



# Union Council Meeting

Friday 7 December 2018 – 10:00am  
PSA House, Central Council Room  
Level 10, 160 Clarence Street, Sydney

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The meeting opened at 10:25am with Mark Sterrey in the Chair for the Union Council Meeting, 7 December 2018.

## Attendees

Gerard Hayes  
Mark Sterrey  
Lynne Russell  
Bruce Rowling  
William Oddie  
Steven Fraser  
Joan Catlin  
Sharon Carney  
Jeffrey Knee  
Mark Jay  
Bryan Billington

Alan Wilcock  
Robert Aney  
John Jetty Dor  
Toni Winters  
Donna Riley  
Leesa Franks  
Josephine Peacock  
John Lawrence  
Edalina Hondros  
Gillian Reilly

## 1. Observers/Proxies/Apologies

**Resolution:** UC 48/2018

**Moved:** Joan Catlin/Gillian Reilly

“That the apology for Lindy Twyford be accepted. The proxy for Patricia Reid held by Gerard Hayes be accepted and observers Shirley Dorman, Jodi Fisher, Angela Nigro and Linda Zutitis be admitted to the meeting.”

**MOTION PUT AND CARRIED**

## 2. Conflict of Interest, Related Party Transaction Disclosers and other Disclosures

Gerard Hayes, Secretary declared a conflict of interest at agenda item 7.5.

## 3. Minutes of Previous Meeting/s: (attachments)

### 3.1 Union Council Meeting Minutes held 29 August 2018

**Resolution:** UC 49/2018

**Moved:** Steven Fraser/Bill Oddie

“That the minutes of the Union Council meeting held 29 August be accepted noting at item 7.1 approving that the motion was deferred.”

**MOTION PUT AND CARRIED**

**Resolution:** UC 50/2018  
**Moved:** Edalina Hondros/Toni Winters  
"That the minutes of the Extraordinary Union Council meeting held 30 September 2018 be accepted."  
**MOTION PUT AND CARRIED**

#### 4. Matters arising from the Minutes:

There were no matters arising from the minutes.

#### 5. SECRETARIES REPORTS:

Gerard Hayes, Secretary commenced the report with the following items:-

- The Registered Organisation's Commission report, Gerard Hayes explained why the investigation was made and that investigation was completed 4 December 2018.
- The State election will ignite a lot of activity in the new year with Michael Daley.
- Jodie Fisher commenced with the union last week in the role of Human Resources Manager.
- The Member Services Division has moved to level 9 from level 2 in the Pitt Street office.
- Gerard's position of National Secretary has changed to National President in relation to the HSU National Executive.
- Steven Oakman is no longer a council member or national councilor, advising the office that he has left his role. The HSU NSW office still waiting for Steven Oakmans formal notice.

**Resolution:** UC 51/2018  
**Moved:** Alan Wilcock/Sharon Carney  
"That the Union Council accepts the Secretaries report."  
**MOTION PUT AND CARRIED**

#### 6. CHIEF FINANCE OFFICER – FINANCE REPORTS

Angela Nigro, Chief Finance Officer reported on the finance reports as attached

6.1 Balance Sheet for the period ending 31 October 2018

Profit and Loss Statement for the period ending 31 October 2018 (attachment)

6.2 Audit and Finance Minutes July 2018 to November 2018 (attachment)

**Resolution:** UC 52/2018  
**Moved:** Bryan Billington/Josephine Peacock  
"That the Union Council accepts the Chief Finance Officer's finance report."  
**MOTION PUT AND CARRIED**

#### 7. AGENDA ITEMS

7.1 Ambulance Cover Fund Benefit – for reporting (attachment)

Ambulance Cover Fund Benefit provides reimbursement for HSU members and their families, who require ambulance transport in emergency circumstances.

This can become another benefit for HSU members as well as act as an incentive for non-members to join.

## Background

The options available to provide Ambulance Cover in the insurance market are limited. General insurers are unable to provide this cover, as it is identified as a “health benefit”, which is the exclusive domain of health insurers. HSU, through its insurance broker Coverforce, has investigated whether it is possible to extend the HSU’s current policies on journey insurance or bereavement policy, to include Ambulance Cover as an extra. The general insurers approached have rejected this.

Health insurers on the other hand, have indicated an excessively high price to provide ambulance cover, in the order of \$120-\$140 per member. This would amount to a total cost of up to \$5.18m per annum for covering members only. Other health insurers – NIB and HCF – have indicated that they will not provide the Ambulance Cover unless it forms part of a broader health insurance plan for members.

However, self-insuring has also been investigated and this provides a more realistic option for the HSU. The HSU’s insurance broker – Coverforce – is able to administer and assess the claims on behalf of the HSU, for a set fee based on the number of people covered.

As well as approaching insurers for this service, the HSU has also approached another two insurance brokers, to determine if they could come up with an insurance policy or a self-insured proposal to meet the needs of the HSU. Both the other brokers – IFS and Engage Insurance Services Pty Ltd – have declined to administer the program.

## Benefits:

Emergency Ambulance Cover would provide the following service to members:

The HSU will provide an Emergency Transport Benefit to eligible financial members of the Union, including immediate family members.

This benefit means that eligible financial members are provided with the necessary transportation by emergency transport, in circumstances of injury or sickness, to the nearest available hospital equipped to deal with the nature of the emergency.

## Assumptions:

Some high-level information and statistics based on other similar schemes, are as follows:

- Funds generally allow for Spouses and Dependent Children (assume membership numbers x 3 for actual participants)
- Funds generally allow for Emergency Transport costs up to a limit of \$5,000 per year (excluding treatment costs) for any Member, including Spouse and Dependent Children
- Average annual payments from Fund per participant (excluding administration costs) would be \$3.50.
- The number of claims increases as the scheme is rolled out and members become more aware of it. Based on other similar schemes, the number of claims increases in Year 2, Year 3 and Year 4.
- Based on 4 years of data for a similar scheme with another trade union using the same Emergency Ambulance Cover, the number and cost of claims were:  
2014 – 156 Claims @ \$177,183.07 + \$50,000 deductible = \$227,183  
2015 – 184 Claims @ \$173,669.65 + \$50,000 deductible = \$223,669  
2016 – 195 Claims @ \$186,125.12 + \$50,000 deductible = \$236,125  
2017 – 171 Claims @ \$173,876.37 + \$50,000 deductible = \$223,876

This translates to a Raw Claims Cost per head

2014 Year - \$3.49 per head raw claims cost (excluding admin fees)

2015 Year - \$3.44 per head raw claims cost (excluding admin fees)

2016 Year - \$3.63 per head raw claims cost (excluding admin fees)

2017 Year - \$3.44 per head raw claims cost (excluding admin fees)

**= average of \$3.50 per head.**

- Some restrictions are applied to minimise claims. These are:
  - The benefit is immediately payable to eligible financial members who are unable to receive financial assistance for emergency transportation through a legislated scheme, a health insurance policy or any other insurance policy.
  - Compensation shall be limited to a maximum of \$5,000 per financial member in any one month.
  - The benefit excludes inter-hospital transportation.
  - An eligible financial member is a person who is a financial member of the HSU NSW.
  - An eligible financial member is a person who has paid full current dues or is on direct debit or payroll deductions or has an approved waiver of HSU fees.
  - To be covered, a person must be an eligible financial member at the time of making a claim.
  - The benefit does not apply to retired members or members who are not paying union fees.
  - Immediate family members includes only the spouse (including de facto) and any immediate dependents of the eligible financial member. This includes unmarried dependent children under 19 years of age residing with the eligible financial member or those under 25 years of age and studying full time. Immediate dependent also includes stepchildren and legally adopted children.

**Option 1: All members of the HSU NSW, ACT, Queensland.**

The Ambulance Cover extends to all financial members only of the HSU in NSW, ACT and Queensland. At the time these options were sought, total eligible membership amounted to 37,034. This can be reassessed after two years to determine whether the Ambulance Cover is still affordable, suitable for HSU members or whether it could be extended to members' families.

Coverforce will charge \$25,000 + GST to administer the scheme.

Estimated Yearly Cost:

37,034 x \$3.50 = \$129,619 ex GST

plus Administration Fees of \$25,000

**= \$154,619 (ex GST)**

**Option 2: All members, their spouses and dependants.**

The ambulance cover extends to all financial members of the HSU in NSW, ACT and Queensland, as well their spouse and dependants.

Coverforce will charge \$50,000 + GST to administer the scheme.

Estimated Yearly Cost:

37,034 x 3 (including spouse and dependant) x \$3.50 = \$388,857 ex GST

plus Administration Fees of \$50,000

= \$438,857 (ex GST)

### Downward impact on number of claims

**a) Members with Health Insurance will reduce claims rate**

The professional, allied health members and ambulance officer members of the HSU, can be considered to be on higher incomes and therefore more likely to have health insurance. If members have health insurance, then this will exclude them from claiming on the HSU's own Ambulance Transport scheme. This will place downward pressure on the number of claims made each year.

**b) Dependants**

The estimated costs of the Ambulance Cover in Option 2 is at the upper end of expectations. A breakdown of HSU membership demographics suggests that a sizeable proportion of HSU members are older with the average age in the late 40s. This suggests the dependants may be a little older and therefore less reliant on their parents who are HSU members, thereby reducing the likelihood of claims.

**c) Demographics**

According to Ambulance Service NSW statistics almost half (48.2%) of all ambulance emergency transports occur with patients 65 years and over. In addition, 58% of emergency responses occur between the hours of 8am-7pm, when the majority of HSU members would be working anyway.

These statistics suggest that most emergency callouts arise from elderly people during day time.

Only 6.15% of HSU members are over the age of 65 years, compared to the wider NSW population where 14% is over 65 years. They are still HSU members because they are still working to an older age. They do not fit into the category of retirees requiring emergency transport during day time hours. This suggests that HSU members may be less likely to require emergency transport than the wider population.

A similar effect has been experienced by other unions using the same Emergency Ambulance Cover, resulting in the cost estimate of \$3.50/participant and an overall cost estimate to HSU of \$154,619 plus GST annually (in Option 1 for only members).

**d) Geographic spread of HSU members**

The rate of emergency transports across NSW varies. In metropolitan areas it was 114 per 1000 people. However, in rural areas it was 150-160 incidents per year. Note that an "incident" includes treatment on the spot as well as transporting the patient, whereas the Ambulance Cover proposed only includes actual emergency transports. In comparison to the spread of HSU membership, 62.5% live and work in metropolitan areas while 37.5% live and work in rural/regional NSW. Based on the Ambulance Service statistics, this would suggest the number of emergency callouts would be less for the majority of HSU members than the population as a whole.

### 7.2 IT Managed Services Contract (attachment)

The current IT managed services contract with MCR expires on the 9<sup>th</sup> December 2018. Under the HSU policies, tenders for contracts more than \$200,000 are to be called for every three years.



In October 2018 the Union Committee resolved that the IT requirements for HSU be changed so that the full time on site IT support currently provided by an external party be brought in house as part of the HSU staffing structure.

## **Background**

In 2012 the HSU moved their IT infrastructure maintenance and support following a tender process to MCR. In 2016 the onsite support moved from part-time to fulltime, Monday to Friday with remote support outside office hours. The fulltime onsite support has been provided by the same individual contractor to MCR.

## **Approved Proposal**

That the onsite fulltime support currently provided by an external contractor be brought in house. The position of IT Administrator be adopted into the Union's staffing structure, reporting to the CFO. The approved Expressions of Interest paper for the IT Managed Services tender process demonstrated what would be required to be managed by an external IT provider. In summary this includes:

- Servers – cloud, virtual and onsite tiered support
- Access points & switches tiered support
- Office 365 suite & antivirus protection tiered support
- 24 x 7 monitoring
- Offsite backup services
- Support services out of office hours and to cover internal leave

The onsite full time HSU staff member would manage the following services:

- Laptops & Desktops
- Mobile Phones & i-pads
- Printer's
- Staff enquiries
- Support for all HSU offices
- Organisers remote support
- Onsite resource 5 days per week
- Assist the HSU in liaising with other IT system providers (for example: Memforce, Telstra, Cisco phone system, ConnX, MYOB, document management provider)

Essentially this means that the Union's IT will be split into two groups; onsite internal IT maintenance and support and offsite backend external IT support. This will support a separation of duties between the contractor engaged and the Union's own specialist in these services minimising the risk to the HSU. We will continue to be provided with a specialist IT external company, ensuring that the Union does not miss out on technology opportunities and be provided expert recommendations, whilst having the day to day internal skill set from an employee to maintain the systems.

## **Tender Process**

Following this Union Committee decision an Expressions of Interest process was conducted by the Corporate Services Manager to provide the external IT services and an evaluation table prepared for the Audit & Finance Committee. Ten proposals were received and evaluated within the table and ranked in order of management's preference. The Audit & Finance

Committee reviewed and discussed the proposals with a view of making a recommendation to Union Council.

Of the ten proposal received the top four were discussed in detail at the meeting in relation to their capacity to deliver the services, information known about the companies, size and proposed pricing. They were MCR, CDM, Cloud Native and Acenet Solutions. In this group of proposals the cost of the monthly service ranged from \$7,606 (ex GST) to \$12,892 (ex GST) or \$273,820 (ex GST) to \$427,780 (ex GST) for the three year contracted term.

MCR (ranked 1) pricing is \$500 per month more than CDM (ranked 2) but it was resolved that this cost over three years (\$18,000 ex GST) was not worth the risk of transitioning the HSU IT infrastructure to a new provider. MCR was selected by the Audit & Finance Committee to be recommended to Union Council as the successful tenderer.

**Resolution:** UC 53/2018

**Moved:** Jeffrey Knee/Mark Jay

“That the Union Council endorses the recommendation of the Audit & Finance Committee to engage MCR to provide the external IT services until December 2021 and that the Assistant Secretary/Treasurer be authorised to sign a new contact between HSU and MCR for the three-year period as per the proposal received.”

**MOTION PUT AND CARRIED**

#### 7.3 Conference Venue 2019 (attachment)

As the Unions finances have improved and the membership is continuing to grow, the Union is in a position to increase the representation of delegates at conference. To facilitate this event, the union requires a venue that can accommodate the HSU NSW ACT QLD delegates.

Dianne Campbell and Gerard Hayes inspected The Hyatt Regency Sydney and the ICC Sydney Wednesday 29 November 2018 and found that the Hyatt Regency Sydney offered all the necessary requirements to hold the HSU NSW QCT 2019 conference at a better rate offered than at the ICC Sydney whose facility did not offer accommodation.

**Resolution:** UC 54/2018

**Moved:** Bruce Rowling/Robert Aney

“That the Union Council endorses that the 2019 Union Conference is to be held at the Hyatt Regency Darling Harbor. Union Council approves expenditure up to \$650,000 to meet the cost of the Union Conference.”

**MOTION PUT AND CARRIED**

Security will be arranged for conferences moving forward.

An incidents list was suggested where delegates who misbehave are no longer allowed to attend the meetings.

A Luna Park staff day has been organised for all staff this year, there will be no Christmas party.

**11:17am the meeting adjourned for a break**

**11:32am the meeting resumed from the break**

#### 7.4 Proposed Meeting Dates 2019, for noting (attachment)

**11:34am – Gerard Hayes left the meeting**

7.5 Report on Independent Review of the Salary and Entitlement, HSU NSW ACT QLD  
Branch Secretary

Steve Fraser reported from the last Union and Branch Committee meeting with this matter being addressed at that meeting being deferred until the Council meeting today to discuss that an independent review will be supplied with finance supplying a comparative to other organisations with similar size to observe how the salary band of the General Secretary would appear. The finance team will bring this to the next meeting.

**8. GENERAL BUSINESS:**

There being no further business the meeting closed at 11:40am.



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Chairperson

27-8-19