

**HSU NSW/ACT COUNCIL MEETING HELD AT SYDNEY MASONIC CENTRE,
CNR OF CASTLEREAGH & GOULBURN STREETS, SYDNEY ON MONDAY 24TH
FEBRUARY 2014 AT 10.26 A.M.**

ATTENDANCE: G Hayes, P Mitchell, G Reilly, S Haynes, P Iffland, R Dunn, S Joseph, S O'Riley, G Partridge, J Holgate, D Turley, L Burns, A Wilcock, L Twyford, A Lillicrap, C Charles, D Neumann, J Chester, M Pike, P Reid & M Sterrey.

CHAIRPERSON: M Sterrey (President)

APOLOGIES: S Davis, R Henderson, L Snow, S Fraser, L Martin and W Lloyd.

Moved P Iffland/J Holgate that the apologies be accepted.

Motion put and carried.

OBSERVERS: I Knight, A McDonald, A Lewis, D Perry, S Champness, J Cowdrey, M Senthil, B Chapman, T Stevanja, A Hall, Anne Davis from SMH.

Moved S O'Riley/C Charles that the observers as listed above be admitted to the meeting.

Motion put and carried.

DECLARATION: Nil

MINUTES: Moved S Joseph/S O'Riley that the Union Council minutes of 6th December 2013 be received and adopted.

Motion put and carried.

President informed Council that the following people would be attending the meeting to provide advice on matters listed on the agenda:

- Chris Brown, Senior Assistant Secretary, HSU National office;
- Michael Doherty, Maurice Blackburn to advise about the Royal Commission into Union Corruption; and
- Selwyn Black, Carroll & O'Dea to give advice on Michael Williamson bankruptcy.

SECRETARY'S REPORTS:

Secretary advised that since the last meeting in December, activity had dropped due to the Christmas period. 2013 was about consolidation and stabilisation and that has been achieved. 2014 will be a year of focus and intensity. The past 14 months have seen the Union grow at a rate of 5%. The staffing levels have increased dramatically, the Union fees have been decreased and the financial position of the Union continues to improve.

This year it is about two things. The Royal Commission, which is a very significant issue particularly to this Union. As Councillors are aware this Union has been through the Temby review, Administration and a major police investigation.

A range of matters have been dealt with and Lawyers Carroll & O’Dea continue to pursue those who may have misappropriated monies. The Union will engage with the Royal Commission in an open and cooperative manner, we won’t attend cap in hand, rather we will clearly advocate our position and the steps that have been taken thus far. The members and the people of NSW will know that the system works.

In terms of State-wide Campaign Committee it was advised that an inaugural meeting was recently held. The State wide cut to public sector is a key issue for members and the wider community. This really goes to the heart of the matter. The Union will continue to fight for the members in Greater West where they are trying to cut another 40 positions after they have already been through a similar downsizing of staff as we will confront any other initiative to privatise.

Selwyn Black, Carroll & O’Dea gave the Council an update on current litigation matters. This update was conducted in-camera.

Secretary advised that the Union has held discussions with TAFE to explore the steps required to develop a Registered Training Authority. A report will be provided to Union Committee of Management and Council of any proposal that would be viable going forward. There are two phases; TAFE are in a position to assist in deliver training in the first instance while in the longer term the Union would be able to receive assistance from TAFE in developing structural requirements for accreditation. That process will take approximately 12 to 18 months.

In terms of salary packaging Chief Financial Officer has been able to identify opportunities for HSU staff to access salary packaging and a number of staff has taken up the salary packaging opportunity at this time.

RESOLUTION

Moved A Wilcock/L Burns that the Secretary’s report be received and noted.

Motion put and carried.

MEMBER SERVICE DIVISION REPORT – J COWDREY

As per attached.

AGED CARE DIVISION REPORT – D PERRY

As per attached.

PUBLIC DIVISION REPORT – A HALL – DEPUTY MANAGER

As per attached.

PUBLIC DIVISION REPORT – P KESSEY – DEPUTY MANAGER

As per attached.

INDUSTRIAL DEPARTMENT REPORT – AYSHE LEWIS

As per attached.

RESOLUTION

Moved A Dowsley/G Reilly that the Industrial report be received and adopted.

Motion put and carried.

ASSISTANT SECRETARY/TREASURER’S REPORT

- Assistant Secretary/Treasurer advised that the contract for the lease of photocopying machines was due to expire at the end of March and the Union was to go through a tender process to renew the contract. The Union took this opportunity to put it out to tender to test the market. Fuji Xerox has been supplying the Union photocopiers for the last few years and significantly brought down their price by about 45%. The Union was paying them \$135,000 p. a. for 4 machines. Fuji Xerox brought down their costs to \$70,000. Four applications were received including Canon. The Canon machinery meets the standards required but their prices were even cheaper. This will save the Union \$70,000 to \$80,000 p.a.
- Discussions are underway with Telstra to review the terms and pricing of our business with them. We are attempting to shave some savings off the current arrangements. Currently HSU spends \$288,000 with Telstra each year on IT infrastructure, telephony and internet services. The Union is trying to get a better deal overall.
- Property: The sale of Level 3, 370 Pitt Street fell through over Christmas, due to a collapse in the funding arrangements at the purchaser’s end. Level 3, 370 Pitt St therefore needs to go back on the market. This will require another exclusive real estate agent agreement, but also offers the chance to test the market and examine other real estate agents and their fee structures.
- On the banking situation, you will recall we have had a situation going for some time with Victoria No. 1 Branch involving a “cross guarantee” arrangement put in place during the period of Administration of the Union. As a result, we have been paying higher interest rates because of that cross guarantee. The Bank had the HSU NSW rated as a higher risk than we really are, because of that cross guarantee. The refinancing of the Vic. No.1 Branch loan is now completed and the Commonwealth Bank has now agreed to a lower new interest rate. The saving after the drop will be 1.85%. The Union will now save about \$200,000 p.a. in interest repayments.

RESOLUTION

Moved P Iffland/L Burns that the Assistant Secretary/Treasurer’s report be received and adopted.

Motion put and carried.

The Council adjourned for lunch at 1.10pm.

Council resumed after lunch at 1.45pm.

Suspension of Standing Orders was moved by A Wilcock/J Chester to allow the HSU Assistant National Secretary Chris Brown to give a review/report on the Royal Commission.

Moved G Reilly/M Pike resumption of standing orders.

Motion put and carried.

FINANCE REPORT:

As per attached.

RESOLUTION

Moved D Turley/J Holgate that the finance report be received and adopted.

Motion put and carried.

AGENDA ITEM 1 – ROYAL COMMISSION

As Councillors would be aware the Federal Government has announced a Royal Commission into Unions and associated funds that may be attached to Unions and/or individuals employed within Unions.

It is estimated that the Government is expending approximately \$100M in relation to this exercise and it has identified 5 Unions in particular that will be subject to individual scrutiny. It would appear that the HSU is being targeted even though this Union has been scrutinised through the Temby Report by the Administrator and by Strike Force Carnarvon over the last 2 years. As Councillors are aware criminal proceedings have progressed as have civil proceedings against individuals who have been alleged to have been involved in inappropriate activity. This being said the Union is in a position to articulate its case before the Royal Commission and it will do so with great vigour and thoroughness.

Mr Michael Doherty from Maurice Blackburn Lawyers explained about the Royal Commission matters to the Council.

RESOLUTION

Moved M Pike/C Charles that the Council notes the formation of a Royal Commission into Trade Unions and in particular the HSU and the Council endorses that legal costs associated with the Royal Commission that relate to Officers, employees or honorary officials of the Union will be absorbed by the Union

Motion put and carried.

AGENDA ITEM 2 – PRIVACY LEGISLATION

Amendments to the Privacy Act come into effect in March 2014 requiring organisations to implement a privacy policy - outlining the type of information it collects, how the information is collected, how it uses the information, how information is stored, security of the information and how members can complain if there is a breach. A draft is included which is to be considered by the HSU National Executive. It makes better sense to adopt a consistent policy at a state and national level rather than have different policies.

The Privacy Act establishes a set of principles including:

- Open and transparent management of personal information – showing what information it collects why it collects it and how individuals can access their own information.
- In some situations, the ability for individuals to remain anonymous
- Collection of solicited personal information
- Dealing with unsolicited personal information
- Notification of the collection of personal information
- Use or disclosure of personal information
- Direct marketing – where information may or may not be used for marketing purposes
- Cross border disclosure of personal information – this applies particularly where data is held on an overseas computer server.
- Quality and accuracy of personal information

Backing up the policy that will be put in place - unions and other organisations will need collection statements, operational policies and procedures in order to comply.

The legislation requires an organisation to determine what information held by the organisation is "personal information" and to justify why it is collecting it and generally requires an underlying sense of openness and transparency with the information it collects.

The Privacy Amendment Act has a strict compliance and penalty regime. To ensure the Union is compliant, a review is being conducted of how the Union handles personal information and may require new processes to be changed or introduced.

RESOLUTION

Moved D Turley/S O'Riley that the HSU NSW Council adopts the Privacy Policy.

Motion put and carried.

AGENDA ITEM 3 – MICHAEL JONES – TRUSTEE BANKRUPTCY

A meeting was recently held with Mr Michael Jones of Jones Partners to discuss the ongoing work of resolving Michael Williamson's Bankruptcy to return funds to the HSU.

There had been some correspondence between Gerard and Michael concerning the need for more documentation and explanation of costs incurred the purpose of future costs to be incurred and the predictions concerning the outcome of an investigation and return on investment.

The meeting was held to resolve these issues.

In the meeting Mr Jones and his associate Mr Tanna proposed to move quickly to Supreme Court examination of Michael Williamson and some family and associates in order to expedite the process. This is done primarily to gain information from Michael Williamson that will be more difficult pending any custodial sentence.

Mr Jones and Mr Tanna also acknowledged that they may be able to avoid significant duplication of work if they examine documents and have conversations with the police and other parties which have so far been undertaken by Carroll and O'Dea.

It has been agreed that Jones and Partners will provide the HSU with a schedule of costs so far and a schedule of costs for the supreme-court examination and examination of Carroll and O'Dea's documents (excluding any legal fees).

RESOLUTION

Moved P Mitchell/P Reid that the Union Council of the HSU accepts the proposal made by Jones Partners to move to examination process and to use information and research already completed by Carroll and O'Dea in their works. The Union Council further authorises the General Secretary to approve the funding for the investigation and examination into Michael Williamson by the trustee Jones Partners up to \$150,000, although every attempt will be made to reduce costs significantly below this level."

AMENDED RESOLUTION

Moved P Mitchell/P Reid that the Union Council further authorises Secretary to approve the funding for the investigation and examination into Michael Williamson by trustee Jones Partners up to and include public examination to \$100,000, although every attempt will be made to reduce costs significantly below this level.

Motion as amended put and carried.

GENERAL BUSINESS

- Councillor S Joseph advised that no emails had been received from the Union, and if the Records Department are aware that the emails have been changed. Secretary advised the matter will be looked into.

There being no other general business the meeting closed at 3.49 p.m.



Chairperson

19.5.14