



## Minutes: SPECIAL GENERAL MEETING held 04<sup>th</sup> July, 2023

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### **1. Welcome by the Chair**

The meeting was called to order at 7:00pm by the MVH Board Chairman, Chris OVERLAND.

The Chair welcomed the members to the meeting and began by acknowledging the traditional owners of the land upon which the meeting was being held, the Kurna people, and paid respect to their elders, present and future.

The Chair advised that at the previous Annual General Meeting (AGM) held on October, 2022 there were 57 members, of whom only 22 actually attended the meeting.

Today there were 967 members eligible to vote, of which the overwhelming majority had joined since the closure of the hospital was announced in March, 2023.

The level of the community interest in and engagement with the hospital is now at levels not seen for a least a decade, maybe longer. Therefore, the membership today can thus be said to be a true representation of the broader community and the decisions taken at the SGM can properly be construed as reflecting the view of the entire community in relation to the future of the hospital site.

### **2. Introduction of the Board**

The Chair introduced the current Board members, giving a very brief summary of their respective qualifications, experience and skills. He expressed the view that the Board was collectively more than competent to manage and direct the affairs of the hospital. He noted that Christo Botha, who had recently joined the Board, was not responsible for the hospital closure decision.

### **3. Minutes of Special General Meeting held on 5<sup>th</sup> May, 2023**

All members were provided with a copy of the draft minutes of the Special General Meeting held on the 5<sup>th</sup> May, 2023.



#### **4. Meeting Procedure & Chairman's Opening Remarks**

The Chair advised that as with the previous Special General Meeting held in May the hospital had retained the services of Andreyev Lawyers, Adelaide to guide us through this process.

The Chair further advised that in order to succeed the resolutions required the support of a 75% majority of the members who had submitted votes.

With respect to the meeting's proceedings, the Chair advised that Clause 6.3 of the constitution states that 'upon the expiration of four weeks from the date of commencement of membership, members are entitled to... vote at General Meetings'. In practice, this meant that virtually all of the current membership could vote at the meeting or by submitting a proxy vote.

The Chair also advised that Clause 10.3(c) states that 'The purpose for holding the Special General Meeting must be specifically stated... and that business only will be discussed at the meeting'. Consequently, he would be unable to accept any amendments to the resolutions under consideration at the meeting.

The Chair made a special mention of the presence of the external auditor, Mr Ian Mostert and his colleagues who, as with the last SGM, were responsible for supervising the ballot to ensure its probity and integrity.

The Chair notified the attending members that one (1) member had chosen to lodge with the Magistrate's court a 'Statement of Claim' earlier in the day, arguing that the meeting process and proxy votes are invalid and that the Board should not be proceeding with the meeting. The Statement has been put to the hospital's lawyers for consideration and advice.

#### **Resolution #1 – Vacation of all Current Board Members**

The proponents of this resolution were unhappy with the decision to close the hospital and with the recommendation to merge with JBMT. A request for an SGM was made, at which the current resolution could be considered.

The Chair stated his view that the Board has at all times acted honestly, diligently, in good faith and in accordance with the constitution and the Act.

The Board recognized that the closure decision was upsetting for some people and equally for the Board too, but it remains convinced that it was an appropriate and reasonable decision in the circumstances.

There is, in the Board's view, no valid constitutional or legal basis for demanding that the members of the Board be removed from office or resign.



The Chair advised that at the forthcoming Annual General Meeting, scheduled for late October 2023, at least four (4), possibly six (6), Board positions will become vacant. Consequently, irrespective of the outcome of this SGM, the opportunity will be there for members to vote in a largely if not entirely new Board at that time.

### **Resolution #2 – Merger with JAMES BROWN MEMORIAL TRUST**

Resolution #2 was put up by a group of twenty (20) who were upset by the narrow defeat of the Board's proposal that the hospital merge with JBMT, and they requested that the Board convene another SGM to reconsider the proposal.

The Chair advised that the Board did not initiate this request but in accordance with the requirements of the constitution was obliged to convene this SGM to consider it.

The Board remains fully supportive of the proposed merger with JBMT and the arguments in favour of this have been widely distributed in writing to members. Instead of repeating those arguments, The Chair proposed to make some relevant observations about what would be required to undertake a major redevelopment of the hospital site.

In essence, the two things required to carry out a major redevelopment project were (1) a great deal of money and (2) the management expertise to undertake a large scale building project.

Financially, the hospital lacked sufficient resources to fund a multi-million-dollar redevelopment of the hospital site. The funds to do this must therefore come from other sources which could include the Government, the community or a private and/or corporate investor of some sort, which encompass JBMT too.

The Government seems very unlikely to put public funds into any private for-profit venture, although, it might be persuaded to support a not-for-profit registered charity if the proposed project aligned with its own interests or objectives.

The Board believes the community would find it very difficult to raise several million dollars in order to undertake some sort of as yet unspecified redevelopment of the hospital site.

In relation to fund raising, the Chair made special mention of the activities of the hospital volunteers. He expressed the view that they are an incredible group of people. They have been able to raise through the "Op Shop" an outstanding amount of money for some years now, to the extent that they could continuously donate towards the hospital. They are an incredible successful fundraising body. Despite their success though, they too would say that the idea of having to raise \$3-4M for the hospital site would be a labor of years, not months.



Similarly, there has been the McLaren Vale Vintage and Classic Festival. Trevor and Sandra Sharp have been heroes and have been tremendous contributors to the hospital. They too would agree that the proposition of raising large amounts is equally challenging and time consuming.

A private for profit or large corporate investor could raise the required funds very quickly but would only do so if it had effective control of the asset created with its capital funds. In such circumstances the asset created would not be subject to community control, in any meaningful sense and this is actually the case in almost any scenario that can be imagined for redeveloping the site.

It cannot be stressed enough, if someone is going to contribute millions of dollars to redeveloping the site, they will control the asset they will control the asset created in that process.

One important reason the Board recommends a merger with JBMT is because it knows that JBMT has the financial resources to undertake a major development project on the site and won't need to approach the Government or the community to do it.

In relation to management capacity, a multi-million-dollar redevelopment project necessarily requires input from a project manager, architects, engineers, quantity surveyors, town planners, lawyers and multiple trades. It is a huge task to undertake which requires a great deal of knowledge and expertise to do well. We don't believe that the Board and/or unpaid volunteers is in any position to try co-ordinate such a project.

The hospital clearly lacks the management capacity to undertake a large, expensive and complex redevelopment project. Consequently, it either has to enter into a commercial joint venture with an entity that has this capacity or, as the Board has proposed, merge with such an entity.

In either case, this Association will cease to have effective control of the assets created. At best, it will end up as minority shareholder and/or landlord in some sort of private for-profit venture or, in the case of the proposed merger, be absorbed into a larger not for profit registered charity.

This issue of merger is quite significant and it's quite clear we propose the transfer of the hospital assets to JBMT.

In summary, it is the Board's view there is no plausible scenario whereby a Board composed of unpaid volunteers could pull together both the capital funds and management capacity to undertake a major redevelopment project on the hospital site. To date at least, no plausible alternative to the merger proposal has been suggested other than a joint venture with a private property developer.



The Board remains of the opinion that this option is incompatible with the status of the hospital as a not-for-profit registered charity which has the objective of providing community services.

Perhaps most importantly there has been no alternative suggested that explicitly recognizes the need to protect certain features and activities on the site including the Volunteers' Op Shop, the Wellbeing Clinic, the Tsong Gyiaou building, the SA Ambulance Service building and very importantly the War Memorial gardens.

The Chair reiterated previous statements, that the Board will not enter into any arrangement, and that includes with JBMT, where this is not done. That is a non-negotiable position for the Board.

Finally, it is important to understand that there is no single perfect solution to the problem of redeveloping the hospital site that is just awaiting unveiling. At this stage we are uncertain about what JBMT will do with the site. There are many possible potential uses for the site but each one will come with compromises, tradeoffs and problems. There cannot be certainty about what will be done unless and until a proposal can be developed with a viable business case attached to it and, importantly, enjoys broad support from the wider community.

Unfortunately, it is not a realistic option that the hospital site can be redeveloped whilst remaining under the control of this Association.

The Chair said that the Board understands that this situation may be uncomfortable, but it is a reality that we all will have to deal with regardless of how the Board is constituted or what entity ultimately controls the hospital site.

## **5. Questions and Comments from Members**

The Chair invited comments and questions from the floor of the meeting. A large number of members had the opportunity to speak either for or against the resolutions and many questions were asked surrounding the hospital closure and the proposed merger.

After approximately one (1) hour of extensive discussion which had ranged very broadly over the issues and circumstances that had led to the current meeting, along with a statement from the member who had lodged a Statement of Claim with the Magistrates Court, the Chair brought the discussion to an end. He thanked the members for their willingness and ability to discuss difficult issues in a civil and courteous manner and to disagree respectfully about what were undoubtedly difficult matters.

## **6. Conduct of the Ballot & Announcement of Results**

The Chair advised that the External Auditor and staff would count the votes that would be cast on the night and would advise the outcome of the results



regardless of the late hour of the meeting. The results would also be published as soon as possible on the hospital website and there would be a mail out to members with the results. Any pre-poll and proxy votes had already been counted by the External Auditor the previous evening, Monday 3<sup>rd</sup> July, 2023 after the 5pm deadline, with those documents having at all times been kept under lock and key at the hospital.

When all members had been able to cast their votes, the Chair formally closed the poll and the count was then conducted by the External Auditor in front of those members present. The vote was counted and then subsequently recounted twice to ensure that there could be no suggestion of a miscount or other error.

The results were then given to the Chair who announced them to the meeting:

Resolution #1 – Vacation of all Current Board Members

For: 18%                  Against: 82%                  Resolution failed

Resolution #2 – Merger with James Brown Memorial Trust (JBMT)

For: 86%                  Against: 14%                  Resolution succeeded

**7. Closing Remarks by the Chair**

The Chair thanked those members who braved the very cold conditions at Tatachilla on the night to listen to the debate and cast their votes in person and especially those who remain to hear the outcome of the results.

Special thanks very extended to the work of the hospital and Tatachilla Staff and many volunteers who gave up their time to organise the event, attend to the reception desks and ensure that the meeting could proceed smoothly.

In addition, the Chair thanked Mr Ian Mostert and his staff for their work in ensuring that the entire voting process was conducted in an impartial and fair manner.

The meeting closed at approximately 10:30pm, 4<sup>th</sup> July, 2023.