

Special General Meeting – Advice to Members

Dear Members,

The Board of the McLaren Vale & Districts War Memorial Hospital will hold a Special General Meeting on Tuesday 4 July 2023 where members will be asked to vote on two resolutions in regard to the future of the hospital site.

To assist you in voting a Questions & Answers page is attached which explains the vote, the resolutions and how to go about voting to ensure certainty for the hospital site.

Please be aware that the hospital is closing on 30 June 2023 because it is no longer viable and faces significant staffing shortages and not enough GPs to provide medical care. Please see the Q&A for more details.

The Board has proposed a merger with South Australian not for profit charitable organisation James Brown Memorial Trust/Kalyra to continue to provide not for profit community services on site, and to protect all current services and heritage on site, including the Wellbeing GP Clinic, and the Volunteers and Op Shop.

The Board which thoroughly investigated all options, believes this is the only proposal that provides certainty and ensures the site continues to support a community service and is not used for private profit.

The resolutions are:

Resolution 1

“That the members direct the board to commence a process whereby a special meeting is called, board nominations are taken, each board member resigns immediately before the meeting and the members vote on the appointment of a new board.”

Vote NO

- If this resolution is successful members will have to attend another Special General Meeting which means more uncertainty for the hospital site and community.
- This resolution has been proposed by a group of mostly new members who are promoting a joint venture with a property developer for the site which puts at risk current services and heritage.
- This resolution is aimed at replacing the current Board with one that is more to their liking.
- Independent legal advice says there are no valid constitutional or legal grounds for demanding the Board's resignations.
- The Board has at all times acted honestly, diligently and in the interests of the hospital and the wider community.

Resolution 2

“That for the purposes of Rules 5(b) and 17 of the Constitution and Sections 25 and 43(2)(a) of the Associations Incorporation Act 1985, and for all other purposes, the Hospital be empowered and authorised to transfer to James Brown Memorial Trust the assets and undertakings of the Hospital on such terms as the Board determines.”

Vote YES

- This resolution has been proposed by local GP Dr Laureen Lawlor-Smith from the Wellbeing GP Clinic and is the Board's original proposal.
- Voting YES for this will provide certainty to the site and protect current services and heritage on site including the Volunteers, Op Shop, the Wellbeing GP clinic, Tsong Gyiaou, preparation of meals for Meals on Wheels, War Memorial Gardens.

- Voting YES will transfer the site to the James Brown Memorial Trust/Kalyra, ensuring a not for profit community service continues to be provided on site while protecting all current services and heritage.

The Board thanks you for your time and commitment to the hospital and the community. Please consider this advice, cast your vote and have your say.

A handwritten signature in black ink, appearing to read "Overland". The signature is fluid and cursive, with the first letter 'O' being particularly large and stylized.

Chris Overland
Chair

2 June 2023

Q&A

Why is the Board holding another Special General Meeting so soon after the previous SGM?

The Board held an SGM on 5 May 2023 where members were asked to vote on the future of the hospital and hospital site. The Board's two resolutions for securing the future of the hospital site each required a vote of 75% but were narrowly lost, achieving 73.9% and 72.5% of the vote.

That means currently there is no future direction for the hospital site.

The hospital is closing because it is no longer viable and workforce shortages means there is not enough staff and GPs to run the service.

Since the SGM, the Board has received two resolutions from members. Under the constitution, members are allowed to propose a resolution to be voted on if they have support from 20 or more members.

What are the resolutions and what do they mean?

There are two resolutions which members are asked to vote on at this SGM.

Resolution 1 proposed by a local group of mostly new members calls for another Special General Meeting to be held where the Board must resign, and a new Board is voted in.

Voting **NO** for this resolution will retain the current Board so they can provide certainty for the site and follow through to protect services and heritage on site. It is important to note at the hospital's Annual General Meeting in October this year six Board positions will be vacated, and new Board members can be voted in.

Resolution 2 was proposed by McLaren Vale GP Dr Lauren Lawlor-Smith from Wellbeing GP Clinic on the hospital site and is the Board's original proposal. She asks for the hospital and hospital site to be transferred to the James Brown Memorial Trust/Kalyra, the South Australian not for profit organisation and registered charity with a strong focus on support for older people and people with a disability.

Voting **YES** for this resolution will provide certainty for the site with a not for profit organisation providing community services, and all current services and heritage on site protected.

Why is the hospital closing?

For many years the hospital has struggled to stay open.

The hospital is operating at a loss and there is no reasonable prospect of it operating profitably in the future, despite a State Government grant equating to about 70% of total annual revenue.

The hospital has experienced persistent problems in attracting and retaining nursing staff despite increasing salaries to the levels paid in the public hospital system.

In particular, the hospital has been unable to attract and retain a highly experienced and capable professional nursing manager to take on the dual role of Executive Officer & Director of Nursing.

The hospital has been unable to attract and retain the additional doctors it needs to ensure that medical services to patients are sustainable.

The hospital buildings are now over 70 years old and no longer meet modern standards or private patient expectations, with few having access to private facilities.

The maintenance costs have escalated significantly, imposing an additional cost burden on an already overstretched budget.

The hospital is too old, too small and in the wrong location to be able to compete effectively in today's private hospital market.

What does it mean to transfer the hospital site to James Brown Memorial Trust/Kalyra?

The Board has proposed to transfer the site to JBMT/Kalyra which is a South Australian not for profit organisation and registered charity with a strong focus on support for older people and people with a disability and a strong record of community service in McLaren Vale.

Under the hospital's constitution, "any 'surplus assets' shall be distributed to any organisation which has similar objects and has rules which prohibit the distribution of its assets and income to its members".

JBMT/Kalyra as a not for profit with a record of strong community service has similar objectives to the hospital and it has the financial strength and resources needed to redevelop the site in line with community needs and wishes.

It has committed to protect the hospital Volunteers and the Op Shop, the Wellbeing GP Clinic, the SA Ambulance Service station, preparation of meals for Meals on Wheels, and the community radio station, and the War Memorial Gardens as well as preserve the Tsong Gyiaou building.

What is the James Brown Memorial Trust/Kalyra proposing for the site?

Kalyra Chief Executive Sara Blunt has written to members saying:

If the merger was to proceed it is a tremendous opportunity for the area. Kalyra would ensure a robust community engagement process to align with future needs of the community and to fund development that supports the current services and the future options that are identified.

The Community Consultation would be an expert, independent process to ascertain the long-term needs of the area, based on the community's views and data analysis. The reason Kalyra has existed for 130 years is through very careful consideration of responding to community need. We want to hear from the people of McLaren Vale.

Did the Board consider any other alternative proposals?

The current Board and previous Boards over a number of years have investigated a range of options for the hospital including the government assuming responsibility for the facility, redevelopment to meet modern hospital standards, redevelopment to create a health hub including a GP Super Centre, sale to a private hospital operator, and selling the property to establish a new Charitable Trust.

These options were either not realistically achievable or did not align with the original goal of the hospital which was to provide a not for profit/charitable community service.

A group in the community has proposed a joint venture for the site with a private developer. Has the Board considered this?

The Board has ruled this out as it believes the community would not support a joint venture with a developer whose aim is to make a profit from the site.

The Board will not under any circumstances enter into arrangements where assets paid for by the community are applied for the purpose of making a profit - for the direct or indirect benefit of a private individual or a company.

I am a hospital member how do I cast my vote?

You can either vote in person at the SGM on Tuesday 4 July 2023 or you can vote through a proxy.

Proxy forms are available from the reception area at the hospital and to be effective must be completed and returned to the Non-Clinical Manager of the Hospital by 5pm on Monday 3 July 2023.

As a valued member of the hospital, it is very important that you cast your vote for these resolutions and have your say.