

## **CHAIR'S REPORT**

### **ANNUAL GENERAL MEETING 2023**

Those who have attended the last several Annual General Meetings will know that the hospital has for many years been engaged in a constant struggle to achieve a viable and sustainable level of operation.

This Board and those that came before it have exerted their best endeavours to achieve this but no sooner has one obstacle been overcome than another seemed to arise.

In March this year the Board realised that the hospital could never be put on a viable and sustainable footing and thus was compelled to take the unhappy decision to close it. This decision was driven by a number of factors including the impact of relentlessly rising costs, constant problems recruiting and retaining nursing and medical staff and the inability to secure a long term funding agreement from the Southern Adelaide Local Health Network, which for many years has been hospital's principal source of revenue.

Not surprisingly this decision attracted a lot of criticism from some members of the community. There is a strong attachment to the hospital that has persisted since it was first opened in 1951. Much of the criticism was misplaced, mostly owing to a lack of understanding about the situation confronting the Board and about how the hospital system actually works.

However, most people understood that the world has changed vastly since the hospital was first built and that a small, comparatively isolated hospital providing a very limited range of services could not be expected to compete successfully in today's technology driven, high-cost hospital system.

The closure process proceeded very smoothly overall, thanks to a combination of good planning and the unwavering support of the hospital's loyal staff. The Board thanks them most sincerely for their work over many years and was both pleased and relieved that the hospital was able to pay them their accumulated leave entitlements plus additional redundancy payments as prescribed under the relevant awards. Almost all staff members either quickly secured new jobs or took the decision to retire.

The Board realised that it lacked both the management and financial capacity to undertake a major redevelopment of the site. For this reason, it decided to recommend to members that it was in the best interests of the broader community if the hospital was merged with another not-for-profit charitable body that had this capacity. Having had a business association with James Brown Memorial Trust (Kalyra) for many years it made logical sense to bring the two businesses together.

Of course, the reality is that given the large disparity in size between the hospital and Kalyra, the merger will result in Kalyra having effective control of the site into the future. However, given that Kalyra's objectives are so similar to the hospital, especially its emphasis on providing community health and aged care services for disadvantaged people, the Board believes that the proposed transfer of assets is to Kalyra the best decision in the circumstances.

As members know, the proposed merger with Kalyra was opposed by some people in the community and this led to two Special General Meetings at which the matter was discussed at great length. The Board's recommendation narrowly failed to achieve the required 75% majority support at the first meeting but secured an 86% majority at the subsequent meeting.

The Board is proceeding with negotiations with Kalyra on how the merger and transfer of assets will occur. It has specified certain conditions that must be met by Kalyra before the merger can be concluded. These conditions are aimed at protecting the interests of the hospital volunteers and lease holders, as well as ensuring the preservation of historically significant features of the site such as the Tsong Gyiaou building. Kalyra has indicated that it will be able to meet those conditions.

There was a Statement of Claim lodged in the Magistrates Court with the apparent intention of invalidating the decision to carry out the proposed merger and transfer of assets to Kalyra. This matter has now been referred to the Supreme Court for hearing and consideration. Given the Court's heavy workload it may be some time before the matter is heard. In the meantime, the Board is proceeding with planning for the merger, including joining with Kalyra to undertake a wide ranging community consultation on the future use of the site.

Overall, it has been a difficult year for the hospital. The Board neither wanted nor expected to have to close the hospital. It only did so when all other realistic options to achieve financial viability and sustainability had been exhausted. It has had to endure considerable criticism as a consequence, some of it unfair and based upon erroneous information.

As unpaid volunteers, this Board and those before it have devoted thousands of hours to the hospital. This has frequently been an unnoticed and thankless task. Any new Board elected today will have to assume responsibility for deciding the future use of the site, no doubt in the face of criticism from some quarters. This will be the case regardless of the outcome of the community consultation process because achieving unanimity in the community about the future of the site is extremely improbable.

That said, there is a clear obligation to try to make the best use of the site for the broader community and this should be the guiding principle for the Board.



---

**Chris Overland**  
**Chair**  
**Board of Directors**

11 October 2023