

MINUTES OF THE 2018 EXTRAORDINARY GENERAL MEETING OF THE RETURNED & SERVICES LEAGUE OF AUSTRALIA (NEW SOUTH WALES BRANCH) HELD IN THE WESLEY THEATRE, WESLEY CONFERENCE CENTRE, 220 PITT STREET, SYDNEY NSW ON TUESDAY, 4 DECEMBER 2018 AT 2.03 PM.

PRESENT: Messrs J Brown (President), P Chin (State Treasurer), R James (VP, Metro), M Bainbridge (VP, Southern), Ms S Lambkin (VP, Northern), Messrs G Makutu and B Slattery (State Councillors), Ms L Meyer (General Counsel), J O'Brien (State Secretary) and N Mowat (Company Secretary).

TIMEKEEPER: Mr J Thacker (CFO, RSL NSW)

IN ATTENDANCE: 289 sub-Branch and District Council Delegates, 175 Alternate Delegates and 8 non-Delegate Constitutional Consultation Panel members, the Chief Executive Officer, Members of the Executive Management team, staff, observers, members of the media and Representatives of the Auditors, Ernst & Young and Remuneration Consultants, John Egan Associates.

MC: Ms S Lambkin acted as Master of Ceremonies for the meeting.

OPENING AND HOUSEKEEPING: Ms Lambkin declared proceedings open at 2.03 pm, noting that Mr James Brown, President of RSL NSW, would chair the meeting in accordance with the Constitution.

Ms Lambkin outlined the housekeeping arrangements for the meeting, advised that proceedings were being live-streamed and reminded Delegates to please return their voting devices to staff once the meeting had closed.

VOTE OF THANKS: Mr P Bryant (Far Western Metropolitan District Council) requested that he be permitted to address the meeting.

He then asked the meeting to acknowledge the considerable work of the Constitutional Consultation Panel and staff in preparing the draft constitution over the previous six months. The meeting expressed its appreciation.

The Chair thanked Mr Bryant for his acknowledgement on behalf of the Panel and indicated to the meeting that the Constitutional Consultation Panel had undertaken a detailed review of drafts of the constitution to be considered at the meeting.

HOUSEKEEPING AND MEETING RULES:

The Chair outlined the rules for the meeting, including that:

- electronic voting devices would be the method used by Delegates to vote;
- Mr John Thacker would act as Timekeeper for the meeting;
- State Council would move the first resolution and call for a seconder from the floor;
- State Council would not vote on the second resolution;
- Resolution 3 was withdrawn; and
- the accounts and financial reports did not require a resolution but would be considered and an opportunity would be given to the meeting to ask questions of the State Treasurer and the Auditor.

SPEAKING ARRANGEMENTS:

He then outlined the arrangements and microphone locations for speaking on each of the resolutions. He advised that as the meeting was to consider the adoption of the proposed constitution, no amending resolutions could be accepted from the floor.

TEST MOTIONS: Two 'test' motions were undertaken to give Delegates an opportunity to trial the use of the handheld voting devices.

OPENING: He declared the meeting formally open at 2.23 pm.

CONSTITUTIONAL
MOTIONS
REQUIRING A
CONSTITUTIONAL
MAJORITY OF 66%:

Resolution 1: Special Resolution - Adoption of the Proposed Constitution

The Chair moved Resolution 1 in the Notice of Meeting as a special resolution:

“THAT the Constitution annexed to and circulated with the Notice of Meeting, be adopted as the Constitution of RSL NSW in place of the existing Constitution, with effect from 1 January 2019.”

Seconder: Mr J Tuckfield (Young sub-Branch) seconded the motion and spoke in favour of it.

The Chair opened the floor to questions and comments from Delegates. Twenty-one Delegates spoke either for or against the motion.

Following an opportunity for all Delegates who wished to speak for or against the motion, the Chair directed that a vote to be taken.

Results - Adoption of the proposed constitution

FOR – 32%

AGAINST – 68%

The Chair declared the motion lost.

At this point, a large number of Delegates left the meeting.

Resolution 2: Ordinary Resolution – Approval for the Payment of Directors' Fees

The Chair advised that, in light of the vote on Resolution 1, Resolution 2 was withdrawn.

Resolution 3: Ordinary Resolution – Special Repair Contribution

The Chair advised that this resolution had been withdrawn prior to the meeting, as advised in the President's Update of 23 November 2018.

FINANCIAL
REPORTS &
ACCOUNTS:

Financial Reports and Accounts for the 6 months to 30 June 2018

The State Treasurer presented the financial reports and accounts for the 6 months to 30 June 2018.

He spoke to the detail of the accounts, indicating that:

- the 6 month period reflected the change in financial year end of RSL NSW to a 30 June year end to align with RSL LifeCare's financial reporting period;
- RSL NSW would adopt General Purpose financial reports in future to enable the consolidation of RSL LifeCare into RSL NSW's accounts;
- State Council would be working hard to enable fundraising to be restarted but it was unlikely that fundraising would recommence prior to the May EGM in Albury; and
- the reporting requirements of the ACNC's Enforceable Undertaking was being undertaken quarterly to the regulator.

FINANCIAL
REPORTS &
ACCOUNTS:

Financial Results

The State Treasurer then provided an overview of the financial results of RSL NSW for the period. He spoke to each of the line items:

Revenue	\$5.78m
Expenses	\$9.04m
Profit/(Loss)	(\$3.25m)

He provided a breakdown of each of the revenue and expenses items, noting that a large proportion of the expenses related to the Invictus Games. He also provided a summary of State Councillors' expenses and discussed the audit outcome.

Mr Cunningham of EY then provided his auditor's report, noting that the report was unqualified for the current period.

The State Treasurer then opened the floor to questions or comments from Delegates and he and the Auditor responded to questions in relation to:

- the governance controls implemented around the financial statements;
- fundraising and the potential timing for the recommencement. It was noted that it would be very unlikely to be prior to May 2019;
- what was being done to control expenses. It was noted that much of the loss related to costs associated with the Invictus Games, one-off system upgrades and changes and staff recruitment costs, all of which were non-recurring;
- why the ANZAC House budget was not being brought to Congress for approval. Mr Chin advised that the power to approve the RSL NSW budget sits with State Council;
- the costs and financial statements for AFOF, ANZAC House Trust and WBI, noting that these are all available on the ACNC website;
- whether the change of year end for RSL NSW would affect sub-Branch year ends, noting that it does not;
- where the approximately \$15m costs for the Bergin Inquiry were recorded in the statements. It was noted that they had been expensed as incurred, mainly in 2017 and 2018 and that the loss of fundraising was a major component of that amount;
- whether RSL NSW would implement a wholesale investment fund and whether sub-Branches could invest in it. It was noted that the new Treasury Manager had been tasked with preparing plans and information would be shared with members as and when those plans had been developed;
- the impact of By-Law 22. Mr Chin advised that it simplified the existing process and changed only the recipients but that the impact was similar to the previous By-Law;
- what the impairment of the 262 Castlereagh Street valuation related to. Mr Chin advised that any decrease in building valuation was recorded as an 'impairment' but any increase in the valuation of buildings had to be taken into a reserve account, under Accounting Standards. He advised that the value of the Hyde Park Inn had more than offset the impairment of 262 Castlereagh Street;
- when sub-Branch budgets would be approved. Mr Chin advised that the By-Law had been amended to remove the need for approval of sub-Branch budgets and that information had been circulated in the most recent State Secretary's Newsletter but that it would be re-circulated;
- how smaller sub-Branches needing funds to get to Congress in 2019 could make an application for funding to ANZAC House;

FINANCIAL
REPORTS &
ACCOUNTS
(cont'd):

- why the accounts showed the Donations line item as \$0 but Note 22 to the accounts referred to donations of \$869k by sub-Branches. Mr Chin advised that the donations shown in Note 22 related to transfers of funds within the sub-Branch Support Fund, which were not classified as donations no matter what they are called in the accounts;
- whether sub-Branches could donate to other sub-Branches in need. Mr Chin advised that guidance would be provided to sub-Branches in due course; and
- whether the Support and Assistance Fund was still in operation. Mr Chin advised that State Council would need to consider that question in light of the ongoing fundraising ban.

Following the opportunity for all Delegates who wished to ask questions to do so, the Chair thanked the State Treasurer for his update, which was noted by the meeting.

REVIEW:

Feedback Questions

The Chair proposed a series of questions to Delegates to understand why they had been instructed to vote against the adoption of a new constitution. This information would then be used to help formulate the drafting of a new document for consideration in Albury in May.

Q1. We didn't have enough time to question the detail. We need until May 2019 to do this.

Agree	71%
Disagree	29%

Q2. There should be options other than Model A and Model B.

Agree	85%
Disagree	15%

Q3. The proposed Constitution gives too much control to the Board and ANZAC House.

Agree	84%
Disagree	16%

Q4. Our sub-Branch does not believe the Board of RSL NSW should be paid.

Agree	36%
Disagree	64%

Q5. The proposed total payment for the Board of RSL NSW is too high.

Agree	58%
Disagree	42%

Q6. Do you agree that all money and property held by sub-Branches is charitable funds?

Agree	25%
Disagree	75%

REVIEW (cont'd):

Q7. The money held by sub-branches should be used for veterans and their families in need rather than to benefit members.

Agree	66%
Disagree	34%

Q8. Are you confident that your sub-Branch has been fully compliant with the law?

Yes	65.3%
No	9.5%
Not Sure	25.2%

Q9. Are you confident your sub-Branch is managing its resources and assets to meet our charitable objects?

Yes	87%
No	4%
Not Sure	9%

Q10. Do you agree that the League and sub-Branches need to maintain a presence in the Australian community for the next 100 years and beyond?

Agree	99%
Disagree	1%

Q11. Do you agree that the sub-Branch structure of RSL NSW needs reform?

Agree	57.1%
Disagree	34.4%
Not Sure	8.5%

Q12. If the proposed structure for RSL NSW is approved in the future, our sub-Branch will likely choose:

Model A	18%
Model B	17%
Not Sure	11%
Other	54%

Next Steps

The Chair thanked Delegates for their feedback. He then outlined the timeline and next steps leading up to the Extraordinary Congress in May.

1. re-engage the Constitutional Review Panel to start work on the next draft;
2. engage a Financial Funding Model Panel to consider how to fund the operations of the League into the future;
3. engage sub-Branches to provide to them more detail of any proposed constitutional models;
4. develop an Option C;
5. ensure the compliance of the sub-Branches. ANZAC House will provide assistance in conjunction with the sub-Branches, where needed;
6. sub-Branches to provide feedback on their proposed amendments via their District Councils by early February to enable the drafting and funding to be completed or developed.

REVIEW (cont'd):

He also advised Delegates it was unlikely that fundraising would resume until after the May Extraordinary Congress but that other options would be considered and advised to sub-Branches.

He noted the positive vote on the question of the remuneration of the Board. He also advised that draft Minutes of this meeting would be available from the week commencing 10 December and that the Extraordinary Congress would be held on Albury from 27-28 May.

CLOSURE:

The Chair thanked Delegates and attendees for the good spirit and respect shown during the meeting and declared proceedings closed at 4.12 pm.

Approved as a true and correct record of the proceedings of the meeting.

Chairman:

Date:

DRAFT