

6 January 2009

Dear Member,

INVITATION TO SPECIAL GENERAL MEETING

29 January 2009 at 5.30 pm at 1 Back Beach Road, San Remo

A special meeting of the Bass Coast Community Health Services (**BCCHS**) membership has been called for Thursday 29 January 2009.

BCCHS, like most other community health services, is required to change its structure to fit in with some new requirements of the Australian Taxation Office and conform with legislation that has passed the Victorian Parliament and will be proclaimed shortly.

The proposed constitution establishes Bass Coast as a new company more legally separate from Government than the old one. In practice very little will change in the way that the Board is elected or operates or the centre conducts its business.

The background information and resolution, as attached, explains the reasons for these changes in a bit more detail.

If you have any questions about this before the meeting please contact Reception on 5671 9200.

Kind Regards

Jo Beasley

President

BACKGROUND INFORMATION FOR MEMBERS

PROPOSED CHANGE IN LEGAL STATUS OF BASS COAST COMMUNITY HEALTH SERVICE INC

Bass Coast Community Health Service (BCCHS) is planning to change its legal structure from an Incorporated Association to a Company Limited by Guarantee. This change is due to a review by the Victorian Department of Human Services (DHS) following advice from the Australian Taxation Office (ATO) that our charitable status would be revoked.

If we do not change our status, it means the following will occur:

- Removal of the Deductible Gift Recipient (DGR) exemption which means donations to BCCHS would no longer be tax deductible, and BCCHS would no longer be eligible to apply for some funding grants
- Removal of the Fringe Benefits Taxation (FBT) exemption that currently allows BCCHS to provide competitive remuneration to our workforce.

A solution for this is for a governance restructure that will require changes such as:

- A new constitution that will cover the Objects and Guiding Principles of the company and the Rules that govern how BCCHS will make decisions and operate in the local community.
- The role of the Board of Governance changing to a Board of Directors of the new corporate entity.

These steps should enable BCCHS to retain our current charitable status and therefore ensure the ongoing sustainability and viability of the service.

Members are asked to:

- Read the Notice of Special Resolution (on the next page).
- Consider this information and attend a Special General Meeting on **Thursday, 29 January 2009 at 5.30 pm** to vote on the above resolution.

View the new Constitution on our website www.bcchs.com.au Copies will also be available in the foyers of all our sites.

Voting will be conducted under our current Rules of Incorporation so at least 10% or 50 of our members (which ever is the lesser) must be present to vote on the proposed resolution.

If you have any questions in relation to this matter or the proposed resolution please don't hesitate to contact Reception on 5671 9200 or email executive@bcchs.com.au.

Membership forms for the new company will be available on the day of the meeting.

If you did not renew your membership for 2008/2009, and you wish to, please complete attached pink form and return it to us via post or at the Special General Meeting.