



# Important information

- ! Stop the RTBU and associates of Employers Mutual Limited from seizing control of rt health's board.
- ! Don't let the RTBU deprive you of the chance to enjoy better benefits at lower costs.
- ! Ignore all letters and forms from the RTBU.

## Dear Members

We have become aware that the Australian Rail, Tram and Bus Union (RTBU) recently sent a letter to all members of rt health.

The RTBU's letter is designed to make you distrust rt health's Board with no foundation, and to persuade you to permanently give away one of the most valuable rights of your rt health membership – your member vote.

*If you sign over your proxy to the RTBU and do not subsequently revoke it, you will be permanently forfeiting your entitlement to decide how to vote on anything to do with the fund and instead giving your vote to the RTBU to use in pursuing its own agenda.*

One very important fact to bear in mind is that only around 11% of rt health's current members are also members of the RTBU.

## The facts

On 17 August, I wrote to all rt health members about a process the rt health Board has been exploring to ensure that the fund can continue to provide you with the most comprehensive and affordable health cover, both now and into the future. The Board has received indicative but non-binding proposals from a range of health funds (including other mutuals), all of which can deliver substantial benefits to rt health members.

*At the forefront of this process has been a focus on preserving the 130-year history, legacy and heritage of rt health, and most importantly, offering you equal or better benefits and services, at lower premiums, resulting in significant cost savings to you.*

## The proposals most favoured by the Board are able to deliver all rt health members substantial benefits

Examples of these include:

- lower annual premium increases than rt health has required from its members to date
- credits for rt health members to apply to future premiums or other payments for products and services over a prescribed period of time
- lower gap payments on hospital products
- improved long-term financial capacity to pay benefits and keep premiums low
- access to dental and eyecare clinics across a large branch network

- access to health and wellbeing programs, such as skin checks, risk screening, digital weight management and mental health services
- access to new cutting-edge technology that can help you and your family more effectively manage your health and wellbeing

## The RTBU is putting these prospective member benefits at risk

The RTBU has sent you a letter in an attempt to distort the facts and make you question the transparency and motives of the rt health Board. It has also been sending strongly worded letters to other health funds, designed to threaten any organisation that might be in discussions with us and in which they claim to be in their own discussions with another mutual to take on rt members.

The RTBU is trying to assert decision-making rights over the future of the fund when members have already elected rt health's deeply experienced Board for this purpose. Importantly, the RTBU's actions are aimed at depriving members from being able to participate in decisions about the future of the fund, which is your membership entitlement.

As recently publicly reported,

*“The Board of RT Health ... acted in the best interests of members ... but the directors ... did not think that fulfilling their fiduciary duties would prompt a unionist, Mark Diamond, to launch a guerilla campaign to derail the merger.”*  
*“Diamond's letters are extraordinary in their audacity as only about 11% of the members of rt health are members of the RTBU.”*

**'Union Kills Health Fund Merger'**,

Tony Boyd, *Australian Financial Review*, 27 August 2020

The Board is legally required to and is acting properly in the best interests of all members in seeking realistic solutions to the long-term challenges facing rt health and many other Australian private health insurers. As an rt health member, you know that affordability continues to be an issue – finding ways to resolve this as well as to ensure the long-term sustainability and competitiveness of the fund is one of the top priorities for the Board.

In good faith, the Board has shared information with the RTBU on the process and is committed to keeping all members fully informed of key developments going forward. To the potential detriment of members and the future of the organisation, the RTBU is not willing or interested in having a reasonable discussion about the very real pressures putting the future of smaller health funds at risk.



**MAKE NO MISTAKE, YOU WILL BE PERSONALLY DISADVANTAGED IF OPPORTUNITIES OFFERING YOU REAL SAVINGS AND SUPERIOR BENEFITS ARE LOST BECAUSE OF THE RTBU'S ACTIONS.**

## Don't give your voting rights to the RTBU

*Without a clear explanation, the RTBU has also provided you with a proxy form that hands the RTBU permanent control over your member vote.*

This means you will no longer have a personal say in the future of rt health, unless you revoke the proxy you handed them. This action goes against the fund's underpinning principle of mutuality: one member, one vote, and robs you of the opportunity to make a decision about the future opportunities that may be on offer.

## THE QUESTION YOU SHOULD ASK IS WHY?

### The RTBU director line-up for rt health

RTBU members represent a small minority of rt health and the RTBU already has a representative director on the Board who has been extensively involved in considering the proposals received to date. Yet, the RTBU wants to sack six deeply experienced and independent rt health directors who are fully committed to acting in your best interests, and replace them with six new directors.

Three are to be union directors who will join the existing union representative director currently on the Board.

The other three directors the RTBU is proposing to appoint include:

- one health consultant who has been a consultant at BUPA (a foreign-owned and controlled multinational) for the past 12 years;
- the Chairman of Employers Mutual Limited (EML); and
- the former CEO of EML and current executive director of one of its key subsidiaries.

*The RTBU has not 'come clean' with you on its wider connections and business relationship with Employers Mutual Limited (EML) and its directors and executives.*

## Would you trust these people to look after your health insurance?

Employers Mutual Limited (EML) is a New South Wales-based personal injury claims management business, which has recently come under heavy criticism from the independent review conducted by the NSW State Insurance Regulatory Authority into icare.

The review described EML as producing 'deteriorating' performance trends, including poor file management and a poor understanding of, and skills for, achieving better outcomes. It found that EML had an 'alarming' rate of staff turnover and was losing 22.7% of its employees every year. EML's governance was also criticised with IT models and processes viewed as contributing to a deteriorating quality of claims management and outcomes, promoting further errors, delays and poor decision making.

In confidential submissions to the review, individuals provided scathing descriptions of their experience with EML. A handful of verbatim quotes include:

"EML have been horrendous to deal with. Having a call centre look after the claims until 4 weeks is not ideal, not having a dedicated case manager is ridiculous."

"EML are the worst agent/insurer we have ever dealt with..."

"...There has been a significant deterioration in the claims service in NSW since 1 January 2018 when icare enforced the new claims model and EML commenced management of all new claims."

"The EML system has had a negative effect on the experience for customers, both employers and employees. With no one specific to talk to you feel like a number."

## Stop the RTBU from destroying member value before it's too late

We have been contacted by rt health members who are very concerned about the RTBU actions and the impact it will have on the future of your fund and the genuine cover and price improvements you stand to receive if the Board progresses its favoured proposals.

- ! **Ignore all letters and forms from the RTBU.**
- ! **If you've already completed the RTBU's proxy form and want to revoke it, please contact or email the RTBU (rtbu@rtbu.org.au) telling them that you would like your standing proxy revoked and asking them for confirmation that they have revoked it.**

*Don't give away your right to vote when there are important fund matters before you to vote on; don't let the RTBU use your vote to pursue its own agenda.*

rt health is in safe hands, led by a united and committed Board. Please find attached a summary of your highly experienced, credentialed and independent rt health directors.

*We would like to thank members for their support and hope you help us stop the RTBU from taking away your right to have your say on the future of the fund, and depriving you of the opportunity to access better value health cover and benefits.*

Sincerely

**Alan Bardwell**  
Chairman

## Profile of rt health directors

### Alan Bardwell Chair

Member, Risk, Compliance and Governance Committee; Member, Finance and Audit Committee; Member, Remuneration and Nominations Committee



BA (Hons) Economics (Accounting), CA, SF Fin, GAICD

Alan was appointed to the rt health board in August 2017 and elected chair in July 2019. He is a senior finance and risk executive, with 35 years' Australian and international experience in the banking, finance and securities industries. This includes 16 years at Citigroup and, most recently, 10 years with the Australian Securities Exchange, where he served as chief financial officer and chief risk officer. Alan has expertise in strategic planning, business transformation, capital, liquidity, financial management, enterprise risk management, corporate governance, regulatory change management, internal audit and executive leadership, mentoring and coaching.

He is a chartered accountant, a senior fellow of the Financial Services Institute of Australasia, a graduate of the Australian Institute of Company Directors and holds an honours degree in economics.

Alan is also chair of Ku-ring-gai Financial Services Limited and a director on the Boards of Clearview Life Nominees Pty Limited, the Financial Services Institute of Australasia (FINSIA) and the Australian Military Bank. Previously, Alan has served on several subsidiary boards at both Citigroup and ASX, covering a range of banking, insurance and superannuation services.

### David Pegley Deputy Chair

Chair, Remuneration and Nominations Committee; Member, Finance and Audit Committee



BSc (Hons), MBA, FAICD

David was appointed to the rt health board in 2015. He has more than 30 years' management experience in the financial services industry, having held several key roles at the Commonwealth Group, Citibank and Fuji Bank, across corporate finance, retail banking, superannuation, insurance, funds management and intermediary based distribution.

David's work has encompassed a wide range of management disciplines, including distribution, marketing, project management, business management and information technology.

He is the managing director of the Australian Financial Crimes Exchange Ltd, the primary channel in Australia for coordinating the fight against financial and cyber-crime. David was previously CEO of Cash Services Australia, which provides efficient cash management solutions to Australia's largest banks and financial institutions.

### Michael Scanlan Director

Member, Risk, Compliance and Governance Committee



MBA, BEng, Grad Dip Mgt, FAICD, FAIM, FCILT, FAMI, MIE

Mike was appointed to the rt health board in 2009. Before becoming a consultant, Mike was with Queensland Rail for 34 years, where he held a variety of business unit executive positions. He has since advised Sydney Metro, several Departments of Transport, several rail authorities and numerous Australian and International Mining companies.

He holds a degree in engineering and post-graduate management qualifications, including a Master of Business Administration. He is a fellow of the Australian Institute of Company Directors, Australian Institute of Management, the Australian Marketing Institute and the Chartered Institute of Logistics and Transport. He is also a member of the Institution of Engineers Australia.

Mike is the current chair of the Westwood Superannuation Fund Company Trustee and previous chair of Railways Credit Union (now Move Bank). His other board experience extends to previous directorships with Wiggins Island Coal Export Terminal, WICET Services, WICET Holdings, the Heritage Train Company (Great South Pacific Express), the TransLink advisory board, the Queensland Tourism Industry Council board, the City Transport Management Committee and the UITP ANZ board (International Public Transport Association).

### Jane Paskin Director

Chair, Risk, Compliance and Governance Committee



B Laws (Hons), GAICD

Jane was appointed to the rt health board in August 2017. She holds a Bachelor of Laws (Hons) from the University of Technology, Sydney, is a fellow trustee and Accredited Investment Fiduciary of the Association of Superannuation Funds of Australia, and is a graduate of the Australian Institute of Company Directors.

Jane has more than 30 years' financial services experience and has advised a wide range of clients, including financial institutions and trustees, on the full breadth of board governance, functionality, administration and commercial issues.

She is a consultant at Clayton Utz (formerly a senior partner heading up their superannuation practice area), chair of Rice Warner (an actuarial firm for the financial services sector), chair of ClearView Life Nominees Pty Limited (the trustee of the ClearView Retirement Plan), and a director of Barnardos Australia (a not-for-profit child welfare agency).



**Ramy Aziz**  
**Director**

Chair, Finance and Audit Committee  
FCPA, FGIA, B.Bus. (Accounting)



Ramy was appointed to the rt health board in 2019. He is an experienced non-executive director and CFO in the not-for-profit sector and the financial services industry.

Ramy holds a Bachelor of Business from the University of Technology, Sydney, with a major in accounting and a sub-major in economics. He is a fellow member of CPA Australia and a fellow of the Governance Institute of Australia.

Ramy brings more than 30 years' governance and financial experience to rt health – 10 years as a director and over 25 years as a senior finance manager and executive for major Australian companies. These include: ASX Limited, where he was CFO for over eight years, SFE Corporation Limited (Sydney Futures Exchange), Chase Manhattan Bank and Austrapay Limited (a joint venture between Chase Manhattan Bank and Australia Post). He has developed strong functional skills in finance, audit, strategy, treasury, corporate finance, risk and governance, as well as strong general board skills and commercial acumen. Ramy has also been active in mentoring finance executives from a range of industries.

Ramy is currently a non-executive director and audit committee chair for WSU Enterprises Pty Ltd, a subsidiary of Western Sydney University and was previously a non-executive director of The Group of 100 Incorporated, a member-based organisation advocating for better business environments through financial leadership. He was also previously a director of numerous subsidiaries of both ASX and SFE including several entities holding specific financial services licences.

**Bruce Mackie**  
**Director**

Member, Risk, Compliance and  
Governance Committee



Bruce was appointed to the rt health board in January 2020. He is an executive officer of the Rail, Tram and Bus Union, Queensland branch. He is currently the state president and has held this role continuously since 2006. He has been in the rail industry since 1980, holding many management positions in his career. Bruce worked as a national relationship manager with rt health for several years and brings a strong knowledge of the corporate relationships that are pathways to rt health's growth and success. As well as a strong knowledge of the private health insurance industry.

He has held senior Queensland government positions including director of rail ports and freight. He has expertise in human resource management, industrial relations, risk management, and leadership.

Bruce has more than 24 years of experience of directorships with various not-for-profit organisations including Queensland Police Citizens Youth Club, Youth Insearch, and Apex Australia (state and national boards).

**Elaine Collins**  
**Director**

BSc (Hons), MEc, FAICD, FIAA.



Elaine was appointed to the rt health board in July 2020. Elaine is a non-executive director and actuary, with a career spanning 25 years in the insurance industry, carrying out assignments in Australia, New Zealand, Hong Kong and Singapore.

Elaine holds a Bachelor of Science (Hons) from the University of Sydney, and a Master of Economics from Macquarie University. Elaine is a Fellow of the Institute of Actuaries of Australia and a Fellow of the Australian Institute of Company Directors. She is a member of the Actuaries Institute's Professional Standards Committee and a Professor of Practice at the University of New South Wales.

Elaine served in senior roles with KPMG and as a Partner of Deloitte, carrying out Appointed Actuary roles for more than ten years, with key expertise in strategic risk management, policy formulation, capital efficiency and monitoring non-financial risks.

Elaine currently serves as a non-executive director on several boards including Zurich Australia Insurance Ltd, Australian Reinsurance Pool Corporation and ANZLMI.

## rt health

**For more information, go to:**  
[rthealthfund.com.au/our-future](http://rthealthfund.com.au/our-future)

**or write to:**  
rt health  
c/o Company Secretary  
PO Box 545  
Strawberry Hills NSW 2012

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please read our privacy policy.