

Durri Aboriginal Corporation Medical Service (ICN: 27)

Minutes of Annual General Meeting

Meeting called by the Registrar under CATSI Act s 439-15

Time: 5pm

Date: Wednesday, 28 January 2015

Place: Kempsey Macleay RSL Club, Function Room 1

Chair: Anthony Beven (AB: Registrar, Office of Registrar of Indigenous Corporations)

Minute taker: Christian Lugnan (ORIC Regional Manager, Coffs Harbour)

Attendees

Gregory Brown, Elizabeth Asper-Scholes, Elizabeth Barker (EB), Colleen Campbell-Cook (CCC), Colleen Campbell-Cook, Noeleen Brown, Laurie Clay, Narelle Cochrane, Elizabeth Cohen (EC), Wendy Cowan, Reginald Davis, Darrel Donovan, Raelene Davis, Tracey Edwards (TE), Teminya Fernando, Donald Griffen (DG also known as Jack), Cecily Griffen, Ausilio Fatnowna, Natalie Gordon, Norma Griffen, Samuel Hoskins (SH), Kelvin Jarrett (KJ), Sharon Kelly, Shirley Kelly, Traven Lea (TL), Norma Kelly (NK), Richard Kelly, Alison Martin (AM), Marcia Mason-Hoskins, Albert McGrath-Wilson, Robert Mumbler, Cynthia O'Brien-Younie (COY), Jason Ridgeway, Trudy Roberts, Monica Pullen (MP), David Scholes Snr, Michael Smith, Janice Smith, Joanne Smith (JS1), Janet Smith (JS2), Harold Smith (HS), Kevin Smith, Dean Smith, Bronwyn Smith, Alicia Stewart (AS), Amy Thompson (AT), Nicole Turner (NT), Roanne Stirling-Kelly, Kerry Wade (KW), Ruth Waite and Victor Wright.

Roseanne Mirto from ORIC, national office, Mr Robert Magnussen (RM) from NorthCorp Accountants and Karen Kennedy (KK), non-member director were also in attendance.

Note: Q refers to a comment or question from a member where the member's name was not provided.

Apologies

Leslie Willcockson, Muriel Willcockson, Ivy Brown, Mary Button and Eileen Button.

Item 1: Introduction, Welcome or acknowledgment, Minute silence for those passed

Meeting opened at 5.25pm

Quorum achieved – 48 members in attendance at the commencement of the AGM. Additional members entered the meeting during the AGM proceedings.

AB: welcomed the members and paid his respects to the elders and the Dunghutti people.

A minute silence was observed for those members of the community that had passed away in the preceding 12 months.

AB: asked for attendees not to record the meeting (video, photo or audio) without the permission of the members in attendance.

The AGM was called by the Registrar under section 439-15 of the CATSI Act. Every corporation must hold their AGM by 30 November every year. As Durri did not hold the AGM by the due date, the Registrar exercised his powers to call the AGM so that members could exercise their rights to ask question, receive the financial and other reports and vote on the appointment of directors.

For the purposes of the AGM, the Registrar will chair the meeting.

AB then went through meeting protocols including members to put questions and comments through the chair. He also referred to the items on the agenda for the AGM and copies of the audited financial statement and agenda available at the desk at the front of the room.

AB requested members to please leave questions or comments to the relevant part of the agenda. Other business can be discussed at the end of the AGM.

Item 2: Register of Members

AB: all members please sign in and confirm their details on the register of members available at the desk at the front of the room.

Item 3: Minutes of the previous AGM

AB: the minutes of the previous AGM were not provided by the corporation to ORIC. Hence they would not be tabled.

TL: no request was made by the Registrar for a copy of the 2013 AGM minutes.

AB: a request was made by the Registrar's office but this was denied.

TL: no request was made through the CEO or chairperson and he then provided a copy to AB.

AB proceeded to read through the 2013 AGM minutes.

AB: asked for any questions or amendments to the minutes of the 2013 AGM minutes.

Motion: to accept the minutes of the 2013 AGM as an accurate record of the meeting.

Moved by: Donald Griffin

Seconded by: Cynthia O'Brien-Younie

Colleen Cook-Campbell abstained.

Carried

Item 4: Directors' report/s

AB: this part of the agenda is for the directors to provide a report on the operations of Durri for the previous 12 months. Asked if any of the directors of the corporation would like to speak to this agenda item?

DG: Wanted some clarification of a letter that was sent to the members. He was not a party to the letter as a director.

AB: would you like to table the letter?

DG: yes. The letter is dated 21 January 2015 to the members and is 3 pages in length. It was signed by the chairperson, Tracey Edwards.

AB: Any other reports from the directors? [Nil response]

AB referred to the audited financial statements and advised members that page 1 of the report is a director's report. He read the report from the audited financial statements.

The report set out the names of the directors holding office during the 2013-14 financial year. It states that the corporation's principal activities are primary and allied health care for Aboriginal people on the mid-north coast of NSW.

Judith Clacy is the secretary.

The corporation achieved a \$530,000 profit after income tax. There has been a decline from the previous financial year from \$993,000.

Revenue increased by \$300,000, including an increase in government grants of \$181,000.

CD: commented that she attended more meetings than recorded in the directors' report.

Q: director's details – how can there be so many changes if members aren't voting them on.

DG: responded saying that vacancies can be filled by the directors.

JS1: raised a complaint about related party benefits and nepotism within the corporation.

AB: read out the letter from Joanne Smith (as requested by Ms Smith) and advised it should be tabled in any other business.

Motion: that the members approve the 2014 directors' report

Moved by: Kelvin Jarrett

Seconded by: Harold Smith

Carried

1 against.

Item 5: Financial Report (including the audit report)

AB: spoke about the corporation's audited financial statements and invited Mr Robert Magnusson to speak to his 2013-14 audit report.

RM: thanked everybody and went through the statement of comprehensive income (page 10). Profit before income tax was \$530,505. Revenue increased by over \$300,000. Grant income and Medicare income also increased. Expenditure increased mostly due to contractor/consultancy expenses (\$450,000) and employee expenses (\$725,000).

A revaluation of the corporation's land and buildings (approximately \$5.5 million in value) must be undertaken every three years assets. The revaluation in 2013-14 lead to an increase in land and buildings in the balance sheet of almost \$2 million.

Total assets are \$9.8 million with \$6.3 million being for property, plant and equipment.

The corporation has cash and cash equivalents of \$1.175 million and \$2.1 million in investments. Current liabilities of only \$1.3 million put the corporation in a very strong financial position. The profit of \$530,000, while lower than the previous was also very encouraging.

It was a clear audit was no qualifications.

Financial management – the directors and the staff should be congratulated. The audit found that the records were properly maintained. On behalf of the audit team he thanked the staff.

JS2: asked a question about the number of Indigenous and non-Indigenous people using the service.

TL: about 5,500 people on the corporation's books. Non-Aboriginal people have followed their doctors to Durri. Fewer than 300 non-Aboriginal people utilise the corporation's services.

JS2: the Ingram's and Shirley Smith started Redfern AMS with people getting their medications, will people still get that?

AB: we may leave questions of that nature until other business.

MP: is this where we can query finances? She noted a difference with consultancy fees in the two years—\$577,000 up from \$127,000. Also noted corporate governance expenses of \$260,000 and the cost of medical contractors.

CD: is this the cost for the independent directors?

RM: no.

CD: where does it say on the financial report that the independent directors are being paid? Am I correct in saying that the independent directors are being paid?

AB: I am not aware of the independent directors being paid.

DG: the only payments to the independent directors are reimbursement of their travel costs. The board has a choice to pay the independent directors but doesn't pay them.

CD: why doesn't the rest of the board also get paid?

DG: we can pay independent directors for their expertise. They were not paid any fees in the last year.

RM: there is no difference in Indigenous directors and non-Indigenous directors. Also, if payments were made to the independent directors they must be disclosed in the financial accounts and as you can see there are such payments disclosed.

TL: during his tenure there have been four independent directors. One did get paid. The three others were not paid.

MP: \$16,000 for director's meetings. Is this the cost for their meetings? Also, the consultancies, do they go out to tender?

TL: one thing to recognise is that we have to invest in ourselves. If we don't spend it, the funds will go back to government. When he started with Durri, the directors signed off on maintaining accreditation—medical and organisational. A work plan was developed, which was a very thick document. We had to actively seek outside expertise and three quotes were sought. It is available for members to look at.

MP: does that process cover conflicts of interest?

TL: we had a third party who was part of the process. AH&MRC facilitated and assisted with the process.

RM: the records were appropriately verified. In future he would suggest that the cost of contractors and consultancies are disclosed separately in the financial statements for greater clarity and transparency.

TL: we are meeting targets as Durri is investing in itself. Financial management can make or break us. Governance and operations are important. We undertook a review on how we can improve operations.

Finance, management, governance and operations – these are the four areas Durri has to focus on.

NK: where did the contractors come from?

TL: consultants come from all over the place.

CCC: Traven I am upset with you. You speak about the finances etc. We have a lot of people who have expertise in NSW. You put everyone up above yourself in your role as CEO. We have skills in management, governance and operations. The government processes keep us down.

TL: I apologise for that coming across like that. We work with our peak body in NSW. We identify who we can work with.

CCC: I bring it back to financial training so that I can volunteer with Durri. I appreciate those people who take on the roles in management. It's a hard job. You get the flack. Lateral violence and conflict. We don't need to be putting our mob down. There is closing the gap but we are still behind the eight ball.

AB: thank you Colleen for those comments. Whilst we have Robert are there any further comments about the audit.

CCC: how long has NorthCorp been with the corporation?

RM: 20 years.

TL: we had to invest a lot of money in the last 2 years.

MP: page 13, second paragraph, cashflows proceeds of \$950,000. What is this?

RM: that is a good question. In the statement of cashflows (other financial assets) there was a movement of \$3million to \$2million. Essentially, it was a movement of term deposits to cash at bank. It was moved from one type of asset to another type of asset resulting in no overall change in the balance sheet. There was a lot of one-off expenditure in 2013-14 but in the next year it won't be quite as high.

MP: consultancies should be less next year?

RM: yes.

AB: thank you Robert for attending and presenting the audit report.

Item 6: Appointment and remuneration of auditor

AB: NorthCorp has been the auditor for 20 years. Only one quote has been presented to him for audit services for the next financial year. He asked if any of the directors or staff had obtained or sought any other quotes. No other quotes were presented. The quote from NorthCorp is \$51,150 plus an additional \$3,300 for accounting services: total \$54,450.

As there is only one quote, there are two options:

1. accept NorthCorp's quote provided; or
2. pass a resolution that the directors be empowered to get further quotes and appoint the auditor.

Would anyone like to pass a resolution or discuss the options?

COY: I propose that NorthCorp be retained.

Seconded: Nicole Turner

Q: what efforts were taken to obtain other quotes for audit services?

AB: he was not aware of what has happened. This is a question for the directors and staff. Would anyone like to speak to that?

CCC: I would like the second option for directors to seek other quotes.

AB: outlined the two options again and asked for a vote on the first resolution then if it doesn't get up a resolution will be called for the second option.

RM: can I speak about the quote?

AB: yes.

RM: the quote is inclusive of GST. The firm is proud of its association with Durri. The fee provided is \$3,000 or so less than last years. We take pride in the work we have done. We have a solid understanding of the corporation and it isn't always the best option to go with the cheapest quote received.

CCC: I accept that you have the expertise.

Motion: that the members appoint NorthCorp as the auditors of the corporation for the 2014-15 financial year and approve the quote of \$54,450 for the audit services and associated accounting services.

Moved by: Kelvin Jarrett

Seconded by: Harold Smith

Carried

Item 7: Resolution on the number of directors

AB: between 3-7 directors can be appointed. Directors Robert Smith and Tracey Edwards stand down as their terms expired. Tracey has renominated. Jack Griffin, Wendy Cowan, Beryl Wilson and Kelvin Jarrett continue as directors. Independent director, Karen Kennedy also continues.

TE: Beryl Wilson has resigned.

AB: Ok. There are three continuing directors. Kelvin is the representative for Nambucca and Bowraville.

EC: what about Bellbrook?

AB: it's what is in the rules that only Nambucca Valley/Bowraville has a prescribed director position. Therefore between 1-5 new directors can be appointed. It is up to the members to determine how many directors are to be appointed at this AGM. I am seeking a resolution from the members for how many directors? Does anyone want to talk to this agenda item?

DG: I'd like to propose three.

Q: Five directors.

AB: any other proposals before we vote on it? It is important to only vote once and not twice.

MP: I would like to know the benefit of three or five.

AB: with a smaller number it is easier to come together to meet. With more it can be harder. More directors enables more skills to be included on the board.

All those in favour of three, please raise your hand—23 in total.

All those in favour of five, please raise your hand—there was a clear majority for five new directors. The resolution to appoint five new directors was carried by the members.

Item 8: Election of directors to fill vacancies

AB: the nominees for the five vacant director positions are Cheryl Davis, Tracey Edwards, Norma Kelly, Alison Martin, Janet Smith, Nicole Turner and Kerry Wade. Would each nominee come forward and address the AGM on why they should be appointed as a director.

Cheryl Davis: my reason to be on the board is that I am all for employee's rights and employee's responsibilities. As a director I would have a strong voice. My main goal is that services are provided to Kempsey. We have the best service. A strong board is needed for growth. I am a community based person all for services in town.

AB: thank you Cheryl.

Tracey Edwards: I have been on the board for a couple of years. In this time the client numbers have increased. I am community minded and strong minded.

AB: Thank you Tracey.

Norma Kelly: I am a Dunghutti woman. I have experience in Aboriginal health. I have been a receptionist, a deputy CEO and a CEO plus an executive assistant. I have worked in hospitals in Lismore, Kyogle and other Aboriginal services in Grafton and Redfern. I have a graduate diploma in health management and am well aware of Aboriginal health at state and national levels. I have expertise and knowledge in health. My mother was one of the first to start Durri. We need to keep Durri.

AB: Thank you Norma.

Alison Martin: I would like to be a director of Durri. We need strong people there for direction, to sustain the health of the community and I can contribute to this. I have been a community member for 30 years. I know most people here and have made a contribution to the community.

AB: Thank you Alison.

Janet Smith: I have been here since when there was no service. I was here with the late Betty Mumbler and Stewart Ridgeway when we did the survey for two years to start Durri. I have had all of my children here. I started the land council in 1984. I do things quietly. Durri is important to me and to the community. We need the medical centre.

AB: Thank you Janet.

Nicole Turner: I was a director two years ago. I want to make people aware that I have been threatened to not attend the AGM. It is in the police hands. There are also people saying that I am spreading rumours about other people. I was a director after the special administration finished. We made a wonderful profit during that time. With the current political climate nationally, we need to look at our governance structure. I am on national and state boards. I bring expertise. I have worked with Durri for 13 years.

AB: Thank you Nicole.

Kerry Wade: I am a Kamilaroi woman. I am passionate about this community. I care a lot about the community. I like to give back. I like to learn. I am happy to learn as I don't know everything. I am trying to give back.

AB: Thank you Kerry.

AB: talking in front of people is hard a thing and all the director nominees spoke well and should be congratulated for their interest. There are seven nominations for five vacancies on the board of Durri. I declare that a poll will be conducted by secret ballot. On the ballot paper you can put crosses or ticks against the names of up to five people. You can put between one and five ticks or crosses, but not more than five.

I hereby appoint Christina Lugnan and Roseanne Mirto from ORIC and Robert Magnussen as the election scrutineers. Are there any objections? No objections received.

Voting took place with members placing a ballot paper into a wooden voting box.

AB: votes were received and counted.

I declare the following people elected as directors of Durri:

Cheryl Davis, Norma Kelly, Alison Martin, Nicole Turner and Kerry Wade.

AB: I would like to congratulate the new directors and also thank the directors that stood down at the AGM. Thanks to Tracey Edwards in particular for her contribution as chair of Durri.

Resolution: that the ballot papers from the election be destroyed.

Moved by: Kelvin Jarrett

Seconded by: Colleen Cook-Campbell

Carried

AB: thank you to the scrutineers.

Item 9: Questions from members

CD: why does Durri need two independent directors and can that be removed from the rule book?

AB: that requires a special resolution at a general meeting.

Q: can they be Aboriginal people?

AB: yes they can be and in many Aboriginal and Torres Strait Islander corporations they are.

CD: if the Durri board have a meeting and one of the independents aren't there the meeting can't go ahead.
I move that we change the rule book.

AB: this is a proposal for another meeting as adequate notice must be given to all members for any resolution to change the rule book.

CD: I feel very strongly about it. It has fallen on deaf ears.

AB: thank you Cheryl.

CD: the letter that was sent to the members about lateral violence. What was that about?

AB: It was not from me. Does anybody want to speak to that? Would Tracey Edwards who signed the letter like to address this? [note Tracey Edwards, the outgoing chairperson had left the meeting].

MP: it's on Durri letterhead.

TL: I received the letter as a member and it was signed by the chair. What this was about was that the chair felt quite strongly about governance at the board level. Lateral violence that had spilled over from the board to the operations. There are proceedings that are being undertaken because of some directors' behaviour. The chair had grave concerns on governance and the impact on Durri. Financially we are going great. The greatest risk for us is governance. That's all I can say in relation to this.

AB: thank you Traven for that.

MP: if it is on Durri letterhead does it have to be approved by the board? Does the CEO endorse it also?

TL: it is not for the CEO to endorse.

AB: MP raised a good question. The directors are responsible for managing the business of the corporation. They delegate powers to the CEO, other staff, the chairperson or a director. Every corporation is different. Delegations are for the directors to determine. I am sure Durri has those.

EB: was this by one director or were the other directors a part of it?

KJ: I had no knowledge of the letter until I received it. I have not had any correspondence from the chair since October.

DG: the same for me.

KK: I did not see the letter and it concerns me.

KS: the CEO talked about how good the service has been going. My question is why is the Registrar here? People in the community are concerned. On the books it looks good. There are staff being removed and other stuff being spoken about in the community. It is not a happy place.

AB: as Traven said there are four parts to an organisation. Three are running well, the other, board governance, isn't working well.

KS: half the director's didn't know the letter was out there!

AB: it's a little glitch. Durri does not have huge problems.

AT: was there a quorum for that letter and how can this justify the legality of the letter.

AB: the answer in relation to the quorum appears to be no.

AT: how does this meet the legality of the letter?

AB: the directors should consider what has been said in the letter and the comments from the members tonight and decide what should occur in relation to that letter.

Q: what was the court case with Durri taking ORIC to court? Durri has to pay the court costs.

DG: who approved it?

AB: it was proceedings in the Federal Court in Sydney commenced by Durri against me seeking an injunction to stop me from obtaining the members' register and holding the AGM tonight. On 23 December 2014 the Federal Court dismissed Durri's application and awarded costs to me.

DG: how much was the cost to Durri?

AB: I can only tell you how much it cost me. Approximately \$5,000.

Q: who authorised the legal proceedings?

DG: the legal firm that took ORIC to court wasn't Durri's principal lawyer. We knew nothing about it.

EB: who authorised it?

AB: the applicant on the court documents was Durri.

KK: the affidavit was signed off by the previous chairperson.

CD: why would Durri feel that they had to take you to court?

AB: the orders sought from the court were to stop the meeting tonight. I do not know of the reason why the proceedings were commenced.

AS: we need to have a meeting to discuss the rulebook. Public officer, Judith Clacy is not at work at the moment. Directors please consider the option of holding a general meeting to look at the rulebook.

KJ: I would like you to clarify something. Are we under special administration?

AB: Durri is not under special administration. It is not under consideration to be placed under special administration. The new directors have listened to the issues raised by the members at the AGM and I am sure that they will take action to address those issues.

AS: my understanding was that the meeting was stopped due to the legal proceedings against some of the directors. This is my perception of the court case.

HS: why is there white people on the board of Durri? Nicole Turner – are you Aboriginal? Don't make up yarns about me? It has come back to me and I know where you are and I want to see you.

NT: I am Aboriginal and am happy to sit down with you and explain my family background to you.

HS left the AGM.

AB: any other questions.

SH: when is the Bowraville clinic going to open, what's going to happen?

TL: is that the land council building? It was purchased 8-9 months ago. Probably July last year. There was a pause where I was absent for a period. We had to redesign the clinic as some new standards came in. We have to meet the design standards. We had to go back to council to get approval for the redesign.

Q: has the community been notified of it? The whole community?

TL: PM&C organised a meeting in Bowraville. The plans are there. We've got the money, we are investing in ourselves.

SH: with the services that Durri provides, why are we losing some services and staff?

TL: we are conscious of staff behaviour. We have a rigid and rigorous process. Reputation—it is the worst part of the business. The state government are looking at other service providers. No longer will we get guaranteed funding for services. We have to tender for them. The Commonwealth funding is confirmed though.

RM (auditor): there was an increase in Commonwealth funding of \$181,000 in 2013-14.

SH: we need outreach in Bellbrook. There is a big community there.

TL: we had to sort out finances after special administration. Sort out the governance. The operations are next. Bellbrook – monies have gone into the land council building to bring the building up to scratch. Now it's time to look at service delivery levels. This year, the fruits of our labour are coming through. Be patient with us. We can't do it all at once.

DG: the policies and procedures were really old and minimal. We had to do a lot of work to bring them up to scratch. In 2014-15— allied health services will be going to Bellbrook, Bowraville and Nambucca.

KJ: I was at the meeting at Bowraville. Only certain families were there.

TL: the meeting was for the entire Bowraville community.

KJ: at that meeting Traven said we were under special administration.

TL: we are not under special administration. Why would I say that? We are doing well.

AB: Durri is not under special administration. Is there any other business?

Item 10: Any other business

Nil.

Thank you.

Meeting closed

Time: 7.44pm

Signed and confirmed as an accurate record



(signature of meeting chair)

4 February 2015