

HSU NSW/ACT COUNCIL MEETING HELD AT THE WESLEY CONFERENCE CENTRE, 220 PITT STREET, SYDNEY ON TUESDAY 25TH AUGUST 2015 AT 11.02 A.M.

ATTENDANCE: P Iffland, S Joseph, L Snow, A Wilcock, S Fraser, S Davies, S Dufty, S O'Riley, J Peacock, S Austen, C Charles, L Twyford, P Reid, L Burns, J Holgate, L Bush, P Mitchell, G Partridge, J Catlin, A Lillicrap, G Hayes and M Sterrey.

CHAIRPERSON: M Sterrey (President).

APOLOGIES: R Dunn and G Reilly

Moved L Burns/S O'Riley that the apologies be accepted.

Motion put and carried.

OBSERVERS: A Lewis, S Champness, B Cornwell, B Chapman, T Thorburn, A Hall, S Hatter, M Senthil, E Palad, A McDonald, W Boon, L Russell, J Cowdrey, A Dowsley, P Kessey and W Boon.

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

Motion put and carried.

DECLARATION:

MINUTES: Moved P Reid/L Burns that the Union Council minutes of 25th May 2015 be received and adopted.

Motion put and carried.

BUSINESS ARISING:

Councillor S Joseph enquired on Secretary's report from May Council meeting where it was mentioned that the "Retired members" will be confirmed by the Secretary and that decision ratified by the Branch Committee. The granting of retired membership status is at the discretion of the Secretary and Branch Committee." She wanted it to be explained why the matter went to Branch Committee and not the Council. Secretary advised that applications are processed on a daily basis and as the BCOM is held every month it can deal with the day to day operations of the Union.

SECRETARY'S REPORTS:

The Conference was an outstanding success. There has been a large amount of positive feedback and members were impressed with the new program as well as the location. However, we did not get it all right, one of the issues was in relation to life memberships. We went through it pretty quickly, however the reason for that was that if we had taken time to talk about each member dinner would have been delayed by half to three quarters of an hour.

Growth

The financial members has plateaued out since July as expected. The plateauing always occurs in January and July as members retire. Overall the membership is over 31,700 mark as of yesterday. We dropped approximately 100 members over the last six weeks.

Aged Care

The investment into Aged Care continues to see rewards. The more interest and more effort we put in will see continued growth and development within the division. We will cross the 5000 mark in Aged Care within the next 6 months.

Ambulance

The Ambulance members have flat lined over the last six months. We haven't gained or lost significant numbers. The membership has settled around 1700. Stuart Hatter has been organising and developing collective issues and as a result we have seen the IT department signed up 12 members and they are now working through their issues. If EMSPA was not there we would still have probably around 2000 or 2400 members. The Government no doubt at some stage will create legislation that will force Unions to be competitive across the board.

ACT HSUA

ACT is always sitting around 1200 mark. It fluctuates up and down. If we put a little bit more emphasis in terms of the ACT we may find more members joining. Members have left mainly because of the NDIS.

Private Health

When we focus on the membership in each division we see positive movement and private health is no exception. There is a consistent growth right the way through, I am sure next week it will lift again. We have just advertised for positions in Private health and are currently interviewing. Once we have more staff on the ground growth will begin to accelerate

Public Health

This is the time when members start retiring and this is something that we can deal with and will deal with it. This is where the organising model has to be there. Public Health is still growing but will be exposed to increasing retirements and there it is vital that we can access as many members and potential members as possible to ensure growth and development.

EBA Update

Salary harmonisation internally has all been completed. As I mentioned a lot of people had to make sacrifice with salary cuts of \$15,000 to \$25,000. That is on top of not having 2.5% pay increase in the next few years. The commitment of the staff has been fantastic. This is the first time ever we have been in a position where salaries and conditions are fully negotiated and transparent across the board. The EA has been voted on and it was interesting to see that some staff voted the EA down, others voted for it and some didn't vote. The majority voted in the affirmative.

NSW has made loan to the National Office of a \$100,000. The main reason is to support ongoing litigation. The loan is to be paid back within 12 months.

Level 8, 109 Pitt Street, the TV studio is being rented out now for about \$40,000.00 pa.

The Ambulance helicopter case has for the first time seen above 2.5% increase for our members. The Helicopter Paramedics has had their classifications moved to that of a Critical Care Paramedic. They will receive 2.5% and 5% on top of the wage fixing allowance. We are now going to be seeking similar success with Allied Health assistants

Recently the Union attended Free Trade rally where we supported not only the wider Union movement but particularly people like the CFMEU, ETU and the AWU who are all affected by this.

Mark and I are going to meet Rev Fred Nile to lobby in relation to anti privatisation of NEPT (Non-Emergency Patient Transport).

I want to raise in general business the issue of affiliation with ALP. I will explain to you why I am of the view that it is important to affiliate with ALP however I am not suggesting today that we make a decision I will suggest over the next 3 months we have a discussion, we take it to the membership and come back to the next Council meeting

RESOLUTION

Moved S O'Riley/L Snow that the Secretary's report including growth, Aged Care, Private Sector, Public Sector, Organising, MSD, Ambulance and Industrial reports' be received and noted.

Motion put and carried.

ASSISTANT SECRETARY/TREASURER'S REPORT

- There has been a lot of talk about the HSU Conference, today. I'd like to point out what it was not - it was not the Conference of the past and was not extremely lavish or expensive. It was not the Conference of 2011 which cost around \$550,000. The Conference that we just had we budgeted \$170,000. That included all the travel arrangements, accommodation and everything associated with the venue. It was pretty good effort and well organized and a much better conference then in the past.
- We have got an expression of interest process going on in IT Infrastructure and servicing. That contract is up for renewal and I've put that out to test the market in line with HSU Policy to test the market on these things every three years. We have had a number of responses back.
- We are now renting out the film Studio Level 8, 109 Pitt Street and getting commercial rent now. The equipment that was inside, the film equipment, a lot of money being put into that, lighting, cameras, sound equipment has been taken out and stored elsewhere. We have been slowly selling off the equipment using internet sites to sell it.
- I also want to mention in the report that Angela McDonald is back on deck. She is back up from maternity leave and I would also take this opportunity to thank Janaki Puvanarajah for all her efforts and skill that she applied to the job in relieving Angela as CFO.

Moved L Twyford/J Holgate that Assistant Secretary/Treasurer's report be received and adopted.

Motion put and carried.

FINANCE REPORT:

As per attached.

RESOLUTION

Moved P Reid/L Snow the finance reports including the profit and loss statements and balance the sheet as at July 2015 be received and adopted.

Motion put and carried.

AGENDA ITEM 1 – JUDY OWEN

It is with great sadness that I report on the passing of Judy Owen. Judy was a member of the Union since 1996 and became President of the Albury Sub branch from 1999 – 2003. Judy was an Organiser with the Union from 2003 to 2005 and returned to the Union 2013. Judy was organising in the Southern areas of the state and her reputation throughout public and private health, ambulance and aged care was that of a well-respected and committed representative and much loved friend.

Staff attended Judy's funeral recently and it was interesting to note that whether commentary was made about her personal life, professional life, community interests or community involvement the consistent tone and theme was that Judy was dedicated, committed and thoroughly appreciated by all she interacted with. Judy will be sadly missed as a colleague and a friend and her name will be recorded on the Union's Memorial Roll.

RESOLUTION

Moved L Twyford/S Davies that Union Council is deeply saddened by the loss of Judy Owen and extends its deepest sympathy to Judy's family and will ensure that Judy's legacy of commitment to HSU members will continue into the future.

Motion put and carried.

AGENDA ITEM 2 – STAFF ENTERPRISE AGREEMENT

As Council is aware the EA negotiation have been ongoing for some months. Council will note by the attached draft EA that there are several enhancements to working conditions. Fundamentally the EA based on 2.5% increase for 12 months retrospective to 1st July 2015. There is a Superannuation enhancement of .5% which will increase employers' superannuation contribution to 10%, a health and wellness contribution for \$200 per individual as well as contributions to employee training and education.

Other aspects of the EA include position descriptors, training requirements, consultation requirements and travel safety issues.

Overall the EA process has been robust and the employees have been able to secure for the first time a level of equality, transparency and inclusion across all departments that ensures that they are not only respected as employees but are respected as having their own industrial processes and representation.

It is proposed that this EA is in place for 12 months and further negotiations commence in 2016.

RESOLUTION

Moved P Mitchell/L Snow that Council approves the Enterprise Agreement between the HSU and HSU employees. Furthermore Council acknowledges the robust but constructive negotiations that have led to this inaugural Enterprise Agreement.

Motion put and carried.

AGENDA ITEM 3 – BUDGET CASHFLOW PROJECTIONS 2015-2016

As per attached.

RESOLUTION

Moved G Partridge/A Wilcock that the HSU NSW Union Council discuss, review and adopt the budget/cashflow projection for the 2016 financial year.

Motion put and carried.

AGENDA ITEM 4 – OMBUDSMAN –IAN TEMBY QC

Each year Council is required to appoint an Ombudsman. As Council is aware John Grayson ex Deputy President of NSW Industrial Relations Commission has undertaken the Ombudsman's role during the period 2013-2015.

Mr Grayson has brought a welcomed air of confidence to the role following a particularly difficult period for the Union. It is pleasing to note that the role of the Ombudsman has not been required to be utilised and that is further credit to the Union and its day to day conduct.

It is proposed to contact Ian Temby QC in an effort to establish his availability to undertake the role going forward. As Council is well aware Mr Temby has had a close connection with the Union for the past 4 years and his contribution has been of great assistance to rebuilding the Union.

RESOLUTION

Moved L Bush/J Chester the Union Council endorses that the Secretary contacts Mr Temby in an effort to ascertain his interest in undertaking the role of Union Ombudsman. Union Council further endorses that an honorarium of \$8000pa would be appropriate to secure Mr Temby's availability.

ADDENDUM

Moved L Bush/J Chester that the Union Council also awards honorary life membership to Mr John Grayson of his support and commitment to the HSU.

Motion as amended put and carried.

AGENDA ITEM 5 – WOMEN’S COMMITTEE

The HSU is a diverse Union that is made up of a range of industries and professions. The one underlying constant throughout the HSU membership is that there is a substantial female membership base. The Union’s Governance is generally represented at a level of 50% gender mix. The staffing within the HSU is similarly proportionate. However looking to our ongoing development and representation at all levels we must ensure that we can promote women to be able to properly reflect and represent the Union’s values and interests. It is with this in mind that it is recommended that a Women’s Committee be established to be able to develop a way forward to promote the interests of women within the Union and external to the Union.

RESOLUTION

Moved S O’Riley/P Reid that Council endorses the establishment of a Women’s Committee that will be constituted from within the membership as well as the Council and should have a Terms of Reference that is consistent with that of the National Union.

Furthermore, Council endorses delegates from the NSW Branch representing NSW interests as part of the National Union Women’s Committee.

Motion put and carried.

AGENDA ITEM 6 – FUTURE OF LEVEL 3, 109 PITT STREET PROPERTY

Union Council resolved to redevelop the HSU property at Level 3, 109 Pitt St into its subdivided suites. This was in anticipation of the tenant – the Indian Consulate – terminating their lease early and moving out of the property mid-2015.

The Indian Consulate vacated Level 3 by 30th June and paid the HSU \$164,000 in remaining rent to terminate the lease early. Conversion back into individual suites is likely to result in higher rental income for the HSU at \$650/m, thereby bringing in approximately \$507,000 rental income per year to the HSU. Usual incentives offered to tenants, however, are around 3 months per year.

It would require works to remove the existing fitout and install new partitioning, that would cost approximately \$450,000- \$500,000. By converting the floorspace back into individual suites, the future risks to the HSU of having a vacant property, are minimised. Smaller suites tend to lease more easily (and also attract a higher rental income per metre) than larger suites.

Option 1:

Recently, the Assistant Secretary conducted an Expression of Interest process to select a Project Manager to manage the new fitout and conversion of Level 3 back into individual suites. The estimated budget for this is approximately \$450,000 - \$500,000. The Project Manager has been obtaining quotes from trade’s contractors to perform the demolition, electrical, water and other construction and fitout works. If the HSU is to go ahead with this fitout, then immediate approval is sought from Union Council to approve the expenditure for each component of the job.

These components are:

1. Strip out of existing partitions - \$175,000
2. Building works - \$120,000
3. Electrical Lighting/Power/Metres - \$75,000
4. Fire Services - \$20,000
5. Mechanical Services - \$25,000
6. Hydraulics -\$10,000
7. Misc - \$15,000
8. Council Approvals -\$8,000

Option 2

The HSU has received an offer from a vocational college to lease the whole of Level 3, 109 Pitt. The prospective tenant is keen to lease the floor space as it currently exists. This would mean that the HSU does not have to carry out any major construction or fitout work, thereby saving the \$450,000- \$500,000 in capital expenditure.

The gross rental income would be \$507,000 per annum. This equals the expected rental value if HSU was to subdivide the floor and rebuild the individual suites.

The lease would begin on 15 September 2015, and is contingent on Sydney Council approval of a DA to change the use of the floorspace to allow a college to operate here. There are also some issues with the Owners Corporation of the 109 Pitt St building that require negotiation/approval.

The offer to lease is for a five (5) year period, with an option of another 3 years. It includes a 4% increase each year, with a Market Review at the end of 5 years; incentive of only 3 months free rent in the first 5 year's lease.

RESOLUTION

Moved S Joseph/G Partridge that the proposal to rent out Level 3, 109 Pitt St Sydney to Logic Entity Australia Pty Ltd for a period of 5 years be accepted and that the redevelopment of Level 3, 109 Pitt St into smaller suites be deferred.

In the event that the proposal to lease the whole floor space by Logic Entity Australia Pty Ltd is unable to proceed and no other offer to lease the whole floor space is available, then expenditure listed in Option 1 for redeveloping and subdividing Level 3, 109 Pitt Street, is to be approved.

Motion put and carried.

AGENDA ITEM 7 – ANNUAL FINANCIAL REPORT FOR END OF YEAR 2015

As per attached.

RESOLUTION

Moved A Wilcock/S Joseph Union Council notes that the Audited Financial Statements were received by Union Council at the meeting of 25th August 2015.

Union Council has received the report of the Auditor from Nexia Court and therefore adopts the Audited Financial Statements for the period ending 30 June 2015.

Union Council therefore authorises the President, Secretary, and Assistant Secretary/Treasurer to sign the Council Certificate for the period ending 30 June 2015.

Further, that the Assistant Secretary/Treasurer be authorised to sign the Accounting Officer's Report before being filed with the NSW Industrial Relations Commission in line with reporting requirements.

Motion put and carried.

AGENDA ITEM 8 – RENEWAL OF HSU INSURANCES

HSU's current insurance expires on 30 September 2015. Advice has been received from Coverforce Insurance Brokers about renewing all the HSU's insurances and quotes are being obtained prior to expiry. Most involve little change from the existing insurances. The insurances to be renewed are:

- Industrial Special Risks Insurance
- Equipment Breakdown Insurance
- Public & Products Liability Insurance
- Association Liability Insurance
- Association Liability Insurance (Runoff)
- Motor Vehicle Fleet Insurance
- Public & Products Liability Insurance (Members)
- Professional Indemnity Insurance (Members)
- Group Personal Accident Insurance
- Corporate Travel Insurance
- Cyber Liability Insurance

The Association Liability Policy and the Runoff Insurance Policy cover the HSU where actions by officials or staff in the course of their work result in a claim against the HSU. These insurances are currently provided by Vero Insurance. Due to the number of claims made against these types of insurances by the HSU and other unions following the Trade Union Royal Commission, Vero has indicated they will not be providing this cover to the HSU any more. HSU made a claim against Vero for the legal costs of the Royal Commission and has been reimbursed \$279,000 covering 85% of the HSU's legal expenses.

Other local insurers have also indicated their unwillingness to provide this cover to any trade union. Coverforce Insurance Brokers are investigating overseas markets to place these insurances.

The Association Liability insurance policy protects the HSU, officials, and staff on an ongoing basis. Due to the governance of the HSU, it is expected that the HSU will receive cover from an overseas insurer.

The Runoff Policy covers the HSU for actions taken in the past, during the period of the previous leadership. This is the Policy that provided the \$279,000 reimbursement to HSU for

Royal Commission legal expenses. This policy cost \$152,872 last year. Issues giving rise to a claim may still emerge out of the previous HSU leadership. If the HSU is to renew this Policy (with an overseas insurer), Coverforce Insurance Brokers advise that it should be renewed for the period of the statute of limitations (7 years). Given that we are currently 2.5 – 3 years into this period now, it still means committing to renew the Runoff Policy for at least a further 4 years. At current prices, this amounts to \$600,000.

Alternatively, if HSU does not renew the Runoff Policy, then it faces the risk that a claim from a former official for legal costs that they have incurred for defending themselves against accusations of wrongdoing, will be made directly against the HSU. If ever a claim is made directly against the HSU from a former official, then the HSU can still defend itself, however the cost of making a claim against the HSU by any former official, may deter such claims in the first place. The risk is that a claim is later made, which HSU has to firstly defend and secondly possibly pay out on.

Therefore, the question arises as to whether the HSU even renews its Runoff Insurance Policy and thereby saves \$152,000 per year.

Further, given that claims have already been made against this Policy by HSU and the previous HSU Secretary, there is limited money left in the in the insurance cover to cover future claims anyway and therefore any cover under this policy may provide little more cover than the cost of the premium itself.

RESOLUTION

Moved P Iffland/P Reid that the HSU renews all its insurances with the exception of the Association Liability Insurance (Runoff) Policy through Coverforce Insurance Brokers. Given the costs versus risks associated with possible claims against the Association Liability Insurance (Runoff) Policy, it is determined that this Policy will not be renewed.

Motion put and carried.

AGENDA ITEM 9 – AFFILIATION WITH ALP

As per attached.

RESOLUTION

Moved L Twyford/P Reid that the Union Council endorses the Secretary engaging the membership to assess the interest of the membership in affiliating with the ALP. This engagement would be through the production of the position paper that would be disseminated to the membership and a report back provided at the next meeting of Union Council.

Motion put and carried.

GENERAL BUSINESS

There being no general business the meeting closed at 3.25p.m.

Chairperson