*

DFAG strongly agrees with the final sentiment expressed, and believe this could be a major impediment to long-term viability.

Even if it take years to 'fix', this has to be part of the longer-term structural change; and should probably start with a much more thorough analysis of the reasons and the benefits. In the short-term though, we realise the Church will need to continue to 'manage around' this issue.

At a macro-level, it seems to us that the two biggest obstacles to the radical change we need are funding and politics.

The first of those is not an easy obstacle to overcome, but we can imagine a stream of activity being devoted to ensuring that the change program is adequately funded.

Church politics could be a tougher challenge. Our experience in the past few years has been that diocesanism can be a huge impediment to what appears obvious and/or logical approaches. It seems that (as is often the case with humans) the emotional outweighs the rational in decision-making.

Having said that, we have been encouraged in recent times. For example, in our discussions about Shared Service Centres, two metropolitan Dioceses were prepared to fund part of the proposed blueprint despite not expecting to derive any direct benefits. This is because they understood the importance of avoiding the reputational and other negative consequences of a weaker Diocese dissolving. Their proposed contribution to the blueprint would have been, in effect, an insurance premium with indirect benefits to them.

We are quite certain that, in relation to the revolution suggested by the V&S Task Force, if we don't do it together then we will fall apart together.

Hence, as a prerequisite to designing a strategy for the revolution, DFAG believes the Church needs to agree, firstly, whether it is truly a church for the whole nation or not.

Assuming the answer is yes, it needs to have a commonly agreed (or at least consistent) vision and set of goals. Everything else should follow from, and be aligned to, the vision and goals.

But the hardest thing to do is to get started. This involves acknowledging the gravity of the problem and that there is in fact a 'burning platform'. Businesses and governments struggle all the time to recognise their need for a revolution (or what they would respectively call a transformation or reform).

The 'boiling frog' syndrome needs to be avoided*. [That is: if a frog is dropped into a pot of hot water it will try and leap out; but if you put the frog into a pot of cold water and slowly heat up the water, the frog will not notice and eventually die]* The Anglican Church in Australia feels dangerously like the second frog.

Very strong leadership and collaboration are required to acknowledge the facts and take the action required. And it can be exceedingly hard to change direction, culture and entrenched views solely from within an organisation. Often you need external forces or people to help.

Drawing a potentially controversial analogy, it is arguable that our Federal Government is also in a 'boiling frog' situation right now, with the country become

slowly less prosperous and less competitive. Many question whether our current political leaders are capable of effecting the required reform in the short-term. While you may not admire everything about him, Paul Keating demonstrated genuinely strong leadership with his "banana republic" comments which shocked the markets but which focussed everyone's attention on what Treasury then believed was a looming crisis and on the necessary reform they subsequently executed.

We certainly acknowledge that the situation the Church finds itself in is wickedly difficult and complex. If there were any obvious and easy solutions they would have been implemented by now.

Chapter 5 of the V&S Report contains two sets of recommendations in Section A and Section B. We believe the recommendations from the Task Force in Section A fall short of what is required to effect the revolution that the Report calls for. While they bite off some sensible actions which might shore up things as they stand, they are likely to perpetuate largely the current situation and will not fundamentally address the future viability of the Church.

We believe what is needed right now is the development of a comprehensive, holistic and forward-looking strategy which goes to the heart of the challenges and creates a platform for sustainable mission. This in incorporated in our recommended immediate actions, which are set out below and in Section B of Chapter 5 of the V&S Report.

We stress, importantly, our belief that the strategy and consequent work streams can be whole-of-Church, while at the same time leaving intact the identity of individual Dioceses, and without interfering with some theological differences we know currently exist between Dioceses.

Accordingly DFAG believes the first steps that should be taken, very soon, through whatever mechanisms are the most appropriate, are:

1. Agree that significant change is required.

2. Agree that the Anglican Church in Australia is one church for the whole nation.

3. Agree a common (or at least consistent) vision and set of goals across the Church.

4. Agree an initial approach to the development of a comprehensive, holistic and forward-looking strategy. This will include agreeing on:

    - leadership and resources for the task
    - external help (ie external to the current leadership, but potentially from within laity)
    - ways of collaboration to ensure Dioceses tackle the issues together or consistently.

We imagine the strategy design will leverage the work of the V&S Task Force, but will need to undertake some further analysis of root causes of existing concerns and the future forces of change. Ultimately it will seek to address at least those issues raised in the V&S Report, such as those around governance,

leadership, Diocesan boundaries, shared services for 'back offices', a range of future 'front office' models for sharing the gospel and nurturing the faithful, etc.

DFAG recommends that the Standing Committee should, in the first instance, appoint a Steering Group to co-ordinate a response to the suggested first steps noted above.

3. SHARED SERVICE CENTRES

In our previous report, we sought your endorsement of DFAG's plans to create a blueprint for Shared Service Centres, which included a request to fund part of the cost of the blueprint.

Having considered our request, the Standing Committee came to the view that our recommendations were unlikely to be implemented in sufficient time to avoid financial failure in Dioceses where the problems were acute, and Standing Committee was also concerned about the estimated cost to arrive at a point before implementation could commence.

While recognising the legitimate short-term concerns of the Standing Committee, the DFAG and the V&S Task Force believe and recommend that in due course, the role of Shared Service Centres must be further explored as part of the review of the optimum structure for the Church in the future.

The views of DFAG regarding Shared Service Centres are set out in Appendix 2 to this report.

4. REGULATORS / ADDFs

As mentioned in our previous report, over the past twelve months or so DFAG has helped Dioceses and their ADDFs respond to new, and potentially damaging, regulatory proposals from both the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC).

The dealings with APRA have culminated with new rules to be effective from 1 July 2014 which are largely positive (compared to the possible downside outcomes), which in summary mean:
- ADDFs can accept funds from retail investors, but not on an at-call basis
- ADDFs can continue to offer BPAY facilities, with some limitations in relation to products offered to retail investors.

ASIC have recently advised that, while they have been working actively on their Consultation Paper and the responses received, and have continued discussions with government agencies over the past few months, they are not yet in a position to make a public announcement in relation to proposals to update their policy in relation to charitable investment fundraisers. They have confirmed that no reforms will be effective from 28 June 2014 onwards as previously intended, and that when they do eventually announce a new policy, a reasonable period for transition to any changed regulatory requirements will be included in the policy.

In response to the new APRA rules, representatives from all the ADDFs across Australia recently met in Adelaide to consider consolidating their retail deposit taking activities, and as one option, potentially combining into an APRA-authorised

bank or credit union.

It was ascertained that the major funds held combined assets of $775m, and total deposits of $712m of which $94m were retail deposits with $19m of these being at risk should APRA introduce proposed changes for retail depositors.

The participants agreed to keep in touch regarding APRA/ASIC developments and to reconvene if necessary. They will also maintain dialogue in relation to forming some sort of partnership or alliance which, if it happened, would involve setting up a well capitalised and well structured regulated entity to handle deposits. The individual Dioceses would retain their treasury operations.

It was also agreed that various information should be more readily shared, in particular in regards to what interest rates are being offered by the major financial institutions. A formal network is being established to facilitate this.

Appendix 1

Finance and Risk Officer

Senior role, reporting to the General Secretary and ultimately to the Primate and General Synod Standing Committee - 2.5 days per week; salary up to $100k p.a.

Key responsibilities

Available to support/advise/coach any Bishop (or his senior executives) on key finance or risk matters

Monitoring/benchmarking of financial health of Dioceses and related entities

Co-ordinating and assisting in development of Diocesan risk management plans

Support/input into the development of the Church's long-term strategy

Attend meetings of the Diocesan Financial Advisory Group and other groups as required

Initial priorities

Brief visits/calls (as appropriate) to each Diocese to introduce the role and gain initial perspectives

Establish benchmarks for monitoring financial health and processes for regular Diocesan reporting for benchmarking

Respond to any requests for assistance

Other resources/considerations

Will need administrative support

Likely to also need:
- junior finance support in monitoring regular returns from 23 Dioceses
- external consulting assistance from time to time

Views on Shared Service Centres

The fundamental drivers for introducing a Shared Service Centre(s) are two-fold: (a) to free-up and remove distractions from the 'front office' within Dioceses so that they can focus on their priority of spreading the gospel and nurturing the faithful; and (b) to improve the generally sub-standard timeliness and quality of the Diocesan 'back office' functions which support the 'front office', particularly around financial reporting, regulatory compliance and risk management.

Note that when we refer to the 'back offices' of Dioceses, they include the 'back offices' of related entities such as deposit/development funds, corporate trustees and potentially schools and Anglicare etc.

Businesses in Australia have progressively introduced shared services since the beginning of the 1980s. The logic was that certain back office activities which were then distributed across various business locations - such as accounting and HR/payroll - could be consolidated and improved in one or more centres, resulting in lower unit costs and better service levels. The front offices - primarily sales and customer service, but could include production facilities - remained distributed across the business locations (eg branches, outlets, factories, etc).

Over time, the types of consolidated/shared activities have expanded to include things like procurement and IT management. In more recent times, corporates in Australia have implemented offshoring and/or outsourcing of certain back office activities. This is not being promoted by us at the current time; although it is easy to see that some things (eg payroll) might be outsourced to specialist service providers in due course.

To be clear, Shared Service Centres involve the standardisation and physical consolidation of 'scattered' common activities, much like 'centralisation'. But unlike 'centralisation', an independent not-for-profit entity would be created, with participating Dioceses setting its governance and direction, including the quality and quantity of services required. The idea would be for the Shared Service Centre to provide more value added services to the Dioceses without interfering with the identity and culture of each Diocese.

This would be achieved, largely, by identifying and then combining current best-in-class practices (whether within the Church or outside the Church) and better performing staff into one place with modern facilities and technology, and building genuine expertise. The big prize for many Dioceses would be the ability to access/leverage leading practices, scarce skills and infrastructure from across the broader Anglican Church.

There already exist some examples of small scale shared services operating successfully across the Church. These include the Anglican National Insurance Office and National Long Service Fund. In addition some Dioceses like Brisbane and Canberra have already introduced Shared Service Centres within their own Dioceses, together with their Anglicare and school operations, and achieved significant benefits. However they have not necessarily been able to identify best-in-class practices and thus all the benefits potentially available.

Our thinking was shaped through our survey of all Dioceses in December 2012, followed by hosting expert-facilitated workshops in Sydney in March 2013 and in Melbourne in June 2013 which were attended by representatives from 15 Dioceses.

Some of the relevant challenges/concerns nominated by the Dioceses in relation to their current 'back office' activities included:

- increased complexity of financial reporting, including public expectations around transparency;'

- inability to keep pace with emerging regulatory requirements eg APRA, ASIC, ACNC;

- lack of appropriately skilled/experienced resources, and difficulties in managing peak workloads;

- limited input into 'front office' strategy and key decision-making;

- ineffective and inefficient IT delivery capabilities and disparate legacy systems;

- concerns about sub-standard controls and risk management;

- inadequate governance and oversight.

Our vision is for a Shared Service Centre(s) that strengthens the Anglican Church but protects individual Diocesan identity. The key is to build an opt-in model which is governed by the Dioceses, with clear accountabilities and performance expectations, and with appropriate safeguards.

As well as providing better quality versions of existing activities, the Shared Service Centre(s) would be ideally placed to provide additional services such as:

- regular benchmarking across Dioceses, and comparisons of performance against KPIs

- forecasting and trend analyses

- development/sharing of practices eg controls and risk management plans

- insights on the implications of emerging regulation or stakeholder expectations.

Our original intention had been to encourage as many Dioceses as possible to be involved nationally. This is not only because it would create the necessary critical mass and potential cost savings, but also because it would increase the participants from which best practice could be identified. Some expressed the view that it would be more practical and expedient to seek to create more local or regional Shared Service Centres. We held the view that, while less ambitious intra-Diocese or intra-Province shared services might provide immediate benefits to those involved, they would be comparatively sub-optimal; and if a national solution were indeed the end-game, the effort and cost of subsequently disbanding them would incur an unnecessary human and financial burden.

Through the workshops and with the help of pro-bono consulting expertise, we had developed:

- an overall approach to designing the Shared Service Centre(s);

- an illustrative operating model;

- selection criteria for determining which 'back office' activities should be migrated to a Shared Service Centre(s);

- for 20 or so activities, a preliminary analysis of potential benefits and complexity of migration;

- a list of the potential concerns and barriers to success to be overcome/managed;

- the outline of, and costings for, a more detailed feasibility study.

As we suggested in our previous report to the Standing Committee, we thought a more detailed feasibility study was required to not only prove up the business case but also to produce a blueprint to implement a shared service model . It was also our view that an external consultant would need to be engaged to prepare the feasibility study:

- partly in order to bring the requisite skills and experience, which do not exist within the Church or DFAG;

- to ensure that the study commences with an independent and impartial review of current practice at participating Dioceses to identify existing best practice, which cannot be done objectively from within the Church, and where necessary introduce thinking on other good practices from outside the Church.

DFAG still hold these views and they will now be put to the Standing Committee through the V&S Task Force report, to be considered as part of the broader program of activities required to stabilise and then improve the viability and future of the Australian church.

REPORT OF NATIONAL CHURCH UNITY TASK FORCE

TO GENERAL SYNOD STANDING COMMITTEE

(Edited Version)

The Task Force met in Sydney on 3 March.

Present were Justice Peter Young (Chair) Bishop Kay Goldsworthy, Archdeacon John Davis, Canon Colleen O'Reilly, Canon Bruce Ballantine Jones, Rev'd Michael Stead and Mr Robert Tong.

The Task Force considered a draft protocol that might be adopted for dioceses to deal with each other in charity. This draft was loosely based on provisions of the draft international Covenant.

The Task Force considered that it would be preferable for dioceses to adopt the document voluntarily as a statement after encouragement to do so rather than it being passed formally as a protocol and thus seen as a legal document.

A proposed motion to be bought to the General Synod by request of the Standing Committee is attached.

The Task Force considered a second document which endeavoured to identify the major differences between the evangelical dioceses and the other dioceses and to identify which of those differences went to the heart of our relationship. After some discussion, the document was rejected as taking us in the wrong direction. The emphasis should be on the positives and not the negatives. There is more that the dioceses have in common than what divides them. The goal should be to encourage more coming together not to concentrate on issues.

The Task Force considered that our greatest bond was our shared experience with common worship and we must continue to work for forms of common worship based on our tradition with which all sections of the church can be comfortable.

When we are focusing on the positives, the vital questions for the church as a whole must consider should include the following:-

What are the impediments to church growth in contemporary society and how best can we work to reduce them?

What are the opportunities for church life we can share together?

How do we work together to strengthen and protect the weak, the hungry, the Aboriginal and Torrens Strait Island Christians and communities, refugees and, on a diocesan level, the weaker dioceses?

What are the issues we must face with multiculturalism for we have as a basically Anglo Saxon church: how to we minister in that environment?

The Task Force was not in favour of having a further formal meeting with diocesan representatives as happened in April 2013, but rather encouraged the getting together of smaller informal groups to get to know each other better, without the need of coming

to some formal decision or outcome. Whatever the means, we must keep talking to each other.

On the practical side, a prayer for unity ought to be drafted and its use encouraged.

Our prayer is that the meeting of the General Synod in Adelaide will be one where delegates from the different dioceses will share their common experiences and encourage each other and that the synod will not be reduced to a "Bloody Battlefield".

For the Task Force
PETER YOUNG (CHAIR)
16 APRIL 2014

ATTACHMENT 1

Anglican Church of Australia

General Synod

AGREED APPROACH TO UNITY

A Statement of Intention to Maintain Unity

That the following Motion be moved at the next General Synod at the request of the Standing Committee.

This General Synod endorses the following Statement and commends it to dioceses inviting each diocese to commit itself to fulfil to the nest of its ability the expectations described in paragraphs 4, 5 and 6 following:

FOUNDATIONS
1. The Anglican Church of Australia is a fellowship within the One Holy Catholic and Apostolic Church in which each member diocese recognises loyalty to Christ and in particular, a common faith and order, a shared inheritance in worship, life and mission and a readiness to live in an interdependent life.

2. The members of this Church are incorporated into the one body of Christ and are called by Christ to pursue all things that make for peace and unity.

3. This Church is constituted by the consent of its members and ratified by the Acts of Parliament of the several states and territories of Australia as the Anglican Church of Australia Act 1962 or 1962. 2.

EXPECTATIONS
4. The dioceses of this church look to each other to spend time with openness and patience to listen pray and study together in order to discern the will of God for this Church and its people as we seek to be led by the Holy Spirit into all truth and to proclaim the Gospel afresh in each generation.

5. Each diocese expects that all dioceses will support each other and co-operate in a process of discernment and seeking direction for the spread of the Gospel throughout Australia and beyond.

6. The dioceses expect each other to act with diligence care and caution in respect of any action which may provoke controversy, which by its intensity, substance or extent could threaten the unity of this Church.

(Recommended by Standing Committee resolution - SC2014/1/4 16-17 May 2014)

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Anglican Church of Australia

General Synod

PROPOSAL OF THE GENERAL SECRETARY
TO STANDING COMMITTEE

IMPLEMENTATION OF STRATEGIC INITIATIVES

8 MAY 2014

(Edited Version)

The following reports in the papers for this meeting of the Standing Committee identify and discuss some challenges lying before the Church:

- Viability and Structural Task Force
- Diocesan Financial Advisory Group
- National Church Unity Task Force
- Royal Commission Working Group

This report seeks to draw the threads together and to propose a mechanism for advancing the recommendations made in the reports.

The Viability and Structures Task Force report explores the future of ministry and Church structures in some detail. Its recommendations commence on page 93 of the papers.

The Diocesan Financial Advisory Group refers to a burning platform when discussing financial risks, including deficiencies in business acumen and governance that threaten the ministry and structures of the Church. Its recommendations are summarized on page 197 of the papers for this meeting.

DFAG proposes that a part-time Risk Management Officer be appointed to dowse the flames of the burning platform on which the institutions of the Church are built and to provide guidance in the reconstruction of the charred structural members and fireproofing for the future.

The National Church Unity Task Force proposes that dioceses adopt *Protocols for Unity* as a statement of intention to maintain unity and urges the Standing Committee to devise and promote means by which Anglicans around Australia can be encouraged to engage informally in discussion on matters of significance for the future of the Church.

The Royal Commission Working Group has identified a number of areas to which the Church needs to pay attention in the sphere of professional standards, regardless of whether the Royal Commission into Institutional Responses to Child Sexual Abuse makes any recommendations relating to those areas. There is a need to monitor

proceedings of the Royal Commission and to make submissions in response to Issues Papers which the Royal Commission publishes from time to time. There may a need for the Church's national interests to be represented in hearings of the Royal Commission. The workload is beyond the capacity of the General Synod Office. The Royal Commission Working Group's proposals are summarized in the motion on page 286 of the papers.

The Viability and Structures Task Force and the Diocesan Financial Advisory Group each propose that a steering group be established to guide the Church's responses to the issues that their papers raise. The amount of work required to be done in a relatively short time and the skills set required to address the issues satisfactorily are beyond the current resources of the Standing Committee and the General Synod Office. At the recent Bishops' Meeting, I proposed that a Strategic Issues Steering Group be established to develop and advance the recommendations of both V&STF and DFAG. An edited version of that proposal is attached (Attachment 1).

The observations in Appendix 5 to the V&STF report on the role of the General Synod Office and resourcing the way forward are relevant here.

If the Standing Committee were to adopt the various proposals, additional expenses would be incurred as follows:

1. Strategic Issues Steering Group - $20,000   per annum (travel and accommodation costs only)

                                                 $50,000   (contingency for expert advice and facilitation)

2. Financial Risk Officer - $100,000   (part-time)

3. Royal Commission Officer - $120,000

4. Additional Administrative Support - $50,000

5. Legal Costs of appearances at the Royal $300,000   (contingency)
    Commission -

One could expect these proposals to cost in the range of $290,000 to $640,000 depending on whether contingencies are realised.

A fundamental thesis of the reports to which I have referred is that business cannot continue as usual. The proposals in the reports are designed to facilitate mapping out a sustainable future for the Church and to achieve levels of consistency and quality that meet the legitimate expectations of the community in which the Church operates. The effort will be great, there will be a significant financial cost and compromises may be required in some areas. There may be doubt that these proposals, if adopted, will achieve the desired results. On the other hand, there can be no doubt that, in the current environment, carrying on business as usual is likely to lead to unusual and unpalatable consequences.

ATTACHMENT
1. Proposal for Strategic Issues Steering Group.

ATTACHMENT 1

PROPOSAL FOR STRATEGIC ISSUES STEERING GROUP

1. BACKGROUND

1.1   There is merit in adopting and refining all the recommendations of the Task Force and DFAG.

1.2   Because ministry in its broadest sense (evangelism, nurturing believers and performing good works etc) is the core of the Church's activity, put ministry at the centre of the approach to addressing the challenges and opportunities identified in the Task Force's and DFAG reports.

1.3   This will involve addressing questions such as:

(a)   What priorities should be given to different needs and ministries?

(b)   How are these best supported?

(c)   Such questions, in turn, raise some fundamental considerations:

(i)   During the 60 or so years the Constitution was being negotiated, a strong theme was that we are to be a church for the nation. Do we still see ourselves that way today and into the future? That is, do we see ourselves in the future spreading the gospel, nurturing the faithful and doing good works throughout the Commonwealth?

(ii)   If we do see ourselves that way, how will we do it at a time when we need to make wider contact with and penetrate deeper into the spiritual life of our society with all its complexities but our capacity for mission and ministry is declining?

(iii)   Do we as a whole, 23 dioceses and their various agencies, want to tackle this together? Is it at all sensible not to?

(iv)   If we no longer see ourselves as a church for the nation or if we do not want to address co-operatively the problems identified in the report, in what sense are we the Anglican Church of Australia and what practical consequences flow?

1.4   The kinds of issues to be addressed have theological, ecclesiological, relational, political and constitutional aspects.

1.5   To tackle such issues successfully will require significant interaction and engagement within the Church more frequently than the processes of the General Synod currently provide. Targeted, rapid dissemination of relevant information and regular engagement are necessary to develop ideas and productive working relationships to yield practical results.

1.6   An efficient way to proceed is to:

(a)   gather key people from throughout the Church together at regular, strategically-directed conferences which explore:

(i)   development of ministries to meet the spiritual needs of the nation;

> (ii)   common goals;
> (iii)   common strategies;
> (iv)   techniques;
> (v)   proposals for resourcing;
> (vi)   mechanisms for co-operation;
> (vii)   proposals for structural and constitutional reform;
> (viii) solutions to major challenges in financial management, governance and risk management; and

(b) provide mechanisms to ensure that the Church's decision-making organs feed into these conferences and that the results of the conferences feed back into the Church's decision-making processes.

2. STRATEGIC ISSUES STEERING GROUP

2.1   The resources of the Standing Committee and the General Synod Office are insufficient to service an initiative of this kind.

2.2   A Steering Group is required to plan and co-ordinate conferences and the flow of information described in 1.6.

2.3   It is highly desirable to include unaligned people with relevant expertise in the Group. It is also desirable to appoint an unaligned Chair and Secretary to avoid people with a stake in maintaining the status quo controlling the process.

2.4   Membership of the Steering Group should be comprised of:

(a) the Metropolitans;

(b) the Bishop of Tasmania;

(c) one other Bishop or other ordained person from each province;

(d) the Chair of Anglicare Australia;

(e) a representative of Anglican schools nominated by Anglican Schools Australia;

(f) the Convenor of the Legal Committee of the Standing Committee;

(g) two Anglican lay persons who are leaders in business or commerce;

(h) two Anglican lay persons who are leaders in government;

(i) a Chair who will be a lay person who is not a member of the General Synod Standing Committee or a member of a diocesan council;

(j) a Secretary who will be a lay person who is not a member of the General Synod Standing Committee or a member of a diocesan council.

2.5   The Metropolitans, the Chair and the Secretary act as the Executive of the Steering Group meeting not less frequently than every two months.

2.6   The whole Steering Group meets every four months.

2.7   The Steering Group is authorised to retain the services of experts in relevant fields such as:

(a) demography;

(b) development of social trends in Australia;

(c) developments in religious belief and practice in Australia;

(d) strategic planning and problem solving on a large scale;

(e) governance of diverse, complex organisations;

(f) financing multifaceted charitable activities with complex governance structures; and

(g) facilitation of meetings.

2.8   The Secretary receives administrative support from the General Synod office.

2.9   It is proposed:

(a) That the Standing Committee establish the Strategic Issues Steering Group with the terms of reference set out in this report.

(b) That a sum of $10,000 be allocated to pay for the estimated base running costs of the Strategic Issues Steering Group for the period to 31 December 2014.

(c) That the Strategic Issues Steering Group be authorised to incur costs for expert advice and facilitation up to a sum of $50,000 during the period to 31 December 2014.

(d) That the expenditure authorised in paragraphs 3 and 4 be paid from the Reserve Fund in the first instance and be recouped from the Statutory Fund by an additional assessment over and above the 3.5% cap resolved by the Standing Committee in November 2013 (Resolution SC2013/2/40).

(e) That the budget for the Strategic Issues Steering Group for 2015 be reviewed at the next meeting of the Standing Committee.

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THEOLOGICAL REFLECTION

'Nothing can be loved at speed'[1]: An Anglican Church in step with the Spirit of Christ?

Church in Context

The Christian Church in the West is struggling and has been for some time. Reasons for this are many and varied and this is not the place to rehearse them. Many remark on the collapse of the Christendom paradigm. Historically in Australia the Church of England has been the dominant denomination though these days the Anglican Church is around 18% of the population. Actual numbers of church attenders is another matter, as church survey statistics will show. The Anglican Church of Australia has a long track record of being deeply involved in matters of welfare, social justice and education to name but a few key areas. This same church has also been historically quite fragmented and captive to a party spirit. This only serves to point to the fact that the Anglican Church of Australia is very much a derivative of the Church of England. We have inherited its tensions and conflicts and creatively adapted them to our own situation. The Anglican Church of Australia, despite some gallant and important efforts to the contrary, has found it exceedingly difficult to grow a genuinely inculturated form of Christianity on Australian soil. More generally the Anglican Church of Australia, like the Church of the West more generally, is deeply influenced by the modern competitive market economy with an emphasis upon material and corporate success, and growth. The underlying materialist and acquisitive spirit has an insatiable appetite. It requires continual sacrifices that are deemed necessary to maintain the status quo. The people of God become the 'heavy lifters' – to coin a recent phrase. When they tire others are recruited – and eventually become tired and burnt out, fall by the wayside or wander off in search of deeper spiritual nourishment. In this they join with so many in society who seek that which is holy and sustaining for their lives and institutions.

Reseeding the Church in a time of Transition

The impact of the above environment on the Anglican Church of Australia is complex. For example ancient traditions and practices continue to have a spiritually life-giving power that rings true to our Christian heritage and touches the spiritual hungers of the age for young and old alike. Yet there are also ways of holding to the tradition of faith that appears detached and irrelevant to contemporary needs. It is a subtle thing. The emphasis upon 'fresh expressions' of Church puts the accent on relevance and connection with those whose lives do not intersect with Christianity. This doesn't necessarily mean loosing connection with good things from the past though in same cases it can. And there are many local churches that are trying to restitch past and present in ways that are both relevant and maintain identity with the received faith. Perhaps it is too soon to say how successful this will be. At times the Church in the West appears to be blind to the precariousness of its situation and apparently content to remain on the well-worn paths of yesterday. Permanence, fixity and stable identity are prized above all else. Relevance is easily sacrificed. One response to this not untypical situation is to react in the opposite direction. The Church and especially its leaders furtively begin the search for the program or action plan that will arrest decline, turn the ship around, and rebuild the Church. This can result in an over-functioning Church that exhausts everyone. The focus here is not permanence but innovation, change and relevance. Identity can become shallow lacking depth.

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[1] Michael Leunig, Another Way of Being, *The Prayer Tree*, Collins/Dive, 1991.

On balance when we consider current developments in church life it's a mixed bag with an overriding sense that we are a church in transition. Perhaps we might best depict the Church's present challenge as one of re-seeding; of planting and growing the gospel in the church and society for the sake of the coming kingdom. In the church garden there are parts that look healthy and are thriving, other sections are overgrown and require pruning back or weeding while new exotic varieties seem to appear from nowhere. In this context a major challenge is to till the ground, re-fertilize and continue the patient task of re-seeding and tending the new shoots.

Dynamics of the Body of Christ

Alas there are no simple pathways for a Church in transition. But a question does arise. Is it possible for the Church of Jesus Christ to recover a pace, rhythm and presence in step with Christ? Is there a coming Church that can truly begin to manifest the riches of God's wisdom for the world (Ephesians 3:10)? The coming Church will belong to the new thing God is doing. The visionary of the Book of Revelation captures it well: 'Behold, I am making everything new' (21:5). The sense here is something new *from* something old rather than something new, entirely distinct from what is already present. So, rather than making 'a new thing' it is, as the text indicates, 'every thing new'. Where the creative energy of God is transforming the world, new structuring emerges from within the old where the wound is. This process takes time for good things take time. It requires an imaginative moral vision, generosity of heart and great patience. It is first and foremost a matter of building ethically resilient institutions and leadership that embody the character of Christ. Fundamentally 'making every thing new' is a work of God lest we fall captive to the illusion that we are the manufacturers of our destiny. In this third way reform of the Church is essentially 'the risen Christ's self discipline in the Spirit'.[2] The pace of reform is Christian in character to the extent that it is patterned after the way God works in the world. This requires spiritual discernment and is a deeply humbling activity for the Church. This is the place from which fresh energy arises. It points to the fact that mission begins deep within the folds of the brokenness of the Church. This in turn generates a sympathetic resonance with the brokenness of the world.

Healing and Energy from beneath the Wound

The coming Church will be one that moves at a pace that is not easily missed in the busyness of life. Other attractive substitutes for true community with God flood the market today. A major task for the Anglican Church is to find a pace and rhythm conducive to God's presence on the journey of faith. Any long-distance runner knows how critical it is to pace themselves in order that they will have sufficient energy and stamina to finish and can respond to unforeseen contingencies on the way (Hebrews 12:1-2). Learning again to travel at the pace of the Spirit following the footsteps of Christ is key here. Through Word, Sacrament and Spirit this ancient pilgrimage is ever new. Importantly the pace of this journey is one step at a time with the broken, needy and foolish. Furthermore the pathway of the Spirit will lead the Church up a hill called Calvary and into a tomb (unless a grain of wheat falls to the ground …). From this place the Church has to learn again to confess its sins and pray for the rejuvenating work of the Holy Spirit. It is only as the pilgrim church travels at the pace of the Spirit that God can be truly present. Pace and presence go together. Why? Because when the Church seeks to be in step with the Spirit then God can be truly up close and

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[2] Robert Jensen, *Systematic Theology*, vol.2, OUP, 1999, p. 77.

personal; close to the wound. The healing and repair of the Body of Christ always begins just underneath the wound. This is where God's love is to be found slowly and patiently doing its work, for nothing can be loved at speed. And from this place energy flows for new life and witness in the world.

Rt Rev'd Professor Stephen Pickard
Executive Director
The Australian Centre for Christianity and Culture
Assistant Bishop, Diocese of Canberra and Goulburn