

## **“Challenges in Governing Contemporary Catholic Ministries”**

**Melbourne**

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**Introduction. I believe that I was asked to participate in this workshop because of my current experience as a member of the Governance Review Project Team, and also because of my long experience as a member of boards and advisory councils in both episcopal and congregational settings. Part one of my remarks reflects the former and part two the latter.**

### **Part One: Church governance in Flux**

Church governance suffers considerable dilemmas. The clue to these problems within the church comes from the challenging recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse (RC) to review “the governance and management structures of dioceses and parishes, including in relation to issues of transparency, accountability, consultation and the participation of lay men and women”. Dioceses and parishes are led by bishops and priests and the RC noted with some approval the approaches to governance of largely lay-led Catholic health, community services and education agencies. This suggested the undoubted complexity of church practices.

The big picture shows that governance of the Catholic church is in flux within agencies, sectors, dioceses and at the national level. There is so much change going on that it is difficult to follow. Some of this change within church governance has been driven by state regulatory and funding demands, while some is a consequence of the challenging new situation the Catholic church finds itself in.

The purpose of these changes varies, including trying to put our house in order after the child sexual abuse crisis, clarifying complex lines and levels of responsibility, managing the transition into lay leadership out of direct management by religious orders and congregations where they are in decline, dealing with growing financial pressures at agency, diocesan or national level, and coordinating a range of agencies more effectively.

Many of the big national agencies, like Caritas Australia and Catholic Social Services Australia (CSSA), both of which I have served, are rethinking their governance structures. Incorporation is now becoming common across the church. The governance of diocesan Catholic education across Australia is being reshaped significantly. Some dioceses have embarked upon new approaches to consultative governance of their own affairs, like synods and assemblies, leading into the Plenary Council 2020 at which governance should be a major theme. The Association of Ministerial Public Juridic Persons, with eleven members including bodies like Edmund Rice Education Australia, is emerging as a strong third peak body in the church alongside the bishops’ conference and Catholic Religious Australia (CRA). Catholic Professional Standards Ltd, set up in 2017, has taken responsibility for oversight of new child safety systems. Simultaneously the Australian Catholic Bishops Conference (ACBC) has undertaken an enormous restructure of its staffing, funding and governance. Most recently a new body, Catholic Emergency Relief Australia, has emerged to play a potential ‘whole of church’ agency coordinating role in response to the bush fire emergency. More governance changes will almost certainly follow.

There are really two distinct though over-lapping parts to the official Church in Australia, within which the Catholic community exists. First, there is the core ‘official’ diocesan/parish segment and, secondly, there are the associated schools, hospitals, aged care facilities and

social service and international aid and development agencies, many of which are, or have been, associated with religious orders and congregations.

The second part of the church, lay-led and often largely funded by state and federal governments, has inevitably and irresistibly been drawn into operating under civic governance rules and guidelines. Most do so now with enthusiasm. But the first part of the church to its detriment has until now strongly resisted any such incorporation of civic governance standards as revealed by the RC.

The RC report suggested that the future governance and culture of this first part of the church would gain a lot from learning from the second part.

This is where the acceptance in 2018 by the ACBC and CRA leadership of the RC recommendation was significant in the setting up of the Implementation Advisory Group and its subsidiary, the Governance Review Project Team (GRPT). The test will come when the GRPT report is first considered by those holding church authority in May this year and later discussed by the PC2020 in October this year after its public release. Action rather than words is required.

The lessons of secular good governance are clear and long-standing. They include the introduction and monitoring of mechanisms for accountability, transparency and inclusiveness as well as mandated national and international standards in specific fields. The GRPT report will likely reiterate the desirability of such civic standards in diocesan and parish governance. These are, as yet, largely absent and, in some cases, fervently resisted by those bishops and priests in charge and/or dismissed as foreign concepts deriving from so-called 'aggressive secularism'.

That is why making a strong theological case for good governance principles is absolutely necessary if change is to happen. That case is a strong one, based on high levels of overlap between civic and canonical governance. Perhaps the one civic principle seemingly most absent in ecclesial thinking and practice is transparency, though Canon Law (Canon 1287) does encourage church financial administrators 'to render accounts to the faithful concerning the goods which the faithful have given to the Church'. Such accounting must be public and made widely available for transparency to be realised.

The relevant ecclesial principles include subsidiarity, highlighted by Pope Francis in his address to the People of God in August 2018, and stewardship, a strong element of the Pope's encyclical, *Laudato Si*. Another essential principle of good church governance, synodality, seeks the active participation of all members of the Church in the processes of discernment, reflection, consultation and co-operation at every level of decision-making and mission.

Synodality and discernment have been accepted as the foundational elements in the processes governing PC2020 and these principles are already built into the governance processes of some but not all church and agency boards.

The church must not just talk good governance talk but walk the walk, and that is the responsibility of those individuals with leadership and governance roles across the church. In dioceses and parishes the individuals who exercise formal authority are bishops and priests. For these ecclesial principles to be achieved these bishops and priests will need to learn to share their authority in governance with the laity.

## **Part Two: Boards and Advisory Councils**

My own experience has taught me that church governance is complex and varied. There are diverse structures and diverse memberships, although, with the exception in CSSA of some elected directors from member agencies, for example, most are appointed and dismissed by bishops or religious superiors. The leadership style of the appointed chairpersons I've encountered has varied from the highly consultative to the autocratic, from hands-on to inaccessible due to work demands. Good governance can be compromised by inadequate leadership.

#### The Composition of Boards:

The composition of boards is crucial. The boards I have been associated with have all been professional, hard-working and diverse. The usual composition has been made up of relevant practical expertise, together with a range of skills in the law, finance and economics, public policy and government, education, fundraising and community relationships, media and communications, theology and church experience, among others. They take gender balance seriously and work towards it. The women board members I've worked with have invariably made a powerful contribution and within the church their presence is particularly important given the official male character of the church. The boards do tend to be disproportionately Anglo-Celtic and older, demographics which should be addressed. Finding the right fit in board members is not always easy but it can be done through inclusive processes.

The talent pool for boards is shrinking as church attendance shrinks. The net should be cast as wide as possible to include members from other Christian denominations and other faiths. This raises the question of how 'mainstream Catholic' church boards should be regardless of expertise. Episcopal boards can be especially sensitive in this regard. As Chair of a Nominations Committee I have experienced the rejection of a Catholic nominee by a bishop for being insufficiently 'Catholic', meaning they were judged non-practising in the accepted sense.

#### Best Practices:

Board members are challenged to be true to our responsibilities, remembering that, while experienced professionals, we are largely unpaid volunteers with limited opportunity allowed for professional formation as directors. Adequate formation is a serious matter.

The senior leadership team, led by the CEO, is crucial to good governance and must be allowed to lead. The board must balance its support for and trust in the management of the CEO with judicious advice and criticism. The same applies to relations with other senior leaders responsible for mission, programs, human resources, finance, communications, audit and risk. The board must independently make it their business to know what is going on deep within the organisation in accordance with good governance principles while not interfering in administration. How to achieve such 'deep knowledge' can be a sensitive matter.

Within the church the board must support the CEO in the dealing with church hierarchy in a way which is respectful without being unduly deferential to it. The culture of the church, that is day to day practice, is crucial to allowing good governance to flourish by going beyond mere adherence to church and state rules and regulations.

#### Dangerous Situations:

There are dangers which board members should be alert to, including conflicts of interest and loss corporate memory. I would highlight the following three dangers:

Governance at arms-length causing boards to be unaware of the true state of affairs in areas like human resources, inter-personal work-place relations and sick organisational cultures. This can happen equally in secular and church organisations-as the enquiry into the banking and financial services industries has shown-, but our church values should prevent such dysfunction or at least protect us from the worst examples of it.

Trying to balance the mission imperatives with financial prudence and even survival. The margins are narrow in many government-funded programs and most governments take advantage of the good-will of NFP organisations. Mission-driven programs can be run at a loss when required, but there must be a limit, especially in situations where capital assets are being run down.

Political conservatism of church leaders impinging on the mission of agencies to advocate for the most vulnerable. Institutional self-interest or timidity can get in the way of radical advocacy and such conservatism will not only come from church leaders, but from within boards and senior leadership teams.

### **Conclusion.**

Governance should never be relegated to the margins because it is seen as a dry subject. Good governance is crucial to being both true to our mission and effective in our activities. Good governance in contemporary Catholic ministries, working in ever-changing environments, is a special challenge.

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