

The Chair and two Directors of Kellock Lodge Board respond to the open letter, from Bishop John, Wednesday 20 June 2018.

This letter from three of the eight directors of Kellock Lodge is to outline why we will not support the merging of Kellock Lodge with St John's Village Wangaratta and why its administration should remain locally controlled.

The three directors signed below felt that they were supporting the majority view of the Alexandra community in resisting the amalgamation. We were overwhelmed by the support shown for this view by the outstanding community attendance (about 380 people) at last Friday's public meeting, 22 June.

Since its original construction as a 29 bed low-care residence for the aged in 1984, Kellock Lodge has been successfully established, managed and grown by the Kellock Lodge Board, its staff, Council financial support and the Alexandra and wider philanthropic community.

There have been many changes in operational requirements and standards over the years and changes will continue into the future. Kellock Lodge has embraced these changes, and has expanded and upgraded the Lodge to a 50 bed residential care facility with 14 independent living units.

Kellock Lodge does not owe one cent to anyone and has \$9 million in the bank. \$5 million is Kellock's own money and the remainder comprises bonds and life time lease payments that are paid back to residents when they leave the facility.

Not one cent has been provided by the Anglican Diocese of Wangaratta towards Kellock Lodge other than to hold the title to the land and act as the Approved Provider under Commonwealth legislation. It should be noted that Bishop Parkes, as a director of Kellock Lodge, has rarely attended Board meetings during his time on the board nor sent a proxy to act on his behalf. Perhaps this reflects the confidence he has had in the Board with its quite outstanding performance over many years.

Accreditation is a process that every aged care facility undergoes on a scheduled basis. Much has been said by Bishop Parkes about Kellock Lodge having not met 7 of its accreditation criteria during an unscheduled inspection earlier this year. The majority of these non-compliances related to the documentation around quality procedures and the non-compliances had not lead to any threat to resident safety or care at that time. A recent scheduled reaccreditation inspection was conducted one week ago. We have every reason to expect that full accreditation will continue into the future.

Bishop Parkes ordered a review of Kellock Lodge's complete operations, without any consultation with the Kellock Lodge Board, when he received advice of the 7 non-compliances. However, it should also be noted that prior to the intervention by the Bishop, Kellock Lodge had already identified issues that might potentially affect reaccreditation and had employed an additional senior staff member well experienced in accreditation to assist with accreditation documentation issues.

We must acknowledge the effort of all staff in achieving accreditation and also note the assistance of those consultants who were part of the review team who were experienced in accreditation. Accreditation is not an end in itself but assists in driving quality improvements in the way Kellock Lodge operates into the future through its continuous improvement program.

The consulting team's broad review and resulting full report on Kellock Lodge's governance and financial health has been paid for by Kellock Lodge, but the Kellock Board has been denied access to this report. Most members of staff and the Board were interviewed and the review costs are expected to amount to hundreds and thousands of dollars. We do not know why Bishop Parkes and the Trustees will not share this report, paid for by Kellock Lodge, with the Kellock Lodge Board.

However, given the successful resolution of the accreditation documentation issues, the strong financial position of Kellock Lodge and the community's demonstrated support for maintaining the current management arrangements, there is no reasonable or defensible rationale to support the merging of Kellock Lodge with St John's in Wangaratta.

This whole fiasco reflects raw opportunism, unwarranted haste and pressure, and complete lack of understanding of the Alexandra community. It lacks compassion not only for the residents of Kellock Lodge and their families, but also for the community of Alexandra who have worked so hard and paid for Kellock Lodge over many years.

There is a strong possibility that if Kellock Lodge is merged into a new legal entity with St Johns, this may lead to its sale. This possibility is demonstrated by 2 failed previous attempts by the Bishop to sell St John's Village, and a sale would be a soul destroying blow to the Alexandra community. Any merger would see an asset built up by the community of Alexandra pass to an unknown entity with no necessary connection to Alexandra

At the special meeting of the Board referred to by the Bishop in his open letter there was no quorum. This means the meeting was not valid. Any motion to merge with St John's Wangaratta that was passed at that meeting is completely invalid. To even contemplate transferring control to Wangaratta would be a dereliction of duty on behalf of the directors under corporations law if "due diligence" by both parties was not carried out. The confidential report commissioned by the Bishop and trustees has not been provided to the board. Furthermore the Kellock Lodge board is not aware of any report in relation to St John's Village. In these circumstances the 3 signatories to this letter believe that a decision in relation to any merger cannot be properly made in the absence of due diligence disclosures. The bishop and his supporters have failed to articulate any sound reason for the merger.

Why the undue haste in trying to elicit a decision re the merger with St Johns?

Why is Bishop Parkes still referring to the issue of unmet criteria when Kellock Lodge is fully accredited?

In conclusion, we would like to thank the Murrindindi Shire Council and particularly its CEO Mr Craig Lloyd and the wonderful Shire staff for the efficient and professional management of the hall, the attendees and the program on the day of the public meeting. Well done.

Signed

John Sharwood OAM	Chairman of Kellock Lodge Board
Mike Manning	Treasurer of Kellock Lodge Board
Rod Sloan	Board Director

Date: 25th June 2018