

Epworth Hospital (Amendment) Bill

EXPLANATORY MEMORANDUM

OUTLINE

The purpose of this Bill is to amend the **Epworth Hospital Act 1980** (the Principal Act) to create the Epworth Foundation as successor to the Epworth Hospital and to make provision for the establishment of a subsidiary corporation to be known as the Epworth Hospital, to carry on the delivery of health services at the Erin Street Richmond site.

The amendments to the Principal Act take place in two stages. The first set of amendments will:

- alter the name of the body corporate established under the Act (the "**Corporation**") from "Epworth Hospital" to "Epworth Foundation";
replace the objects and powers of the Corporation with new charitable objects and powers;
repeal the provisions enabling the Treasurer to provide government guarantees of the Corporation's liabilities; and
alter some features of the composition of the Board of Management and administration of the Corporation.

The second set of amendments to the Principal Act will facilitate the transfer of the assets and liabilities connected with the hospital at Erin Street, Richmond (the "**Erin Street Hospital**") to a wholly owned subsidiary ("**Subsidiary**") of the Corporation. The Corporation may ultimately dispose of the Subsidiary.

CLAUSE NOTES

PART 1—PRELIMINARY

- Clause 1 sets out the main purposes of the Bill.
- Clause 2 is the commencement provision. Parts 1 and 2 will come into operation on the day on which the Act receives the Royal Assent. The remaining provisions will come into operation on a day or days to be proclaimed.

**PART 2—AMENDMENT OF EPWORTH HOSPITAL ACT
1980**

Clause 3 identifies the **Epworth Hospital Act 1980** as the Principal Act.

Clause 4 inserts a heading to Part 1 of the Principal Act.

Clause 5 provides for the name of the Principal Act to be changed to the **Epworth Foundation Act 1980**.

Clause 6 inserts further definitions in the Principal Act.

Clause 7 inserts a heading to Part 2 of the Principal Act.

Clause 8 substitutes "Epworth Foundation" as the new name of the Corporation and provides that the Epworth Foundation is the same body after the commencement of this clause as it was before that commencement.

Clause 9 substitutes new sections 4 and 5 for sections 4, 5 and 6 in the Principal Act.

Section 4 provides new objects for the Foundation.

Section 5 provides new powers for the Foundation.

Section 6, which provided that the Treasurer of Victoria could guarantee repayment of the debts of the Corporation, is repealed.

Clause 10 amends section 7 and 8 of the Principal Act by substituting the new name of the Corporation.

amends section 8 to provide that on the winding up of the Corporation any remaining property is to be transferred to the Uniting Church Property Trust to be applied solely for charitable purposes.

Clause 11 substitutes for the Uniting Church in section 9 of the Principal Act the Victorian Synod of the Uniting Church as the body empowered to appoint a majority of the members of the Board of Management.

amends section 9 to provide for a person to be a member of the Board of Management for a period longer than nine years in certain circumstances and makes minor amendments relating to

the circumstances affecting eligibility to be a member of the Board.

Clause 12 amends the last date for the Annual General Meeting.

substitutes for the Uniting Church in section 10 of the Principal Act the Victorian Synod of the Uniting Church as the body to which a copy of the annual report is to be provided.

removes the restriction in section 11 of the Principal Act on the President and Deputy President holding office for more than three continuous years.

simplifies the requirements in section 15 of the Principal Act for witnessing the affixing of the common seal.

makes minor amendments relating to gender and substitutes the new name of the Corporation in sections 10 and 13 to 19 of the Principal Act.

Clause 13 defines the term "the Hospital" as used in section 20 of the Principal Act as the body corporate established under section 3 of the Principal Act.

Clause 14 inserts headings to Parts 3 and 4 of the Principal Act.

Clause 15 substitutes the new name of the Corporation in section 21 of the Principal Act.

Clause 16 inserts a new section 21A into the Principal Act to provide for donations, gifts, trusts and trust funds to or for the use of the Corporation to take effect as if made, declared or created in favour of the Foundation.

Clause 17 substitutes "Synod" for "Victorian Synod of the Uniting Church" in section 22 to be consistent with the new definition of Synod in clause 6 of this Act.

PART 3—GENERAL

Clause 18 defines the Principal Act for the purposes of this Part.

Clause 19 amends the composition of the Board of Management and, consistent with the definition of Synod in clause 6, substitutes

"Synod" for "Uniting Church" as the body having power to appoint members of the Board.

omits the reference to the Chairman of the Medical Advisory Council and amends the reference to the Chief Executive Officer to recognise that the appointment of a Chief Executive Officer is discretionary.

preserves the appointment of members of the Board of Management who were members at the commencement of this clause.

Clause 20 makes the power of the Board of Management to appoint a Chief Executive Officer discretionary.

Clause 21 amends the requirement for custody of the common seal to recognise that the appointment of a Chief Executive Officer is discretionary.

omits the reference to the Medical Advisory Council.

repeals the power of the Board of Management to make regulations for the Foundation.

Clause 22 inserts a new Part 5 in the Principal Act, being sections 23 to 35.

Section 23 sets out definitions for terms used in Part 5.

Section 24 transfers the property, rights and liabilities of the Foundation (other than excluded property and related liabilities) to the Subsidiary.

Section 25 provides for the Subsidiary to be substituted as a party to agreements in place of the Corporation.

Section 26 continues the effect of instruments and provides that a reference in an instrument to the Corporation is to be read as if it were a reference to the Subsidiary.

Section 27 substitutes the Subsidiary as a party to any proceedings to which the Corporation was a party prior to the transfer.

Section 28 transfers all interests in land of the Corporation to the Subsidiary.

Section 29 provides for the Registrar of Titles to amend the Register to reflect the transfer of property pursuant to Part 5.

Section 30 exempts from stamp duty and other taxes the transfer of property, rights and liabilities of the Corporation to the Subsidiary.

Section 31 exempts the Subsidiary from the requirement to pay any rates under section 174 of the **Local Government Act 1989**.

Section 32 provides that evidence admissible against the Corporation is to be admissible against the Subsidiary.

Section 33 transfers employees of the Corporation to the Subsidiary and preserves all rights and obligations as if the transfer were not a change of employment.

Section 34 preserves the capacity to alter terms and conditions of employment and preserves existing rights of resignation and dismissal.

Section 35 preserves the entitlements of employees to superannuation benefits under the **Hospitals Superannuation Act 1988** as if the transfer were not a change of employer.

