FAIR WORK COMMISSION

Fair Work Act

Section 156 – 4 Yearly Review of Modern Awards

Family Friendly Work Arrangements (AM2015/2)

Witness Statement of Jessica Van der Hilst

1. My name is Jessica van der Hilst. I am 31 years old and married. My husband and I have one child aged 22 months, and at the time of this statement I am 34 weeks pregnant with our second child.

2. I am employed full-time as an Internal Communications Specialist at IAG in Sydney, New South Wales. I am employed under the *IAG Enterprise Agreement 2016*, a copy of which is **Attachment A**.

Parenting responsibilities

3. My husband works full-time in the city. We both work similar hours and share caring responsibilities, but I am primarily responsible for meeting our child's care needs.

4. Our child is currently in day care 5 days (Monday to Friday) at three different family day care centres. This costs $347 per week (or approximately $70 per day) out of pocket after Centrelink assistance.

5. My husband drops our child off at daycare on the three days per week that I work from the Sydney office. I depart work at 4pm to pick our child up on these days, and on the remaining two days when I work from home I do both drop off and pick up.

6. We do not have any family that regularly helps out with these child care arrangements now. On the rare occasions when we need extra help, my parents or sister drive up from Berrara with advance notice. Berrara is about 3 hours drive away.

Employment arrangements

7. I started working at IAG on 7 January 2013 on a full-time basis. I work in internal communications. My job is to help employees understand how the company is performing, how their roles help deliver on our strategy, and operational information they need to know

to do their job. It is office-based work mostly carried out through meetings, phone calls, and on the computer.

8. The Internal Communications team at IAG is female-dominated and there is an accepted pattern of women taking parental leave and returning to work part time.

9. During one of my regular face-to-face catch-ups with my manager, I announced my pregnancy and spoke about my plans to take leave and return to work part-time, 3 days per week and gradually increase back up to my full-time hours over time. Due to the supportive workplace culture, I was confident that the arrangement would be acceptable, so I didn't really ask, I just advised that this was the arrangement I envisaged. I can't recall whether or not I followed up by email and I haven't been able to find any emails relevant to my return to work.

10. I started maternity leave on June 2015. I took 13 months off. Shortly before I was due to return to work (the first week of May 2016), I contacted my manager to work out exactly what my days and hours of work would be. My team was happy to have me back in any capacity and so my requests were approved. I returned to work in July 2016 working 3 days per week, while my child was in daycare 2 days per week. I worked from home on one of these days. A copy of the emails between my manager and I following our initial conversation are **Attachment B**. At this stage my family travelled from Berrara to look after my child on my third work day.

11. In October 2016, I increased to 4 days a week at the request of my manager. I needed to find additional daycare because my family had to travel three hours to come and look after our child and it was not workable twice a week. I managed to organise child care for an additional day, but needed to work at least 2 days from home so that I could drop my child off and pick him up. I didn't have a direct line manager at the time, and my two-up manager pushed to have me in the office for the additional day. My request for 2 days working from home was eventually agreed to, in part because I got a new line manager who had kids of her own and who was supportive of my request to work 2 days from home. In February 2017, I returned to full-time hours as I was able to get a fifth day of day care. I have continued working from home 2 days per week.

Impact of access to part-time work

12. I feel I am lucky to work in an area where I have, on the whole, had managers who understand how important flexible work is and who have allowed me to work from home and reduce my hours to enable me to manage my parenting responsibilities.

13. Being able to return to work part-time was essential in helping us stay on top of our finances, as I was able to start earning money as soon as I had a few days' care for my child instead of waiting until I was able to find 5 full days' care.

14. Returning to work part-time has had a positive impact on my mental health, as I was able to adjust to spending time away from my child and getting back into a working routine. It was stressful, but I would have been much more stressed if I had to start back 5 days straight away.

……

Jessica van der Hilst

Date: 6 May 2017

DECISION

Fair Work Act 2009
s.185—Enterprise agreement

Insurance Australia Group Limited and Insurance Manufacturers of Australia Pty Limited t/a Insurance Australia Group
(AG2016/2705)

IAG ENTERPRISE AGREEMENT 2016

Banking finance and insurance industry

COMMISSIONER GREGORY SYDNEY, 20 MAY 2016

Application for approval of the IAG Enterprise Agreement 2016.

[1] An application has been made for approval of an enterprise agreement known as the *IAG Enterprise Agreement 2016* (the Agreement). The application was made pursuant to s.185 of the *Fair Work Act 2009* (the Act). It has been made by Insurance Australia Group Limited and Insurance Manufacturers of Australia Pty Limited t/a Insurance Australia Group. The Agreement is a single enterprise agreement.

[2] The Applicant has provided written undertakings. A copy of the undertakings is attached in Annexure A. I am satisfied that the undertakings will not cause financial detriment to any employee covered by the Agreement and that the undertakings will not result in substantial changes to the Agreement.

[3] Subject to the undertakings referred to above, I am satisfied that each of the requirements of ss.186, 187, 188 and 190 as are relevant to this application for approval have been met.

[4] The Finance Sector Union of Australia being a bargaining representative for the Agreement, has given notice under s.183 of the Act that it wants the Agreement to cover it. In accordance with s.201(2) I note that the Agreement covers the organisation.

[5] The Agreement is approved and, in accordance with s.54 of the Act, will operate from 1 June 2016. The nominal expiry date of the Agreement is 31 May 2019.

COMMISSIONER

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Annexure A

This is a written undertaking relating to the *IAG Enterprise Agreement 2016* (**Agreement**) which applies while the Agreement is in operation.

Insurance Australia Group Services Pty Limited and Insurance Manufacturers of Australia Pty Limited (collectively **IAG**) are the employers who are covered by the Agreement.

IAG undertakes that clause 5.9.2 of the Agreement will be applied, in respect to part time employees who work Additional Hours under clause 4.2.1 which are paid at their single hourly rate (**ordinary rate**), in and following each Relevant Period as follows:

1. IAG payroll will identify the number of Additional Hours the part time employee works which are paid at ordinary rates;

2. IAG payroll will then compare the amount the part time employee would have been paid under the *Banking, Finance and Insurance Award 2010* (**Award**), for the hours they have worked in the Relevant Period against the payments and employment related benefits to, or on behalf of, the part time employee (as contemplated by clause 5.9.2(b) of the Agreement); and

3. if there is any shortfall against the Award, IAG will make a payment to, or on behalf of, the part time employee equal to the difference (less tax).

I am authorised to give this undertaking on behalf of IAG.

David Lahood

Senior Manager, People Services

Note - this agreement is to be read together with an undertaking given by the employer. The undertaking is taken to be a term of the agreement. A copy of it can be found at the end of this agreement.

IAG Enterprise Agreement 2016.

iag

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1.

Introduction.

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1.1 Introduction

This Enterprise Agreement will help IAG achieve its vision of creating Asia-Pacific's most loved, most inventive and most successful insurer.

Dear colleagues,

The IAG *Enterprise Agreement 2016* reflects IAG's commitment to ensuring our people have access to a working environment that enables all of us to focus on our customers, and our performance. Agility, flexibility and an inclusive environment are all important to make your world a safer place.

This Enterprise Agreement will help IAG achieve its vision of creating Asia-Pacific's most loved, most inventive and most successful insurer.

It's important that IAG continues to build a business that grows and remains successful over the long term. Our people are the driving force behind IAG achieving its purpose and vision, and our focus is on having the right people in the right roles and ensuring we offer a working environment which encourages our people to perform to the best of their ability.

This Enterprise Agreement outlines the essential terms and conditions that underpin what it means to work at IAG. It provides a framework, which together with our policies, provide industry-leading benefits to our people.

The *IAG Enterprise Agreement 2016* builds on the strong foundation of our 2012 Agreement. It's a comprehensive document that is available online for you to review at any time. I encourage you to read it carefully, familiarise yourself with the conditions and benefits available to IAG employees and take full advantages of the opportunities it represents.

Regards,
Jacki

Jacki Johnson
Group Executive
People, Performance & Reputation

1.2 IAG's Commitments – Closer, Braver, Faster

Diversity and Inclusion

At IAG we recognise and respect diversity in all its forms. Diversity and inclusion is an essential element of IAG's success.

To achieve our vision and purpose, we know we need to attract and retain the best people, with a broad range of unique skills, experiences and perspectives. Creating an inclusive and flexible workplace that embraces and unlocks the diversity each of our people bring to IAG will enable unique opportunities to be identified and harnessed.

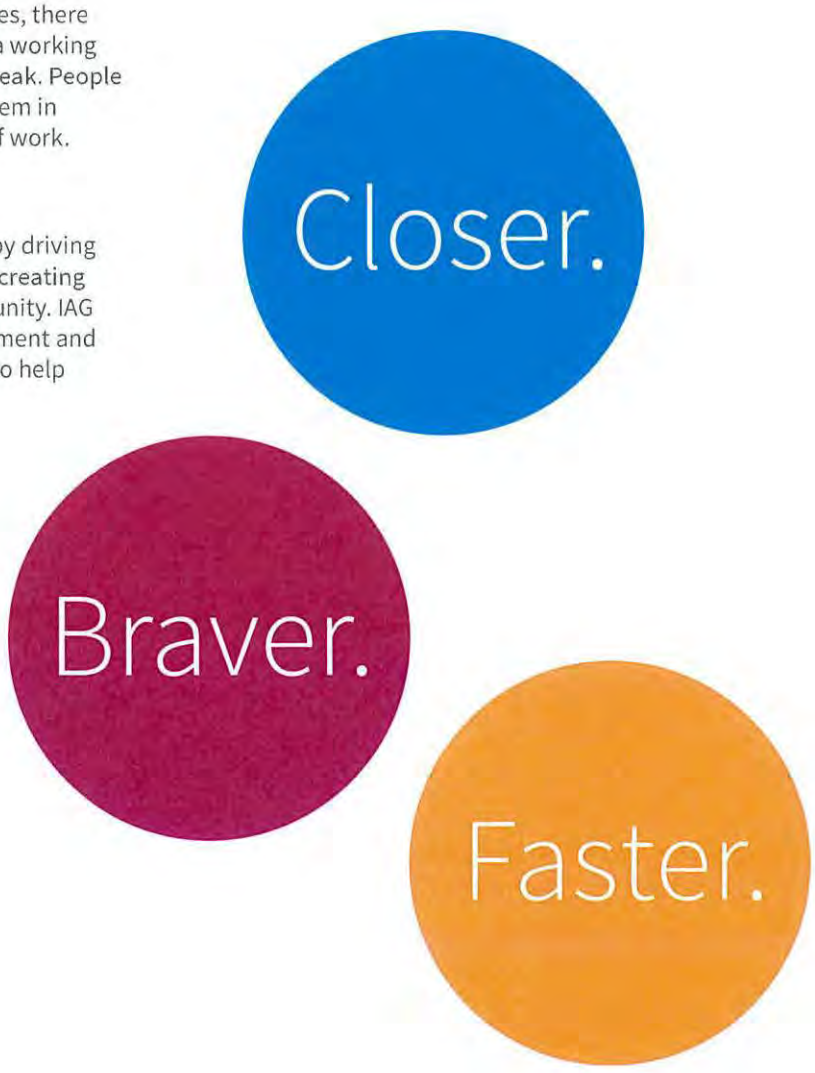
A Safe and Well Workplace

IAG's purpose is to help make your world a safer place. We all play an important role in bringing our purpose to life through our interactions with each other and our customers. Our Safe and Well policy and framework outlines our commitment to create a safe work environment for our employees, contractors and visitors.

IAG recognises that there are some positions where there is a limited capacity to provide variations in tasks, posture or spontaneous rest periods. In these circumstances, there should be a greater number of rest breaks during a working day, equally distributed before and after a meal break. People & Culture can work with business units to assist them in implementing appropriate breaks for the nature of work.

A Sustainable Future

IAG is committed to building a sustainable future by driving growth and profitability across its operations and creating shared value for IAG, its customers and the community. IAG will continue to manage its impact on the environment and focus on sustainable operations that enables IAG to help make your world a safer place.



2.

Technical Matters.

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2.1 Title

This Agreement shall be known as the *IAG Enterprise Agreement 2016*.

2.2 Terms and Definitions

The following terms are used throughout the Agreement and are defined as follows:

Agreement
The *IAG Enterprise Agreement 2016*.

Act
The *Fair Work Act 2009* (Cth) as amended from time to time.

Annual Leave Loading Limit
The annual leave loading limit is calculated as the average weekly earnings for the Australian, Original, Male, 'All employees average weekly total earnings' category (as a dollar figure) published in the Australian Bureau of Statistics Bulletin 'Average Weekly Earnings, Australia' for the November 2015 reference period. The limit will be reviewed annually on 1 July 2017 and 1 July 2018 following the release of the November reference period figures.

Award
The *Banking, Finance and Insurance Award 2010*.

Base Salary
Base Salary is defined as the total value of components that make up an Employee's salary. Components are cash, salary sacrifice items such as superannuation, car(s), or parking and any related taxes where applicable.

Business Unit
An existing and logical group of Employees, consistent with the organisation's structure (the team, department, division or branch as appropriate).

Carer's Leave
This refers to an Employee's paid Sick/Carer's leave entitlement that can be used to provide care or support for a member of the Employee's Immediate Family, or a member of the Employee's household due to:

(a) a personal illness, or personal injury, affecting the member; or

(b) an unexpected emergency affecting the member.

Commencement Date
The date on which this Agreement commences operation under clause 2.4.

Contracted Hours
These are the times and days specified in an Employee's contract of employment within which an Employee may be required to work their Ordinary Hours. The introduction of this Agreement does not change an Employee's contracted hours.

Eligible Casual
A casual Employee for the purposes of Parental leave is a long term casual employee of IAG immediately before:

(a) the date of birth or the expected date of birth of the child; or

(b) the day of placement, or the expected day of placement, of the child; or

(c) as otherwise provided for in the Act; and

but for Parental leave, the Employee would have a reasonable expectation of continuing employment with IAG on a regular and systematic basis.

Employees
Employees employed by IAG engaged in the classifications listed in Annexure A – Classification Structure of this Agreement.

Four week cycle
Each four-week (28 days) work period within which each Employee may work their Ordinary Hours.

Fixed Pay
Fixed Pay refers to an Employee's Base Salary plus compulsory superannuation contributions made by IAG.

FWC
Fair Work Commission.

FSU
Finance Sector Union of Australia.

Immediate Family Member
Means:

(a) a spouse, de facto partner, same sex partner who the Employee lives with as a de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or

(b) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee or same sex partner who the Employee lives with as a de facto partner.

For the purposes of clause 6.5 (Compassionate Leave) and clause 6.12 (Domestic Violence) 'spouse' includes a former spouse, former de facto spouse and former same sex partner who the Employee lived with as a de facto.

IAG
Refers to the following companies:

- Insurance Australia Group Services Pty Limited ABN 38 008 435 201; and
- Insurance Manufacturers of Australia Pty Limited ABN 93 004 208 084.

Job Family
A group of jobs which are, very broadly, in the same job market with similar skills, knowledge and experience.

Manager
An Employee who is responsible for managing other Employees eg. a team leader, manager or supervisor.

Market Range
The range of Fixed Pay which is typically paid in the market for a particular job.

Mutual agreement
Agreement freely reached after individuals have been fully informed of the issues under consideration, and where Managers and Employees make arrangements after full and open discussion.

NES
The National Employment Standards as varied from time to time.

Ordinary Hours
Are hours that an Employee works that are paid at single time in accordance with clause 4.1.

Partner
The spouse or de facto Partner of an Employee (whether the Employee and the person are of the same sex or different sexes).

Pattern of Hours
The days and times when an Employee usually works their Ordinary Hours. Days and times may vary as part of a roster arrangement.

Performance Bonus
A Performance Bonus is in addition to any incentive payment and may be awarded to an Employee in circumstances where it is not appropriate to award an increase to Base Salary. A Performance Bonus may also be awarded in addition to an increase to Base Salary.

Parental Leave
Is parental leave as set out in the NES.

Redundancy
Redundancy is where a position is no longer required to be performed as a result of a re-organisation of work, the adoption of changed business practices, technological change or changes to business levels.

Retrenchment
Retrenchment means termination of employment as a result of redundancy. This occurs where an Employee's employment is terminated by IAG after their position has been made redundant, and where no Suitable Alternative Employment is offered and no other alternatives for continuing employment have been agreed.

Remuneration System
The Remuneration System is made up of 3 components:

Annual Remuneration Review + Incentive Plan + Reward and Recognition

Sick Leave
Sick Leave is paid leave to cover an Employee's absence from work due to personal illness and/or injury.

2003 Agreement
The *Insurance Australia Group Enterprise Agreement 2003.*

2012 Agreement
The *Insurance Australia Group Enterprise Agreement 2012.*

2.3 Coverage of the Agreement

This Agreement covers Insurance Australia Group Services Pty Limited; Insurance Manufacturers of Australia Pty Limited; their Employees and the FSU providing FWC notes the FSU is covered by the Agreement under section 201 of the Act.

2.4 Commencement Date and Term of the Agreement

This Agreement shall operate on and from 1 June 2016 or seven days after the date of approval by the FWC, whichever is later. The nominal expiry date of the Agreement will be 3 years from the Commencement Date.

2.5 Effect of this Agreement

This Agreement operates to the exclusion of any Modern Award, Enterprise Agreement, Transitional Instrument or unregistered agreement that could otherwise apply, including the 2012 Agreement.

2.6 Relationship with National Employment Standards

No term of this Agreement will operate to exclude the NES or any provision of the NES.

2.7 Policies

This Agreement must be read in conjunction with IAG policies, procedures and guidelines as advised and amended from time to time, including those referred to in this Agreement. These policies, procedures and guidelines do not form part of this Agreement. In the event of any inconsistency, the Agreement will prevail.

3.

Types of Employment at IAG.

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3.1 Full-Time Employment

An Employee who is employed to work 150 hours per four week cycle.

An Employee who, at the date of certification of the 2003 Agreement was working 140 hours per four week cycle will also be considered as a full-time Employee in accordance with Annexure B of this Agreement.

3.2 Temporary Employment

Employees may be appointed on a temporary basis to cover short-term or fixed term requirements and in situations where the ongoing requirements for the particular function cannot be adequately determined at the outset.

3.3 Part-Time Employment

IAG is committed to providing opportunities for Employees to work on a part-time basis. A part-time Employee is a person who is employed to work less than 150 hours on average over a four week cycle, or less than 140 hours per four week cycle in accordance with Annexure B of this Agreement.

3.3.1 Salary

A part-time Employee is paid an hourly rate calculated by dividing the appropriate salary by the number of hours worked by a full-time Employee. The appropriate salary is determined by the classification and grade applicable to the Employee's role as set out in Annexure A.

3.3.2 Leave Entitlements

A part-time Employee is entitled to Annual leave, Sick/ Carer's leave, and all other authorised leave on a proportionate basis. The only exception is where part-time Employees receive a full entitlement to Personal & Emergency Leave per year in accordance with clause 6.6 of this Agreement.

Where a part-time Employee's usual day of work (based on an Employee's normal Pattern of Hours) falls on a public holiday, they will not lose pay for the day.

3.3.3 Promotional Opportunities

Part-time Employees are entitled to equal access to all relevant training and promotional opportunities.

3.3.4 Converting from Full-Time Employment

(a) A full-time Employee who converts to part-time Employment will transfer all accrued legislative entitlements and entitlements under this Agreement and their employment is deemed to be continuous.

(b) No full-time Employee shall be transferred by IAG to part-time employment without the agreement of the Employee.

3.4 Casual Employment

IAG may employ casual Employees for the purpose of meeting particular business needs. Casual employment will be used as a temporary measure. Casual Employees are subject to the terms and conditions specified below:

Conditions

1. An Employee may be engaged on a casual basis between the hours 7.00am and 9.00pm Monday to Sunday. Where an Employee is engaged as a casual within the call centres, they may be required to work between the hours of 7.00am and 10.00pm Monday to Sunday.
2. A casual Employee may work on any public holiday (as defined in the NES), in the event that insufficient full-time or part-time Employees are available to work on the day.
3. The contract of employment shall be on an hourly basis with a minimum of 3 hours.
4. A casual Employee will be paid as a minimum, an hourly rate calculated by dividing the minimum salary payable by 37.5 hours plus a loading of 25% of that salary. The appropriate salary will be determined by the classification and grade applicable to the Employee's role as set out in Annexure A.
5. The casual loading is paid instead of Annual leave, Sick/ Carer's leave, notice of termination, redundancy benefits, public holidays and any other attributes of part-time or full-time employment.

3.5 Job Share

IAG continues to offer job share as a way of providing greater flexibility in the workplace to assist Employees balance work and life outside of work.

Generally, job sharing is a voluntary arrangement whereby two people share one full-time job, working part-time on a regular ongoing basis.

Employees who commence a job share arrangement, will be considered a part-time Employee and entitled to all benefits available to part-time Employees, in accordance with clause 3.3 of this Agreement.

Policies and procedures for implementing a job share arrangement can be obtained from Human Resources or via the intranet.

4.

Hours of Work.

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OVERVIEW

Employees and their Managers will work together to achieve IAG's business needs while ensuring that an Employee's personal needs are taken into account. IAG is committed to the involvement of Employees in the implementation of flexible working hours.

4.1 Ordinary Hours

4.1.1 The standard Ordinary Hours of work for full-time Employees are 150 hours per four week cycle. A small number of Employees currently work 140 hours per four week cycle as a full-time Employee under the arrangement in Annexure B of this Agreement.

4.1.2 Ordinary Hours may be worked between 7.00am and 9.00pm, Monday to Sunday.

Within call centres, hours may be worked between 7.00am and 10.00pm, Monday to Sunday.

4.1.3 Ordinary Hours will not exceed:

(a) 10 hours per day excluding meal breaks;

(b) 50 hours per week excluding meal breaks; or

(c) 150 hours per four week cycle excluding meal breaks.

This means that any combination of Ordinary Hours over a four week cycle cannot exceed 150 hours excluding meal breaks.

4.2 Additional Hours for Part-Time Employees

4.2.1 Part-time Employees may on occasion be required to work in excess of their normal Pattern of Hours (**Additional Hours**). The requirement to do so should occur on an irregular basis only and should be in consideration of the part-time Employee's personal circumstances. An Employee may refuse to work additional hours if they are unreasonable.

4.2.2 If a part-time Employee is required to work or attend training sessions in excess of their normal Pattern of Hours, they will be paid at their single hourly rate for all time up to 37.5 hours per week (subject to Annexure B), unless this time is overtime under clause 4.7.3.

4.2.3 Where a part-time Employee works Additional Hours on a Saturday or Sunday and that day is not one of the Employee's weekend days, they will receive ordinary pay plus the appropriate loading for that day in accordance with clause 4.6.3 of this Agreement.

4.2.4 A part-time Employee who works Additional Hours which are not paid as overtime, will have the Additional Hours recognised for leave entitlement purposes.

4.3 Meal Breaks

4.3.1 No Employee will be required to work more than five hours without a meal break except in situations where:

(a) the daily hours to be worked are six hours or less and the Employee requests to work for that period without a meal break and the Manager agrees; or

(b) in emergency circumstances where an Employee and their Manager may mutually agree to defer a meal break,

provided that in situations where (a) or (b) above apply, an Employee should take a rest break at an appropriate time during the working day as agreed between an Employee and their Manager.

4.3.2 The meal break will be at least 30 minutes and up to one hour in duration and will be unpaid.

4.3.3 The meal break may be extended to a maximum of two hours subject to agreement being reached between an Employee and their Manager.

4.4 Days Worked

An Employee will not be required to work more than five consecutive (ordinary) days in any seven-day period and is entitled to take two consecutive days off as their nominated weekend. An Employee may request and a Manager can agree that these two days may be taken as individual days (i.e. not consecutively).

4.5 Varying the Pattern of Hours

4.5.1 From time to time, Business Unit needs may require an Employee's Pattern of Hours to vary. Where such a need arises, the following process will apply:

(a) An Employee's Pattern of Hours may be varied by Mutual agreement between an individual Employee and their Manager, subject to this clause 4.5;

(b) Managers will consult with Employees about the proposed changes and will provide a copy of the changes to Employees in writing. Managers will consider any feedback received from Employees during consultation, including the personal needs and commitments of Employees;

(c) Where the change in the Employee's Pattern of Hours will result in a change to the Employee's regular roster or ordinary hours of work, the Manager will also invite the Employee to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities) and will consider any views that are given by the Employees;

(d) Where practical, Managers will first seek volunteers to change their Pattern of Hours;

(e) Where insufficient numbers of Employees volunteer or it is not practical to seek volunteers (e.g. whole team changes are occurring), a Manager may require Employees to work the new Pattern of Hours;

(f) Managers will provide Employees with 28 days' notice of the change, and a copy of the new roster;

(g) If an Employee requests additional time to make changes to their personal arrangements, an additional period of time will not be unreasonably withheld. Such additional time will be determined between the Employee and the Manager taking into consideration the Employee's personal needs and commitments; and

(h) If an Employee disagrees with their Manager's determination of the Pattern of Hours on the basis that it is unreasonable given the Employee's personal, family and/or carer's responsibilities, the Employee may use the dispute resolution procedure as set out in clause 8.1 of the Agreement.

Where an Employee's Pattern of Hours changes regularly as part of a rotating roster arrangement (such as under clause 4.10.8, Shift Work Rosters), clause 4.5.1 does not apply. However, where there is a change to the operation of a rotating roster arrangement, the process set out in this clause will apply to that change.

4.5.2 Variations to Working Hours for Emergency Situations

Employees may on occasion be asked to make temporary changes to their Pattern of Hours as a result of unforeseen circumstances affecting business requirements or a major natural event. Where practical, Managers will first seek volunteers.

Examples may include floods, cyclones, severe storms, bushfires, other emergencies, or another distinct event that significantly increases work volumes above normal work patterns.

4.6 Saturday and Sunday Work

4.6.1 Overview

Subject to clause 4.5 an Employee whose Contracted Hours include Saturday and/or Sunday may be required to work Ordinary Hours on these days.

4.6.2 Voluntary Saturday/Sunday Work

An Employee whose Contracted Hours do not include Saturday and/or Sunday may agree to work a Pattern of Hours which includes Ordinary Hours on Saturdays and/or Sundays.

4.6.3 Payment

(a) For work performed on Saturday as part of Ordinary Hours, Employees will receive ordinary pay plus 50% loading.

(b) For work performed on a Sunday as part of Ordinary Hours, Employees will receive ordinary pay plus 75% loading.

(c) Where an Employee takes paid Sick/Carer's leave, Personal & Emergency Leave, annual leave or long service leave on a Saturday and/or Sunday that is part of their Pattern of Hours, they should be paid the appropriate loading as if they had worked with one day deducted from their leave entitlement.

4.6.4 Time in Lieu

(a) An Employee and their Manager may mutually agree to time off in lieu of payment for the loading for work performed on Saturday and/or Sunday as part of Ordinary Hours.

(b) Under this arrangement the Employee will be paid at ordinary rates for the time worked and take time off at the rate of one half-hour for each hour worked as Ordinary Hours on Saturday, or for Ordinary Hours worked on a Sunday, the Employee will be paid at ordinary rates for the time worked and take time off at the rate of 45 minutes for each hour worked.

(c) Time off taken in lieu will be taken as agreed between the Manager and their Employee within six months of the day being worked. Where it is not practicable for the time off to be granted or taken within six months, the Employee will be paid for the time worked at the prescribed rate of pay in clause 4.6.3(a) and 4.6.3(b).

4.7 Overtime

Employees may be required to work additional hours as reasonably requested by IAG and will be paid according to the overtime provisions in this clause 4.7.

4.7.1 Eligibility

(a) Overtime arrangements apply to Employees whose Base Salary is less than $81,913.90 or a pro-rata equivalent for part-time Employees (**Overtime Threshold**).

(b) During the term of the Agreement, the Overtime Threshold will be adjusted annually in accordance with adjustments to the minimum rates of pay prescribed in the Agreement.

4.7.2 Application

(a) Overtime must be authorised and will only be paid with prior approval from the Employee's Manager.

(b) In the case of full-time Employees, overtime will apply for all time where the Employee is required to work by their Manager in excess of:

(i) an Employee's ordinary Pattern of Hours; or

(ii) 10 hours per day; or

(iii) 50 hours per week; or

(iv) Ordinary Hours over a four week cycle.

(c) Where practical at least 24 hours' notice of any such overtime will be provided.

4.7.3 Overtime for Part-Time Employees

(a) For part-time Employees, overtime will apply for all time where the Employee is required to work by their Manager:

(i) in excess of 37.5 hours per week, subject to Annexure B of the Agreement;

(ii) for time worked where the Employee is called back to work after completing their usual hours for that day; or

(iii) weekend days.

(b) Where a part-time Employee works less than five days per week, the Employee and their Manager should nominate and agree what two consecutive days (or as otherwise agreed under clause 4.4) constitute their notional weekend for the purposes of determining overtime hours. Where Saturday and Sunday are not part of an Employee's Ordinary Hours, they will automatically be deemed the Employee's weekend.

4.7.4 Payment for Overtime

Overtime will be paid as follows:

Time/Day	Rate
First two hours (non-weekend days)	Time and one half
After the first two hours	Double time
Weekend days	Double time with a minimum payment as for three hours work.

4.7.5 Time in Lieu

(a) An Employee and their Manager (through Mutual agreement) may allow for the Employee to take time off in lieu of payment for overtime. Time off will be at the rate of the overtime payment appropriate to the hours worked.

For example, one hour of overtime which would otherwise be paid at the rate of time and one half would entitle the Employee to one and a half hours time in lieu.

(b) Alternatively, by Mutual agreement with their Manager, the Employee may elect to be paid at ordinary rates for the time worked and take time off.

For example, one hour of overtime which would otherwise be paid at the rate of time and one half would entitle the Employee to one hour of pay and a half hour as time in lieu.

(c) Time off taken in lieu of overtime pay will be taken as agreed between the Manager and their Employee within four weeks of the overtime being worked. Where it is not practicable for the time off to be granted or taken within four weeks, the Employee will be paid for the overtime worked at the prescribed rate of pay.

4.7.6 Transport

When an Employee works Overtime after 8.00 pm, IAG will provide transport to the Employee's usual place of residence, if requested by the Employee.

4.7.7 Meal Money

(a) Employees will receive a meal allowance of $16.73, or be provided with a suitable meal, where they are required by their Manager to work overtime for more than:

(i) two hours on any week day; or

(ii) four hours on any weekend day or public holiday.

(b) Meal money shall be paid as part of the Employee's salary on the next salary payment date where the overtime worked is at least a week before that date. Where overtime is worked within a week of the next salary payment date, meal money shall be paid as part of the Employee's salary on the following salary payment date.

(c) IAG will review the meal allowance on an annual basis based on movements in the Consumer Price Index (weighted average of eight capital cities). This review will occur in July each year following the release of CPI figures for the June quarter.

4.8 Flexible Working Arrangements

4.8.1 Systems of Working Hours

(a) IAG recognises that a number of methods may be used to manage hours of work including:

(i) flex time;

(ii) rostered days off (RDOs);

(iii) make-up time;

(iv) time in lieu where this is provided for in the Agreement; or

(v) other flexible working hours arrangements as agreed between an individual Employee and their Manager.

(b) Managers and Employees may mutually agree on a system of managing hours having regard to business requirements and the needs of Employees.

(c) In some cases business needs may require that all Employees work under the same hours arrangement (e.g. an RDO system).

4.8.2 Part-time Employees

A part-time Employee and their Manager should mutually agree on a system for managing the part-time Employee's hours of work.

When an Employee changes between full-time and part-time work, a different system of working hours may be mutually agreed.

4.8.3 Flex Time

Overview

A Business Unit may choose to operate a system of flex time. Flex time allows Employees to accumulate credit time which may be taken as paid time off work (flex leave). Flex time will only apply to Managers where a Business Unit has decided, for operational reasons, to include them in the working of a flex time system.

(a) **Daily hours**
Hours may be worked within the span of hours up to a maximum of 10 hours per day.

(b) **Credit time**
Employees may carry a maximum of 10 hours credit from one four week cycle to the next.

(c) **Days off**
Employees and Managers will schedule flex leave by Mutual agreement. Where an Employee has accrued credit hours but it is not possible for flex leave to be taken, or business needs prevent scheduled flex leave from being taken, the Employee and their Manager will agree to either:

(i) reschedule flex leave within the current cycle; or

(ii) bank flex leave for later use.

Where an Employee works Ordinary Hours on a Saturday or Sunday, any flex leave taken on these days will not attract the weekend loading.

A "bank" of leave means that Employees can save their leave for use at a future time which is convenient to them and which suits business needs. Banked leave should be taken within twelve months of its accrual.

(d) **Excess credit time**
Where an Employee is likely to accrue in excess of 10 hours in a four week cycle, they should discuss the issue with their Manager. The Manager and their Employee will investigate ways to reduce the need to work additional hours.

Employees and their Managers may also mutually agree that:

(i) flex leave may be taken; or

(ii) additional hours should not be worked; or

(iii) hours in excess of 10 will be paid out at single time.

(e) **Major unforeseen travel delay**
Where an Employee is prevented from arriving at work until substantially later than their planned commencement time due to a major unforeseen travel delay (e.g. an unannounced transport strike or major disaster), time lost may be credited as time worked.

4.8.4 Rostered Days Off (RDOs)

Overview

A Business Unit may choose to implement a system of RDOs. Employees will be entitled to a maximum of 12 RDOs per year. RDOs will only apply to Managers where a Business Unit has decided, for operational reasons, to include them in the working of an RDO system.

(a) **Daily hours**
On average, full-time Employees must work 150 hours over 19 days in each four week cycle to be able to take an RDO.

(b) **Days off**

(i) RDOs will be scheduled during a four week cycle by Mutual agreement between the individual Employee and their Manager. However, where there is a clear business need, days off may be rostered for up to 12 months in advance.

(ii) In case of emergency or periods of unusually high demand, a Manager may require an Employee to work on their planned RDO. In this case, the Manager will give as much notice as possible, provided that at least 24 hours notice is given. Where an Employee is required to work on an RDO, the Employee and their Manager will agree to either:

- reschedule the RDO within the current cycle or some other mutually agreed time; or
- pay out the RDO at single time.

(c) **Accrual during Periods of Paid Leave**
The entitlement to an RDO will not be affected by an absence on paid leave of less than four weeks, nor will it be affected by an absence due to annual leave. However, an Employee will forfeit an RDO for each four week absence on any form of paid leave other than annual leave.

(d) **Accrual during Periods of Unpaid Leave**
Time towards an RDO will not accrue when an Employee is on unpaid leave. However, an Employee and their Manager will agree on managing hours where an absence on unpaid leave is less than four weeks. The Employee and Manager may agree that:

(i) time will be made up to allow an RDO to be taken;

(ii) a shorter period of leave (e.g. half a day) may be taken; or

(iii) additional hours worked during the period may be paid out at single time.

An Employee will forfeit an RDO for each four week absence on unpaid leave.

4.8.5 Make-Up Time

An Employee may elect, with the agreement of their Manager, to work make-up time where the Employee takes time off during Ordinary Hours, and works those hours at a later time, during the span of hours provided in clause 4.1.2 of the Agreement.

4.8.6 Other Flexible Working Hours Arrangements

An Employee and their Manager may mutually agree to implement other flexible working arrangements to meet business needs or accommodate an Employee's personal circumstances.

Such arrangements may include a compressed working week, home based work or flexible patterns of hours and days worked. Flexible working hours arrangements will be worked in accordance with this clause 4 of the Agreement.

4.8.7 Review of Flexible Working Arrangements

From time to time operational needs may require the operation of Business Unit flexible working arrangements such as RDOs or flex time arrangements to be reviewed or varied. Any changes to Business Unit flexible working arrangements will only be implemented after consultation with affected Employees and the FSU in relation to affected FSU members. Where such a need arises, Managers will consult with the Employees affected. Managers will provide Employees with at least 28 days notice of the change. Where the review will result in a change to an Employee's regular roster or ordinary hours of work, the Manager will provide information to the Employee affected, invite the Employee to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities), and consider any views that are given by the Employee.

The introduction of this Agreement does not intend to remove an Employee's access to RDOs or flex time arrangements that are currently operating within their Business Unit.

4.9 Public Holidays

4.9.1 Overview

Employees will be provided with public holidays in accordance with the NES. The list of applicable public holidays will be published on IAG's intranet including Bank Holiday in NSW/ACT and any other non-national public holidays that IAG observes.

To ensure that IAG is able to meet customer demand adequately on national and non-national public holidays, Employees may be required to work on these days.

4.9.2 Rate of Payment

(a) In addition to normal pay for the Employee's ordinary working hours, Employees required to work on a public holiday or a substituted day will be paid at the rate of time and one half for the hours worked on the public holiday, with a minimum payment as for four hours work (if the Employee is available to work for four hours). Alternatively, at the Employee's election, payment will be made at the rate of time and one half plus one day off in lieu at single time.

(b) Where both a public holiday and substituted day are worked, public holiday penalties are payable on only one of those days at the election of the Employee.

4.9.3 Time Off In Lieu

Time off in lieu is to be scheduled by agreement within one calendar year of the day the Employee was required to work. If not taken within this period, payment must be made to the Employee at single time.

4.9.4 Substitution for Recognised Religious Holidays

An Employee and their Manager may agree to the Employee substituting a non-national public holiday for another day that is recognised as a religious holiday.

4.9.5 Flexible Work Team Local Arrangements

The provisions of the Hurstville Flexible Work Team Public Holidays Local Arrangement 2006 and the Parramatta Flexible Work Team Public Holidays Local Arrangement 2010 are incorporated into this Agreement (**FWT Public Holiday Arrangements**). Any proposed changes to the FWT Public Holiday Arrangements will only be implemented after consultation with affected Employees and the FSU in relation to affected members. The FWT Public Holiday Arrangements will only cease to operate if a majority of Employees agree to cease the relevant arrangement.

4.10 24 - Hour Shift Work Arrangements

A Business Unit may, due to customer and/or operational needs, need to operate outside of the span of Ordinary Hours and provide for shift work arrangements.

The provisions of this section 4.10 only apply to Shift Workers as defined in clause 4.10.1.

The Shift Work provisions contained in section 4.10 will operate to the exclusion of the hours of work provisions in Section 4 of this Agreement.

Except where already provided for in this section, the terms and conditions of the Agreement will apply to Shift Workers.

4.10.1 Definitions

Shift Worker - a Shift Worker means an Employee who is employed in a Business Unit in which:

(a) shifts are continuously rostered 24 hours a day for at least 5 days a week; and

(b) an Employee is regularly rostered to work outside the span of Ordinary Hours in clause 4.1 of the Agreement.

12 Hour Shift Worker - a 12 Hour Shift Worker is employed in a Business Unit to work a shift of 12 hours in accordance with clause 4.10.4.

Rostered Shift means a shift of which the Employee concerned has had at least seven days' notice in the case of a new roster and at least 48 hours' notice in the case of an existing roster.

4.10.2 Shift Definitions

Early Morning Shift means any shift commencing between 4am and 7am.

Afternoon Shift means any shift finishing between 7pm and midnight.

Night Shift means any shift finishing between midnight and 7am.

4.10.3 Shift Loadings (excluding 12 Hour Shift Workers)

For work performed in accordance with the shift definitions, the following shift loadings will apply:

Early Morning Shift - ordinary rate plus a shift loading of 12.5% for the entire shift.

Afternoon Shift - ordinary rate plus a shift loading of 20% for the entire shift.

Night Shift - ordinary rate plus a shift loading of 25% for the entire shift.

Payments set out in this clause shall stand alone and shall not be included for any other purposes of this Agreement unless expressly stated.

4.10.4 12 Hour Shift Definitions

(i) **Day Shift** means any shift of 12 hours finishing after 12.00 midday and at or before 8pm.

(ii) **Night Shift** means any shift of 12 hours finishing after 12.00 midnight and at or before 8am.

4.10.5 12 Hour Shift Loadings

For work performed during ordinary hours on 12 hour shifts defined in clause 4.10.4, the following rates of pay will apply:

(i) **Day Shift** - ordinary rate plus a shift loading of 20% for the entire shift.

(ii) **Night Shift** - ordinary rate plus a shift loading of 30% for the entire shift.

4.10.6 Work on Saturday/Sunday and Public Holidays

For any work performed on a shift, where the major portion of that shift falls between midnight on Friday and midnight on Sunday, the rate of payment will be the Employee's ordinary rate plus a loading of 75% for the entire shift.

For any work performed on a shift, where the major portion of that shift falls on a public holiday, the rate of payment will be the Employee's ordinary rate plus a loading of 150% for the entire shift.

4.10.7 Hours of Work (excluding 12 hour Shift Workers)

Shift Workers will be employed to work an average of 37.5 hours per week unless they are a '12 Hour Shift Worker' and will not exceed:

(i) 10 hours per day excluding meal breaks;

(ii) 50 hours per week excluding meal breaks; or

(iii) 150 hours per four week cycle excluding meal breaks.

This means that any combination of Ordinary Hours over a four week cycle cannot exceed 150 hours excluding meal breaks.

4.10.7.1 Hours of work for 12 Hour Shift workers

Ordinary Hours of work for 12 Hour Shift Workers will not exceed:

(i) 12 hours per shift;

(ii) an average of 38 hours in any roster cycle; and

(iii) there must be a 12 hour interval between the finish of a rostered shift and the commencement of the next shift.

4.10.8 Shift Work Rosters

(i) A Shift Worker may be requested to work a variety of different start/finish times in a four week cycle.

(ii) Shift Workers will work according to pre-determined rosters.

(iii) Shift Workers may, with their Manager's approval, swap shifts to suit personal needs, provided that IAG does not incur any additional costs as a result of the shift swap.

(iv) IAG will provide at least 48 hours notice of a change to a Rostered Shift unless the change is the result of an emergency or absence of a Shift Worker.

If less than 48 hours notice is given, then the Shift Worker shall be paid for the shift in accordance with overtime rates as set out in clause 4.7 of the Agreement.

In this case, the overtime rates are in substitution for and not in addition to any applicable shift loadings prescribed for the relevant shift.

4.10.9 Overtime

Overtime will be in accordance with clause 4.7 of this Agreement.

A 12 Hour Shift Worker should not be required to work overtime, other than in the exceptional circumstances where another Employee is not available in which case a maximum of two hours overtime may be worked.

Overtime will be calculated on a daily basis using the Shift Worker's actual base rate of pay (i.e. excluding shift loadings).

Overtime worked in conjunction with a Rostered Shift will attract the shift loading or the applicable overtime rate, whichever is the greater but not both.

4.10.9.1 Time off between Shifts

Wherever practical, overtime must be so arranged that Shift Workers have at least 10 consecutive hours off work before being required to start their Rostered Shift after working overtime.

Where a Shift Worker has worked so much overtime after finishing their Rostered Shift that they would not have 10 consecutive hours off work before the commencement of their next Rostered Shift, the Shift Worker must be released from work until the Shift Worker has had 10 consecutive hours off work without loss of pay for Ordinary Hours during the absence.

If at the direction of IAG, the Shift Worker resumes or continues work without having had 10 consecutive hours off work, the Shift Worker must be paid at the rate of double time (excluding shift loadings) until the Shift Worker finishes work and the Employee will then be entitled to be off work until the Employee has had 10 consecutive hours off.

The above will not apply when the time worked is by arrangement between Shift Workers.

4.10.10 Call Back

If a Shift Worker has left the premises for the day and is called back after their normal finishing time, the Shift Worker must be paid overtime rates for all time worked with a minimum payment as for four hours work.

4.10.11 Travel

Where a Shift Worker starts or finishes a shift at a time when their usual or safe reasonable means of transport is unavailable, if the Shift Worker requires, IAG will provide transport between the Shift Worker's place of residence and the Shift Worker's place of work at no cost to the Employee.

4.10.12 Public Holidays

Where a public holiday or any substituted day falls on a day where a Shift Worker is not rostered to work, the Shift Worker will be paid an additional day's pay with the exception of the instance where the public holiday itself (or any substituted day) falls on a Saturday or Sunday.

4.10.13 Meal Breaks

Meal breaks for Shift Workers will be in accordance with clause 4.3 except for 12 Hour Shift Workers. 12 Hour Shift Workers must not be required to work more than 4 hours without a meal or rest break of at least 30 minutes. Such meal or rest breaks will count as time worked.

4.10.14 Annual Leave

Shift Workers will receive annual leave in accordance with clause 6.1 of the Agreement. In addition, for the purposes of the NES, a Shift Worker who is regularly rostered to work Sundays and public holidays will receive an additional week of annual leave each year.

4.10.14.1 Annual Leave Loading

For the period of annual leave, a Shift Worker will receive the greater of either:

(i) the pay they would normally have received had they worked, including shift loadings; or

(ii) their ordinary time earnings plus 17.5% leave loading subject to the Annual Leave Loading Limit.

4.10.15 Daylight Saving

Despite anything contained elsewhere in this clause, in any area where State summer time has been introduced by legislation which is in advance of State standard time, the length of a shift will be determined by the adjusted time on the clock.

A shift commencing before the prescribed time for the commencement of summer time will be shortened by the period of time by which summer time is in advance of standard time; and conversely a shift commencing on or before the prescribed time for the termination of summer time will be lengthened by the period of time by which summer time was in advance of standard time.

The expressions "standard time" and "summer time" have the same meaning as prescribed in the relevant legislation.

4.10.16 Annualised Salary

(a) By agreement between IAG and the majority of Shift Workers in a particular Business Unit, a pay system may be introduced which "averages" pay over the period of the roster and takes into account all loadings, allowances or penalty rates an Employee would have received including for public holidays under this Agreement.

(b) Under such arrangement, the Shift Worker shall be no worse off than if the applicable shift loadings, allowances or penalty rates under this Agreement applied to the shifts actually worked by the Shift Worker.

5.

Remuneration.

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OVERVIEW

IAG is committed to an integrated system of remuneration which provides for an Annual Remuneration Review, performance based incentives and recognition arrangements. It is IAG's ongoing commitment to fund the outcome of each of the three components of the Remuneration System i.e. Annual Remuneration Review, Incentives and Reward & Recognition.

5.1 Remuneration Framework

5.1.1 Objectives

The principles which underpin IAG's approach to remuneration are intended to:

- help drive business performance;
- motivate Employees to perform at the highest level; and
- provide a market competitive remuneration offering to attract and retain high-performing Employees.

IAG's Fixed Pay framework is designed to reflect:

(a) organisational, Business Unit and team performance;

(b) the skills and experience an Employee brings to the role;

(c) an Employee's performance;

(d) the external market for a role (the supply and demand for a particular set of skills);

(e) how critical a role is to business success; and

(f) business sustainability and affordability.

5.1.2 Fixed Pay Ranges

'Fixed Pay ranges' provide Managers with a guide to the median level of Fixed Pay currently being paid in the market for similar roles.

The Fixed Pay range for a role(s) is based around a midpoint which represents the market median of remuneration being paid in the external market for comparable roles. The market median represents the middle of what the market is paying for a particular role, e.g. 50% of the market pays above and 50% of the market pays below. IAG then builds the Fixed Pay range above and below the midpoint.

At IAG, Fixed Pay ranges are established and maintained by Human Resources from credible, current remuneration data and reviewed each year. The data is sourced from confidential, external remuneration surveys which combine salary information of numerous organisations, including competitors.

5.2 Annual Remuneration Review

(a) A common Annual Remuneration Review will be conducted by 1 October of each year (or other review date as agreed with FSU). Salary increases which emanate from the review process will be effective from the first full pay period after the agreed review date of each year.

(b) IAG commits to spend a minimum of 2.5% of Fixed Pay expenditure as at the review date, in adjustments to salary and performance related bonus payments for the 2016 Annual Remuneration Review.

IAG will analyse the factors which are taken into account when determining the size and distribution of the Annual Remuneration Review. IAG will annually review the guidelines provided to Managers to ensure they are in accordance with the principles of the system.

(c) For each year following, IAG will advise FSU at least two months prior to each remuneration review period the allocation of funds for the Annual Remuneration Review. At the same time, IAG will also advise FSU about any items impacting the review such as internal salary movements, market movements and business performance.

(d) Temporary Employees and Employees on fixed term contracts (Employees hired externally for a specified period of employment with IAG) may be included where appropriate, given the nature of the role and length of contract.

(e) In addition to any factors that research and consultation may cause to be included, the following principles will apply:

(i) An Employee's Fixed Pay will be reviewed at least annually.

(ii) The factors listed below will influence an Employee's Fixed Pay movement and will be considered by Managers when conducting a remuneration review:

- the Employee's performance;
- market movement in the Fixed Pay range for an individual's role;
- the Employee's position within the range;
- budget objectives;
- time since an Employee's last Fixed Pay increase; and
- business performance.

(iii) Performance related bonus payments are used in some circumstances to reward Employees in lieu of or in addition to a Fixed Pay adjustment.

(iv) Managers will be provided with Fixed Pay range information (based on market data) for the relevant position and guidelines for conducting the Annual Remuneration Review.

(v) Fixed Pay adjustments are recommended by the Manager, approved by the next level Manager and explained to each Employee prior to the effective date of the Annual Remuneration Review.

(vi) Managers will be responsible for providing and explaining to their Employees information regarding the Fixed Pay range for their role and the Employee's position in the range. Employees will be able to see the link between their performance and their remuneration review outcome.

(vii) Employees should be able to influence the factors that determine payments related to performance and when performance is assessed, adjustment will be made for circumstances outside the Employee's sphere of control.

(viii) IAG will conduct an analysis after each Annual Remuneration Review to ensure (and rectify if appropriate), that the aggregate expenditure on Base Salary and/or performance related bonuses complies with the obligations under this Agreement.

(ix) Employees on extended leave at the time of the Annual Remuneration Review will have their Fixed Pay reviewed as part of the Annual Remuneration Review.

5.3 Minimum Performance Increase

At each Annual Remuneration Review, Managers will be responsible for making recommendations regarding an Employee's Fixed Pay. Managers may make a Fixed Pay recommendation considering the factors outlined in clause 5.2(e)(ii) above.

At each Annual Remuneration Review, if an Employee receives a performance rating of 'Solid Performance' or greater (or an equivalent rating) for the relevant year, Eligible Employees will receive a 'Minimum Performance Increase' to their Fixed Pay.

Managers may still make Fixed Pay recommendations above the Minimum Performance Increase amount and differentiate Fixed Pay increases according to an Employee's performance for the year. A Manager may also use their discretion to award an increase to Fixed Pay or bonus to an Employee who does not meet the eligibility criteria outlined below.

The Minimum Performance Increase will be as follows for the following Annual Remuneration Reviews:

Remuneration Review	Minimum Performance Increase (MPI)
2016	1.75%
2017	No less than 1.5%
2018	No less than 1.5%

IAG will determine what the actual Minimum Performance Increase will be at the time of the 2017 and 2018 Annual Remuneration Reviews.

If the Minimum Performance Increase will take an Employee's Fixed Pay over the maximum of the Fixed Pay range for their role, the Employee may receive an increase up to the maximum of the Fixed Pay range and then any amount above the maximum may be paid as a one-off bonus payment.

5.3.1 Eligible Employee

An Employee is eligible for a Minimum Performance Increase if they receive a performance rating of 'Solid Performance' or greater (or an equivalent rating) provided:

(a) they are a permanent part-time or full-time Employee;

(b) they have been employed by IAG or in their role for 12 months as at the review date;

(c) they are participating in a Short Term Incentive Plan of 20% or less;

(d) their Fixed Pay is less than the maximum of the Fixed Pay range for their role as at the date of the Annual Remuneration Review; and

(e) they have not received a Fixed Pay increase or bonus greater than or equal to the Minimum Performance Increase in the 12 months leading up to the Annual Remuneration Review period.

Example

Sally works full-time in the TBC at Parramatta and has been employed by IAG for two years at the time of the Annual Remuneration Review period. Sally is on a 10% STI plan and received a performance rating of 'Solid Performance' at her annual performance discussion. Sally is paid less than the maximum of the Fixed Pay Range for her role and has not had a Fixed Pay increase, or received a bonus, since the previous Annual Remuneration Review.

As a result in 2016, Sally is guaranteed a minimum 1.75% increase to her Fixed Pay. However, based on the available budget, Sally's individual performance, the performance of the business and her position in the Fixed Pay range, Sally's Manager has recommended she actually receives a 2.5% increase to her Fixed Pay.

5.4 Annual Remuneration Review Grievance Procedure

Where an Employee receives a nil salary increase in an Annual Remuneration Review and the Employee has not received an increase to Fixed Pay in the 12 month period prior to the Annual Remuneration Review, and they have an issue or concern regarding the outcome in the relevant Annual Remuneration Review (Annual Remuneration Review Outcome), the Employee can raise their concerns according to the process set out below.

Employees may be represented by the FSU or other representative of the Employee's choice at any stage of the process.

(a) Grievances regarding a nil salary increase at the Annual Remuneration Review must be raised within 4 weeks of the effective Annual Remuneration Review date for that year.

(b) The Employee should first discuss their issue or concern with their direct Manager.

(c) If the issue is not resolved, or it is not appropriate to discuss the matter with the immediate Manager, the Employee should then discuss the matter with the next level Manager.

(d) Employees may involve Human Resources at this stage for assistance.

(e) If, after following this process, the Employee is not satisfied with the outcome, the Employee or the Manager, may refer the matter to the Remuneration Review Committee for assessment.

(f) The following groups of Employees will be excluded from access to the Remuneration Review Committee (RRC):

(i) they are not a permanent part-time or full-time Employee;

(ii) they have not been employed by IAG or in their role for 12 months as at the date of the Annual Remuneration Review;

(iii) they are participating in a Short Term Incentive Plan of more than 20%;

(iv) their Fixed Pay is more than the maximum of the Fixed Pay range for their role as at the date of the Annual Remuneration Review; or

(v) any Employee who is subject to formal performance management counselling eg. shortened review periods or any other formal counselling.

(g) The RRC when examining an Employee's remuneration will assess whether any increase is warranted and take into consideration the following factors:

(i) the Employee's performance;

(ii) the Employee's position within the salary range for their position;

(iii) the time since the Employee's last Fixed Pay increase or performance related bonus payment;

(iv) the minimum spend (as a percentage) of Fixed Pay expenditure allocated for the Annual Remuneration Review for the relevant year;

(v) the percentage increase (if any) to the Fixed Pay range for the relevant job classification;

(vi) current trends in the broader labour market;

(vii) budget objectives;

(viii) business performance;

(ix) the reasons given by the Manager for the nil increase; and

(x) any other factors which may be relevant.

(h) If an Employee or IAG disputes an Annual Remuneration Review Outcome or Annual Remuneration Review Grievance they may refer the matter to FWC for conciliation.

5.5 Remuneration Review Committee

The purpose of the RRC is to ensure the principles and the procedures underpinning the remuneration system set out in this Agreement are consistently applied to eligible Employees and to monitor the operation of the remuneration system.

The RRC will meet after the completion of the Annual Remuneration Review, (approximately December of each year) and will be comprised of the following members:

- Divisional Head of Human Resources or other nominated Human Resources Manager as appropriate;
- Divisional Remuneration Manager; and
- the National Secretary FSU or their nominee and National Industrial Officer FSU.

The National Secretary FSU or their nominee and National Industrial Officer FSU, will also have a role as part of the RRC if an FSU member raises an individual grievance as part of the Annual Remuneration Review Grievance Procedure as set out in clause 5.4.

5.6 Incentive Plan

(a) All permanent Employees will have the opportunity to participate in an incentive plan.

(b) The incentive plan will operate in addition to the above process of reviewing Fixed Pay and will not be used to offset the value of future increases to Fixed Pay.

(c) Employees may participate in an incentive plan applicable for their role but starts at a potential of 10% of their Base Salary which is based on a combination of organisational, Business Unit and team and/or individual performance.

(d) Incentive plans will be determined by business units with input from Employees covered by the plan.

(e) For the individual component, Employees must be able to influence the outcome through the establishment of relevant objectives.

(f) The performance goals/targets necessary to qualify for a payment under an incentive plan will be clearly articulated, documented and communicated at the beginning of the operating period and feedback on performance against targets given regularly e.g. at the conclusion of each half year or year subject to the operation of the particular plan.

5.7 Reward & Recognition Program

(a) Reward and recognition is an important component of IAG's remuneration framework. IAG has a recognition program in place in each division to recognise events such as key milestones, performance, achievement, excellence, behaviours, leadership and innovation.

Recognition may be formal through a divisional recognition program or informally at a team or Business Unit level.

(b) The recognition component will operate in addition to the above processes of reviewing Fixed Pay and incentive plans and will not be used to offset the value of future increases to Fixed Pay.

5.8 Performance System

(a) The parties agree that a performance system is vital to ensure that the Annual Remuneration Review and incentive plan are, as far as possible, conducted in an objective manner. In addition, the system should promote ongoing development of Employees.

(b) IAG's Performance System provides a mechanism to ensure Employee performance is assessed against reasonable, relevant and measurable performance expectations/goals. This includes the establishment of goals and targets that take account of local markets, geographic and other relevant factors. Other factors impacting on performance, such as periods acting in higher positions or time spent coaching Employees, should also be taken into account in reviewing and documenting an Employee's performance.

(c) IAG's Performance System is based on the principles that Managers clearly define the Employee's role and provide regular feedback on their performance. In addition, Managers should complete formal mid-year reviews in January/February of each year.

(d) Any adjustments to performance goals/targets will involve Employee consultation and endorsement by the relevant Business Unit Manager.

(e) All Managers responsible for conducting performance reviews will have access to training on IAG's performance management system with the objective being that they carry out effective appraisals in accordance with the system's guidelines.

5.9 Minimum Rates

Effective from the Commencement Date, the minimum rates of Base Salary in IAG for the classifications in this Agreement as defined are:

Level	Agreement Minimum Rates (Per Annum)
1	$38,133
2	$41,764
3	$44,112
4	$46,318
5	$48,202
6	$53,989

The classification structure and descriptors for the above classification Levels are contained in Annexure A.

5.9.1 During the term of this Agreement, IAG will increase these minimum rates in accordance with increases to minimum rates prescribed in the Award.

The Agreement will continue to incorporate minimum rates of pay which will be 5% above the minimum rates prescribed in the Award.

5.9.2 Reconciliation

(a) IAG will, in the Relevant Period, ensure that Employees receive payment and employment related benefits which are overall no less than the payments they would have been entitled to if they had been paid in accordance with the Award.

(b) In determining whether any amount is payable in the Relevant Period for work performed over that period, IAG will take into account the payments and employment related benefits received by the Employee including (but not limited to):

(i) the actual remuneration paid to the Employee for Ordinary Hours worked, including any remuneration over the minimum rates provided for by this Agreement;

(ii) any loadings, penalty rates, payment for overtime or allowances paid to the Employee;

(iii) any bonuses or other incentive payments paid in the Relevant Period; and

(iv) any superannuation contributions made in respect of an Employee in excess of the minimum level of superannuation contributions which IAG must make under the *Superannuation Guarantee (Administration) Act 1992* and the *Superannuation Guarantee Charge Act 1992*.

(c) **Relevant Period** means each 12 month period calculated from the Commencement Date during which this Agreement is in operation, provided that:

(i) the last period may be shorter if the Agreement ceases to operate prior to a twelve month anniversary of the Commencement Date; and

(ii) if an Employee ceases to be covered by this Agreement (because their employment terminates or otherwise) the relevant period for that Employee will end on the date they cease to be covered by this Agreement.

5.10 Superannuation

Unless an Employee elects otherwise, Employees of IAG will be members of the IAG & NRMA Superannuation Plan. The Superannuation Plan is governed by a Trust Deed and is administered as a complying fund that meets the requirements of legislation concerning the provision of superannuation benefits. During the term of this Agreement, IAG will advise FSU of any changes to benefits provided by the Plan.

5.11 Allowances

5.11.1 Higher Duties Allowance

Where an Employee is required by IAG to relieve in a job which is at a level higher than the job in which the Employee usually works, for a period of more than four consecutive working days, the Employee must be paid at least the minimum rate prescribed in this Agreement for the higher job level.

5.11.2 Travel Allowance

Where an Employee is required as part of their role, to work at a location other than their usual place of employment, they will be reimbursed for any reasonable additional expenses incurred in travelling to and from the temporary location.

5.11.3 Motor Vehicle Allowance

Where a Manager approves an Employee to use their own car on an ad hoc basis, to travel to other work locations, the Employee will be paid an allowance for the use of their private motor vehicle at the rate of 79.68 cents per kilometre travelled.

Employees who have a Tool of Trade vehicle or a Salary Sacrifice Motor Vehicle under IAG policy will not be eligible to claim the Motor Vehicle Allowance under this Agreement.

5.11.4 Tropical Allowance

Employees who as at the Commencement Date of this Agreement had an entitlement to be paid the tropical allowance under the 2012 Agreement will continue to be paid the allowance while they are employed in the Northern Territory and in and north of Rockhampton, will receive a tropical allowance of:

- $563.14 per annum for Employees over 21 years of age; or
- $266.31 per annum for Employees under 21 years of age.

5.11.5 Adjustment of Allowances

IAG will review the monetary amounts of the allowances contained in clause 5.11.3 and 5.11.4 above at the time any adjustment to Allowance amounts are made under the Award. Where any allowance in this Agreement is greater than the amount provided for under the Award, no adjustment to the allowance will be made until the allowance amount under the Award equals the amount provided for in this Agreement.

6.

Leave.

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INTENT

The provisions in this Agreement about leave are intended to reflect and supplement the NES.

6.1 Annual Leave

The intent of annual leave is to provide Employees with an opportunity to take a break from work.

6.1.1 Entitlement to Annual Leave

For each year of service with IAG full-time Employees are entitled to:

(a) four weeks of paid annual leave, subject to Annexure B;

(b) part-time Employees will accrue annual leave according to their Ordinary Hours of work, subject to clause 4.2.4; and

(c) Employees located in the Northern Territory, will receive an additional five days of annual leave for each year of continuous service that they are located in the Northern Territory.

6.1.2 Accrual of Annual Leave

An Employee's entitlement to annual leave will accrue progressively during each year of continuous service in accordance with the NES, and accumulates from year to year.

Annual leave does not accrue when an Employee takes a period of unpaid leave (including unpaid Parental Leave and/or childcare leave).

6.1.3 Taking Annual Leave

(a) Employees may take annual leave at a time mutually agreed between an Employee and their Manager.

(b) In the interest of the wellbeing of Employees, Employees are encouraged to take their full annual leave entitlement each year. IAG may require an Employee to take annual leave in a period of at least two consecutive weeks each year. If an Employee has compelling personal circumstances an Employee and their Manager may agree that a minimum of five consecutive days be taken.

(c) To ensure that an Employee's annual leave accrual remains at a manageable level, IAG or an Employee cannot allow annual leave to accrue in excess of eight weeks without leave being scheduled to be taken within the next 12 months.

Where an Employee has an annual leave accrual in excess of eight weeks, the Employee and their Manager will agree on a plan to reduce the Employee's remaining annual leave to an appropriate level. The Employee will not be required to reduce their annual leave to less than 4 weeks leave and must schedule leave to be taken within the next 12 months.

Where an Employee fails to take such leave, a Manager may direct the Employee to take annual leave at a specified time. In such cases the Employee must be given at least four weeks notice. The period of leave taken will be a period of at least two consecutive weeks.

6.1.4 Shut-down period

(a) The nature of IAG's business is such that many Business Units will partially or completely shut-down operations at some time of the year and the Business Unit will operate with skeleton staff only. Such shut-down periods will generally apply over the Christmas, New Year and/or Easter periods.

(b) The maximum period of any shut-down will be 5 consecutive days once per annum per Employee.

(c) IAG may determine, at its discretion, which Employees are not required to work during the shut-down period by providing at least 4 weeks' notice of the shut-down. In determining which Employees are not required, IAG will, where practicable, endeavour to take into account the preferences of Employees when making this selection.

(d) If an Employee is not required to work and they have accrued sufficient annual leave, the Employee will be required to take that leave during the shut-down.

(e) If an Employee does not have sufficient accrued annual leave to cover part or all of any shut-down period(s), the Employee may elect to take:

(i) leave without pay; or

(ii) annual leave in advance,

for the remaining part of the shut-down period(s).

6.1.5 Cashing out Annual Leave

An Employee may elect to cash out part of their accrued annual leave entitlement for the equivalent cash value of the leave provided that:

(a) each cash out of annual leave must be made by a separate agreement in writing between IAG and the Employee;

(b) the Employee maintains an annual leave balance of four weeks leave after the cash out of annual leave;

(c) Employees may only cash out annual leave in 1 week blocks, with the minimum amount of annual leave permitted to be 'cashed out' being 1 week of leave;

(d) the Employee has taken at least two weeks of annual leave in the 12 month period prior to the date of the requested cash out;

(e) the Employee can only cash out annual leave once in any 12 month period; and

(f) the Employee will be paid the amount that would have been paid to the Employee had the Employee taken the annual leave.

6.1.6 Annual Leave Loading

Employees will be paid an annual leave loading when they take a period of annual leave as follows:

(a) 17.5% of Base Salary subject to the Annual Leave Loading Limit; or

(b) if applicable, the relevant weekend penalty rates;

whichever is the greater but not both.

6.1.7 Sick/Carer's or other Leave while on Annual Leave

Where an Employee is absent on an approved period of annual leave and instead, may be entitled to:

(a) Sick/Carer's Leave (in accordance with clause 6.4 of the Agreement); or

(b) compassionate leave (in accordance with clause 6.5 of the Agreement); or

(c) community service leave (in accordance with clause 6.11(b) of the Agreement);

the period of annual leave which applied to the absence will be re-credited and replaced with the applicable leave entitlement as stated above. This circumstance will only apply where an Employee has sufficient leave to cover the period of absence.

For annual leave to be reinstated and replaced with Sick/Carer's Leave, the absence must be supported by a medical certificate. For compassionate leave or community service leave, proof of absence will be in accordance with the relevant clause in this Agreement.

6.2 Long Service Leave

6.2.1 Long service leave will be in accordance with the *NSW Long Service Leave Act 1955* (**NSW LSL Act**) as amended from time to time, other than as provided for in subclause 6.2.2 and 6.2.3.

6.2.2 Key features of long service leave at IAG include:

(a) two months leave (8.66 weeks) for ten years' service;

(b) access to leave after ten years; and

(c) payment of pro rata long service leave on termination where an Employee has between five and ten years' service and leaves IAG because of illness, incapacity, or domestic or other pressing necessity, or where the Employee's employment is terminated by IAG for any reason except serious misconduct.

6.2.3 Phased retirement

For Employees who have reached 10 years of service with IAG, they may elect to take part of their long service leave entitlement in single day absences as part of a transition to retirement arrangement as agreed with their Manager.

IAG will develop a policy and procedures to support this initiative.

6.2.4 Accrual of Long Service Leave while on unpaid leave

Long service leave will continue to accrue when an Employee takes a period of authorised unpaid leave including any form of Parental or Childcare Leave.

6.3 Mid-Service Leave

6.3.1 Full-time and part-time Employees who have 7 years of continuous service with IAG, will be entitled to one week of additional leave per year until their tenth anniversary of service (Mid Service Leave).

6.3.2 Mid-Service Leave is non-cumulative and will not be paid out on termination of employment. Employees must use the leave in the year that it falls due. If the leave is not taken, the leave for that year will be forfeited.

6.3.3 Employees may take Mid-Service Leave at a time mutually agreed between the Employee and their Manager. Employees will be encouraged to take their Mid-Service Leave at a time that is suitable to business needs.

6.3.4 During the life of this Agreement, it is possible that the Federal Government will review the Long Service Leave National Employment Standard (LSL NES). If there is a variation to the LSL NES, IAG may review and vary the Mid-Service Leave benefit under this clause to assess the interaction with the benefits provided for Employees under the LSL NES.

6.3.5 Full details of the policy and procedures for Mid-Service Leave can be accessed on IAG's intranet.

6.4 Sick/Carer's Leave

6.4.1 Sick/Carer's Leave entitlement

(a) Full-time Employees are entitled to:

(i) 10 days per annum of paid Sick/Carer's Leave during their first two years of service with IAG; and

(ii) 12 days per annum in their third and subsequent years of service.

(b) Part-time Employees will accrue an amount of paid Sick/Carer's leave based on the entitlement above, calculated on a pro rata basis according to the Employee's Ordinary Hours of work.

(c) Paid Sick/Carer's leave accrues progressively during a year of continuous service, and accumulates from year to year. It is not paid out on termination of employment.

(d) Sick/Carer's Leave may be taken as full or half days.

(e) Employees may use as many days as is necessary for family illness, depending on their current entitlement. However, Employees are encouraged to manage their Sick/Carer's leave levels so they have sufficient leave remaining for themselves.

(f) Full-time and part-time Employees are entitled to paid Sick/Carer's Leave calculated based on their Base Salary. For Casual Employees Sick/Carer's Leave is unpaid.

6.4.2 Notice of Absence

To help balance business needs Employees must notify their Manager as soon as possible in advance of taking Sick/Carer's Leave.

Where it is not possible to provide notice in advance, the Employee must notify their Manager as soon as possible of their need to take Sick/Carer's Leave.

6.4.3 Proof of Absence for Sick/Carer's Leave

(a) Employees may take 4 days Sick/Carer's leave per annum, with a maximum of 2 consecutive days taken as Sick/Carer's Leave without being required to provide a medical certificate.

(b) A medical certificate will be required for all Sick/Carer's Leave absences taken in excess of 2 consecutive days.

(c) If Carer's Leave is taken, the reasons for the leave must be provided to the Employee's Manager at the time of notification.

6.4.4 Unpaid Carer's Leave

Where an Employee has exhausted their paid Sick/Carer's leave entitlement, an Employee is entitled to 2 days of unpaid Carer's Leave per occasion.

6.5 Compassionate Leave

An Employee is entitled to 2 days of paid compassionate leave for each occasion where an Employee's Immediate Family Member or member of their household:

(a) contracts or develops a personal illness that poses a serious threat to their life; or

(b) sustains a personal injury that poses a serious threat to their life; or

(c) dies.

A part-time Employee will also be entitled to 2 days of paid compassionate leave in accordance with their Ordinary Hours of work on those days.

Where an Employee's Immediate Family Member or member of their household dies, the Employee will be entitled to an additional day of compassionate leave. In this circumstance, where an Employee exhausts their entitlement to compassionate leave and requires additional leave, they may also access any remaining entitlement to Personal & Emergency Leave.

Full-time and part-time Employees are entitled to paid compassionate leave calculated based on their Base Salary. For casual Employees compassionate leave is unpaid.

Compassionate leave does not accrue from year to year.

IAG may provide additional paid or unpaid compassionate leave on a discretionary basis.

6.5.1 Taking Compassionate Leave

Employees must notify their manager of their intention to take compassionate leave including the estimated period of absence as soon as possible.

With their Manager's approval, Employees may split their compassionate leave entitlement.

6.5.2 Proof of Absence for Compassionate Leave

An Employee may be required to provide proof of absence for compassionate leave. If evidence is not provided if requested, an Employee may not be paid for the absence.

6.6 Personal & Emergency Leave

Personal & emergency leave is paid leave that can be used in the following instances:

(i) the death of a close relative or close friend (where compassionate leave does not apply);

(ii) the death of an Employee's Immediate Family Member or member of their household where compassionate leave does apply. Personal & emergency leave can be taken in addition to an Employee's compassionate leave entitlement under clause 6.5 of this Agreement;

(iii) attendance at medical appointments, where no immediate medical attention is required (including attending pre-natal appointments for the Employee or the Employee's Partner; and attending interviews or examinations required in order to obtain approval for the Employee's adoption of a child) where appointments are not available outside an Employee's working times;

(iv) the unforeseen absence of a child's carer or the unforeseen closure of a child's school or childcare centre; and

(v) other personal emergencies such as storm damage to home, burglary etc.

6.6.1 Personal & Emergency Leave Entitlement

The amount of personal & emergency leave is updated each year based on an Employee's length of service with IAG and is set out below. However, personal & emergency leave does not accrue from year to year.

Length of Service	Entitlement Per Year
Year One	2 days
Year Two	3 days
Third and subsequent years	4 days

Employees must be employed for a continuous period of three months before they may access this entitlement. Personal & emergency leave may be approved by an Employee's Manager within the first three months in special circumstances.

Personal & emergency leave must not be used where an Employee is entitled to use Sick/Carer's or compassionate leave.

Personal & emergency leave may be used to provide care for an Employee's Immediate Family Member or member of their household if their Sick/Carer's Leave has been exhausted (provided the Employee is eligible for Sick/Carer's Leave in accordance with clause 6.4).

Personal & emergency leave may be taken as full or half days, however for absences related to attending specialist appointments, half day absences will be encouraged. If a full day absence is required, the Employee should discuss this with their Manager prior to taking leave.

6.6.2 Notice of Absence

Employees must notify their Manager as soon as possible in advance of the need to take personal & emergency leave.

Where it is not possible to provide notice in advance, the Employee must notify their Manager as soon as possible of their need to take personal & emergency leave.

6.6.3 Proof of Absence for Personal & Emergency Leave

A Manager may require an Employee to provide proof of absence for personal & emergency leave.

(a) If an Employee uses personal & emergency leave, once their Sick/Carer's leave has been exhausted, to care for an Employee's Immediate Family Member or member of their household, a medical certificate should be provided for any absence.

(b) Absences related to attending medical appointments must be supported by satisfactory evidence.

(c) All absences relating to a child's school or child care arrangements must be accompanied by a letter or notice from the relevant school or body, explaining the nature of the situation.

6.7 Parental Leave

INTENT

IAG values the contribution Employees make and encourages their return to work following Parental and Childcare Leave.

6.7.1 Parental Leave

After 12 months of continuous service, full-time and part-time Employees and Eligible Casuals are entitled to up to 12 months unpaid Parental Leave if the leave is associated with:

(a) the birth of their child or the birth of their Partner's child; or

(b) the placement of a child with the Employee for adoption; and

the Employee has or will have a responsibility for the care of the child.

Parental Leave in the case of adoption is only available in relation to the placement of a child under 16 years as at the day (or expected day) of placement. The Employee will not have an entitlement to Parental Leave (including any paid or unpaid Parental Leave) if the child is a child or stepchild of the Employee or the Employee's Partner, or a child who has lived continuously with the Employee for a period of six months or more.

An Employee must take Parental Leave (including any paid and unpaid Parental Leave) in a single continuous period. Parental Leave is only available to one parent at a time, except where a parent takes Concurrent Leave.

Where an Employee's Partner takes Parental Leave, an Employee may take up to 8 weeks' unpaid Parental Leave concurrently with their Partner's period of Parental Leave (**Concurrent Leave**). The Concurrent Leave may be taken in separate periods during their Partner's period of Parental Leave after the date of birth or placement of the child with each period being no shorter than 2 weeks. The Employee may agree with their Manager to take their leave in smaller blocks to allow the Employee to stagger their return from leave by using their leave to work a lesser number of days per week.

6.7.2 Paid Parental Leave

An Employee who takes Parental Leave at the time of the birth of their child or the placement of the child and is (after the child has been born) or will be (prior to the child being born) the primary carer for the child, is entitled to 14 weeks' Paid Parental Leave (or 28 weeks at half pay) paid at or around the birth or placement of the child (**Paid Primary Carer's Leave**).

An Employee who is eligible for, and takes Concurrent Leave is entitled to 3 weeks paid leave (**Paid Secondary Carer's Leave**). If such an Employee subsequently becomes responsible for the care of the child during the first 12 months of the date of birth or placement of the child, the Employee will be eligible to receive a further 3 weeks' of paid leave.

Paid Parental Leave will be paid to the Employee as normal fortnightly pay from the date the paid leave commences.

6.7.3 Pre birth and pre adoption leave

An Employee may access their personal & emergency leave entitlement under clause 6.6 of this Agreement to attend:

(a) pre-natal appointments of the Employee or their Partner; or

(b) interviews or examinations required in order to obtain approval for the Employee's adoption of a child (being pre-adoption leave under the NES).

6.7.4 Special Maternity Leave

An Employee may be eligible for special maternity leave in the following situations:

(a) Where an Employee's pregnancy terminates within 28 weeks of the expected date of birth, other than by the birth of a living child. The amount of special maternity leave required will be determined by a registered medical practitioner and provided to the Employee's Manager in the form of a medical certificate;

(b) If an Employee suffers illness related to her pregnancy, but has not yet started her Parental Leave, the Employee may use her accrued paid Sick/Carer's leave entitlement as well as unpaid special maternity leave as a registered medical practitioner certifies as necessary.

If an Employee is suffering from an illness that is unrelated to the direct consequences of pregnancy, the Employee may use her accrued Sick Leave entitlement.

6.7.5 Transfer to a Safe Job

A pregnant Employee who is at risk in her present position because of an illness, or risks, arising out of her pregnancy, or hazards connected with the Employee's position, may be transferred to an appropriate safe job if one is available.

The pregnant Employee must supply IAG with evidence that would satisfy a reasonable person that she is fit for work but that it is inadvisable for her to continue in her present position because of an illness, or risks, arising out of her pregnancy or hazards connected with her position.

If a safe job is not available then the Employee may be eligible to no safe job leave for the risk period.

6.7.6 Applying for Parental Leave

To take Parental Leave the following criteria must be met:

(a) at least 10 weeks before starting the Parental Leave an Employee must provide to IAG:

  (i) a medical certificate showing the expected date of birth of the child; or

  (ii) in the case of adoption, an adoption statement confirming placement of the child and that the child will be under 16 at the placement or expected date of placement; and

  (iii) indicate when the Employee intends to commence Parental leave and the expected end date of their Parental leave.

(b) At least four weeks before the intended start date of the Employee's Parental leave, the Employee must confirm the start and end date of their Parental Leave or advise their Manager of any changes to the period of leave; and

(c) the Employee has completed 12 months continuous service prior to commencing Parental Leave.

6.7.7 Consultation during Parental Leave

Employees on Parental Leave will not be treated less favourably when and if restructuring occurs.

6.7.8 Re-Commencing Employment from Parental Leave

Employees on Parental Leave are entitled to return to their own position at the end of their leave provided that position still exists. Where such position no longer exists the Employee is entitled to an available position for which the Employee is qualified and suited considering their skills and experience which is nearest in status and salary to that of their former position.

6.7.9 Working during Parental or Childcare Leave

(a) Employees may undertake short-term employment with IAG while on unpaid Parental or Childcare Leave (including keeping in touch days under the NES).

(b) While undertaking this work, the Employee will be paid an hourly rate calculated by dividing the appropriate fortnightly salary for the position they will be acting in, by normal ordinary working hours.

(c) Employees who work during Parental or Childcare Leave will accrue annual leave on the basis of the number of hours worked.

(d) This employment will not alter the Employee's contract of employment nor affect any Parental or Childcare Leave entitlements.

(e) Employees may not work for another organisation while on Parental or Childcare Leave.

(f) Employees will continue to accrue Sick/Carer's Leave and long service leave on any period of unpaid Parental or Childcare Leave. Annual leave will not accrue on any period of unpaid Parental or Childcare Leave taken. Employees will accrue annual leave, Sick/Carer's Leave and long service leave on any period of paid Parental Leave taken.

For full details of IAG's Parental Leave conditions Employees should refer to the relevant policies and procedures on the intranet.

6.8 Childcare Leave

6.8.1 Childcare Leave Entitlement

In addition to Parental Leave, Employees may take Childcare Leave. Childcare Leave encompasses and is in satisfaction of any Extended Parental Leave entitlements which an Employee may have under the NES.

Childcare Leave is up to 12 months of unpaid leave in addition to Parental Leave. It is available to full-time and part-time Employees who have taken a period of Parental Leave for the same child whilst employed with IAG, and can be taken up until the child is six years of age.

6.8.2 Combining Parental and Childcare Leave

An Employee can take a period of Parental leave and Childcare leave together and have a maximum of 2 years off work for the one child. Should the Employee then commence another period of Parental Leave without returning to work, at the end of that Parental Leave they would be required to return to work for a period of at least six (6) months before being eligible to take a period of Childcare Leave for the subsequent child.

Employees may use their Childcare Leave in one of three ways:

(a) **Maximum two years leave at once**

A two year continuous period comprising 12 months Parental Leave in conjunction with an additional 12 months Childcare Leave.

- 12 months Parental Leave
- Up to 12 months Childcare Leave

(b) **Maximum two years taken in two stages**

A 12 month period of Parental Leave plus two additional blocks of up to six months Childcare Leave. The first block of Childcare Leave is to be taken in conjunction with Parental Leave. The second block is available to be taken up until the child is six years of age.

- Up to 12 months Parental Leave
- Up to six months Childcare Leave
- At least six months period at work
- Up to six months Childcare Leave

(c) **Maximum two years taken in two stages**

Twelve (12) months Parental Leave, with an additional 12 months Childcare Leave taken at a later time, up until the child is six years of age.

- Up to 12 months Parental Leave
- At least six months period at work
- Up to 12 months Childcare Leave

6.8.3 Re-commencing Employment after Childcare Leave

(a) **Childcare Leave taken for up to a period of 12 months immediately following a period of 12 months Parental Leave**

Employees taking Childcare Leave immediately following Parental Leave are entitled to return to their original position at the end of both periods of leave provided that position still exists.

Where such position no longer exists the Employee is entitled to an available position for which the Employee is qualified and suited considering their skills and experience which is nearest in status and salary to that of their former position.

(b) **Childcare Leave taken at any other time up until the child is 6 years of age**

Employees taking Childcare Leave at any other time up until the child is 6 years of age can return to their original position if available. If this position has been filled or is no longer available the Employee will be entitled to return to a similar, available position.

6.8.4 Accrual of other leave whilst on Childcare Leave

Employees on Childcare Leave will continue to accrue Sick/Carer's Leave and long service leave but do not accrue any annual leave.

6.8.5 Untaken Leave

Untaken periods of Childcare Leave are not accumulated. As per current Parental Leave entitlements, any Childcare Leave not taken is lost. The birth of a second or subsequent child will cancel out any period of Childcare Leave not already taken from the first entitlement, however, the Employee would be eligible for a further period of Childcare Leave.

For further details of IAG's Childcare Leave conditions, Employees should refer to the relevant policies and procedures on the intranet.

6.9 Career Breaks

6.9.1 A career break is an extended period of leave without pay away from the workplace. The maximum amount of leave that is normally approved is 12 months.

An Employee may be eligible to take a career break for purposes including:

(a) personal development;

(b) extended travel opportunities i.e. three months or greater;

(c) completing study;

(d) dependant or elder care requirements;

(e) to care for their grandchildren; or

(f) significant social or community responsibilities.

6.9.2 Eligibility

Managers may consider the following factors when considering a request from an Employee to take a career break:

(a) length of service;

(b) the Employee's performance;

(c) reason for the Employee applying for the leave; and

(d) needs of the business and staffing levels required during the period of leave.

Employees are expected to exhaust all other accrued annual leave and/or long service leave available to them prior to or in conjunction with taking a career break.

6.9.3 Conditions

(a) The Employee must make a written application for a career break to their Manager at least three months before the date the Employee wishes to commence the career break.

(b) An Employee will not accrue annual leave while on a career break, however, long service leave and Sick/Carer's Leave will continue to accrue.

(c) Employees will return to an appropriate available position on their return to work from a career break.

(d) Full details of the policy and procedures for career breaks can be accessed on IAG's intranet.

6.10 Shorter Working Year

(a) A permanent full time or part time Employee with at least 12 months continuous service can apply to their Manager to purchase an additional amount of leave of up to six weeks per year by forgoing part of their Base Salary. This arrangement must be agreed between the Employee and their Manager and be consistent with business requirements.

(b) If a request is approved by the Manager, the Employee will pay for the additional leave out of their Base Salary, as a before-tax deduction, over a three to 12 month period. Annual leave loading is not payable on this additional leave.

(c) Full details of the policy and procedures for shorter working year can be accessed on IAG's intranet.

6.11 Volunteer Leave and other Community Service Leave

Employees may be entitled to take volunteer leave and other types of community service leave as follows:

(a) **Volunteer Leave**

(i) Employees are eligible to take one day's paid leave per year to participate or volunteer in a recognised community or charity organisation.

(ii) Employees will be required to give at least five days notice of their intention to take volunteer leave.

(iii) Evidence from the relevant community or charity organisation may be required confirming the Employee's participation in the community or charity work.

(iv) Full details of the policy and procedures for volunteer leave can be accessed on IAG's intranet.

(b) **Other Community Service Leave**

Employees may be eligible for community service leave in accordance with IAG's policies including:

(i) Emergency Services Leave;

(ii) Jury Service Leave; and

(iii) Defence Force Leave.

Full details of these policies and their accompanying procedures can be accessed on IAG's intranet.

6.12 Domestic Violence

IAG recognises the impact of domestic violence on Employees. This Agreement includes a number of paid and unpaid leave entitlements that Employees can access.

Where IAG determines there is not a more appropriate paid or unpaid leave entitlement, IAG may, subject to satisfactory evidence, provide other leave to an Employee who:

(a) is experiencing violence from an Immediate Family Member; or

(b) provides care or support to an Immediate Family Member, who requires care or support because the member is experiencing violence from their Immediate Family Member,

and requires time off work associated with the effects of domestic violence including medical appointments, counselling, legal proceedings and/or other matters related to the effects of domestic violence.

Where such other leave is provided by IAG it may be granted as either paid or unpaid leave at IAG's discretion.

IAG will develop a policy and procedures to support this initiative.

7.

Redundancy, Redeployment and Retrenchment.

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OVERVIEW

In recognising that IAG must continue to adapt to maintain its competitive position within the marketplace, this Agreement outlines a range of redundancy, redeployment and retrenchment provisions which will apply when a need for restructuring a Business Unit has been identified. Where redundancy is identified, every effort will be made to avoid retrenchment through redeployment, retraining, normal employee turnover, managing recruitment and exploring other options for employees to remain in employment at IAG.

7.1 Redundancy

7.1.1 When Redundancy Applies

Positions are redundant not people. Examples of when Redundancy may occur:

(a) a position no longer exists, e.g. where the duties performed in a position(s) are no longer required to be performed by anyone;

(b) a location closes and all positions at that location are potentially redundant;

(c) fewer Employees are required to do the available work, e.g. reducing Employee numbers to meet customer demands or work levels;

(d) jobs at a particular level are substantially changed or restructured, advertised, filled and one or more Employees remain unplaced.

7.1.2 When Redundancy Does Not Apply

Redundancy does not apply:

(a) to Employees who leave IAG of their own choice;

(b) where termination is a result of ill-health;

(c) where termination is a result of unsatisfactory performance, dishonesty, fraud, misconduct or other actions warranting dismissal;

(d) to casual or temporary Employees;

(e) where there is a transfer of business or part of the business from IAG to another employer and an Employee whose position is part of that business is offered the same position or Suitable Alternative Employment with the new employer.

In this clause a transfer of business will only be deemed to take place if the Employee's continuity of service is taken not to have been broken by the change in employer and if any period of service with IAG is taken to be continuous service with the new employer. Recognition of an Employee's continuity of service is for all purposes in relation to leave entitlements and retrenchment benefits.

In this clause, a transfer of business includes a transfer of business under the Act, and any internal transfer or assignment of employment to any company in the IAG of companies; or

(f) where an Employee accepts an internal transfer from one department to another, or transfer to another position with a different company in IAG.

7.2 Consultation

Where a situation arises that will lead to positions being made redundant and/or the Retrenchment of Employees, IAG will consult with:

(a) affected Employees;

(b) the FSU; and

(c) any other nominated employee representative at an Employee's request.

Discussions will concern the reasons for the proposed redundancies and ways to minimise or avoid retrenchment of affected Employees. In these discussions, IAG will advise of the number and category of affected Employees and the timing of any likely Retrenchments.

7.3 Selection Process

Where selection for Redundancy is necessary due to the reduction in the number of like positions within a Business Unit, the selection will be based on matching performance and skills of Employees with the ongoing business need. The Employees assessed to be the most suitable in relation to performance and relevance of skills will be selected to continue in their current positions.

Where possible, IAG will also consider the preferences of Employees in the affected Business Unit, however, the primary factors for selection for Redundancy will be performance and skills.

7.4 Notification of Redundancy

Employees whose positions will be made redundant will be notified by IAG of the date that their position will become redundant.

7.5 Job Search (Avoiding Retrenchment)

(a) An Employee who is notified that their position will be made redundant will commence a job search period. Where possible this period will be prior to their position becoming redundant.

(b) In cases where a job search period is prior to a position being made redundant:

(i) the job search period will be a minimum of three months; and

(ii) may be extended by agreement between IAG and the Employee.

(c) In cases where a part of the job search period is after the position is made redundant the portion of the job search period which falls after the position is made redundant will be no longer than three months unless a longer period is agreed between IAG and the Employee.

(d) During the job search period IAG and the Employee will actively seek alternative employment.

(e) If the Employee and IAG agree, the job search period may be shortened and the Employee may leave with a retrenchment package.

(f) An Employee's job search period will be inclusive of their notice period set out in clause 7.11.

7.6 Suitable Alternative Employment

Suitable Alternative Employment means a position which:

(a) is in the same Classification Level and does not involve a reduction of salary; and

(b) is a position which the Employee has the skills and experience required to perform the role to a reasonable standard; or

(c) is a position for which the Employee should be able to perform to a reasonable standard after a period of training and time in the job; and

(d) is at the same location or is within reasonable distance and travelling time from the Employee's place of residence, taking into consideration the Employee's usual travel arrangements.

7.7 Safeguards

Employees will not be required to move to a location where they need to make major changes to their current personal situation such as place of residence, carer's responsibilities, formal community involvement, external study or employment arrangements of a spouse/partner.

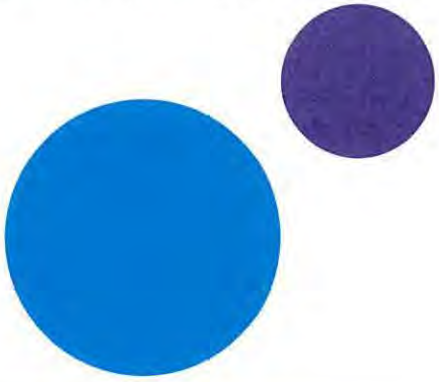
Following discussions regarding moving, an Employee required to move will receive at least four weeks notice from the time agreement to relocate has been reached. The period of notice may be shortened by agreement.

An Employee who is offered Suitable Alternative Employment or other continuing employment will be provided with the offer in writing including details of the position.

An Employee may seek the assistance of an Employee Representative (such as the FSU) and/or use the procedure for Resolving Workplace Issues if they have a grievance in relation to an offer of Suitable Alternative Employment or other continuing employment.

7.8 Offer of Suitable Alternative Employment Not Accepted

Where Suitable Alternative Employment is offered, but not accepted by an Employee, the Employee will be deemed to have terminated their employment, without an entitlement to payment of a retrenchment package.



7.9 Other Options for Continuing Employment

During the job search period IAG and the Employee may agree on other options which enable the Employee to continue in employment but which do not meet one or more of the criteria of Suitable Alternative Employment.

Such a position could be a position at a lower salary level or a position where significant re-training is required. Where other employment is offered (which is not Suitable Alternative Employment), but is not accepted by an Employee, the Employee will maintain their entitlement to a retrenchment package.

(a) **Position at a Lower Salary**

Where an Employee accepts a position, to which a lower salary level applies, the Employee's salary will not be reduced as a result of accepting the position. However, if it is not possible for IAG to maintain an Employee's existing salary, an Employee may still elect to accept a position at a lower salary.

(b) **Trial Period**

Where an Employee accepts employment at a lower salary there will be a trial period of three (3) months in the new position at the lower salary level.

In all other situations a trial may be agreed between IAG and the Employee.

Should either the Employee or IAG find that the employment is unsuitable, the Employee's service may be terminated without loss of entitlement to retrenchment payments calculated from the date the service actually ends. If an Employee's salary has been reduced during the Trial Period, the Employee's retrenchment payment will be calculated on the Employee's salary immediately prior to the commencement of the Trial Period.

7.10 Retrenchment

7.10.1 Selection Process

Where selection for Retrenchment is necessary, because within a business unit the number of Employees in like positions needs to be reduced, selection will be based on matching performance and skills of Employees with the ongoing business need. The primary factors for selection for Retrenchment will be performance and skills. Where possible, IAG will also consider the preferences of affected Employees.

7.10.2 Advice of Retrenchment and Date of Effect

All Employees will be provided with written notice of their retrenchment. During the notice period, Employees will be provided with details11.5 of their retrenchment package.

7.11 Retrenchment Benefits

7.11.1 On Retrenchment, Employees with less than 25 years service will receive:

(a) eight weeks notice or payment in lieu of notice (calculated on the Employee's Salary), or a combination of notice and payment in lieu (to a total of 8 weeks' Salary) (notice); plus

(b) three weeks' Salary for each year of continuous service to a maximum of 75 weeks' Salary (severance).

The minimum benefit that can be received (including both notice and severance) is 11 weeks' Salary and the maximum benefit that can be received is 83 weeks' Salary (including both notice and severance). The notice period will be inclusive of any job search period under clause 7.5.

7.11.2 On Retrenchment, Employees with 25 or more years of service or who are over 45 years of age will receive:

(a) twelve weeks' notice or payment in lieu of notice (calculated on an Employee's Salary) or a combination of notice and payment in lieu (to a maximum of 12 weeks' Salary) (notice); plus

(b) three weeks' Salary for each year of continuous service to a maximum of 75 weeks' Salary (severance).

The minimum benefit that can be received (including both notice and severance) is 15 weeks' Salary and the maximum benefit that can be received is 87 weeks' Salary (including both notice and severance). The notice period will be inclusive of any job search period under clause 7.5.

7.11.3 The payments provided for in clause 7.11 are in satisfaction of all termination entitlements including notice of termination and redundancy pay under the NES.

During the notice period, Employees shall be allowed reasonable time off, as agreed between an Employee and their Manager, to seek new employment. Where an Employee has received notice of retrenchment, the Employee shall not be entitled to any payments for notice not worked out.

Employees who have had service on both a full-time and part-time basis will have their entitlements calculated on a pro-rata basis.

Additional hours paid at single-time rates worked by part-time Employees will be recognised for the calculation of retrenchment benefits.

7.11.4 Definition of Salary for Retrenchment Benefits

For the purposes of calculating Retrenchment benefits, salary is defined as Base Salary plus shift allowance, penalty or loading regularly paid to the Employee for working their Ordinary Hours on Saturdays, Sundays, public holidays, or for late or early starts. It does not include overtime, bonuses or any other payments or allowances. For Employees who receive benefits in lieu of cash salary, the value of the benefits will be included in determining Base Salary.

7.11.5 Annual Leave

Each Employee will receive a payment in lieu of any annual leave entitlement. Annual leave loading is payable on accrued annual leave in accordance with the Act.

7.11.6 Long Service Leave

Employees with five or more years continuous service will receive pro rata payment for long service leave.

7.11.7 Outplacement Support

Outplacement support will be offered to all Employees through an external outplacement organisation. Where requested, counselling and financial planning services will be provided by IAG at no cost to the Employee.

7.11.8 Income Protection

(a) In recognition of the loss of accrued Sick/Carer's leave entitlements following Retrenchment, IAG will provide income protection insurance to Employees who:

(i) have been Retrenched from employment with IAG;

(ii) at the time of Retrenchment had 10 years' or more continuous service with IAG; and

(iii) gain permanent employment (either full-time or part-time) with a new employer within 12 months of Retrenchment from employment with IAG.

(b) To be eligible for income protection insurance Employees must:

(i) notify IAG that they have gained employment with a new employer within 14 days of commencing that employment;

(ii) provide evidence satisfactory to IAG of employment with the new employer; and

(iii) advise IAG of the date employment with the new employer commenced.

(c) Income protection insurance provided under this clause will be:

(i) based on the Employee's Base Salary immediately prior to Retrenchment from employment with IAG;

(ii) for a period of 12 months from the date of commencement of employment with the new employer; and

(iii) in respect of loss of income arising from illness or injury in accordance with the terms of the policy taken out by IAG.

8.

Resolving Workplace Issues.

Clause	Topic	Page
8.1	Procedure	36

OVERVIEW

The best environment to resolve workplace issues that arise is at the local level. Managers and Employees should work together to resolve problems quickly, effectively and cooperatively without the need for external assistance or direction.

IAG expects its Managers to practise an open door policy so that Employees feel free to take issues up at a higher level if they cannot resolve them with their immediate Manager.

Managers are expected to quickly and effectively resolve an Employee's grievances or concerns.

Grievances regarding Annual Remuneration Review outcomes are only to be resolved in accordance with the procedure set out in clause 5.4 of this Agreement.

8.1 Procedure

This procedure will ensure that issues or grievances are resolved quickly, fairly and without disruption to business operations. Where an issue or grievance arises during the term of this Agreement about matters arising under this Agreement or the NES, it will be settled according to the following procedure:

Step	Action
1	The Employee should first discuss the matter with their immediate Manager who must make every effort to resolve the matter.
2	If the matter is not resolved, or if it is not appropriate to discuss the matter with their immediate Manager, the Employee should discuss the matter with their next level Manager who will attempt to resolve the matter. Alternatively an Employee can contact their Human Resources representative directly who will work with the Employee and Manager to attempt to resolve the issue.
3	If the matter is not resolved at this point the Employee may, if appropriate, notify an employee representative (such as the FSU), who will discuss the matter further with the relevant Human Resources representative.
4	If the matter is not resolved it will be brought to the attention of the relevant Head of Human Resources. They or their nominee will discuss the matter with the Employee/their representative. (In the case of the FSU, the discussion will involve the FSU National Office).
5	If the matter is not resolved by the parties in steps 1- 4 above, the parties may separately or jointly refer the matter to the FWC for resolution.

Employees may be represented by the FSU or other representative of the Employee's choice at any stage of this process.

9.

Workplace Commitments.

Clause	Topic	Page
9.1	Individual Flexibility Arrangements	38
9.2	Consultation & Communication	38
9.3	FSU Recognition	39

OVERVIEW

IAG is committed to working with its Employees to achieve a healthy and productive working environment. Through the commitments and processes outlined in this section, IAG and Employees can adapt and respond to business and personal needs as they arise in a constructive, co-operative and mutually beneficial manner.

9.1 Individual Flexibility Arrangements

9.1.1 IAG and an Employee covered by this Agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the Agreement if:

(a) the Agreement deals with one or more of the following matters:

(i) arrangements about when work is performed;

(ii) overtime rates;

(iii) penalty rates;

(iv) allowances;

(v) annual leave loading; and

(b) the arrangement is genuinely agreed to by IAG and the Employee.

9.1.2 IAG will ensure that the terms of the individual flexibility arrangement:

(a) are about permitted matters under section 172 of the Act; and

(b) are not unlawful terms under section 194 of the Act; and

(c) result in the Employee being better off overall than the Employee would be if no arrangement was made.

9.1.3 IAG will ensure that the individual flexibility arrangement:

(a) is in writing; and

(b) is signed by IAG and the Employee and, if the Employee is under 18 years of age, is also signed by a parent or guardian of the Employee.

9.1.4 IAG will give the Employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

9.1.5 IAG or the Employee may terminate the individual flexibility arrangement:

(a) by giving no more than 28 days' written notice to the other party to the arrangement; or

(b) if IAG and the Employee agree in writing, at any time.

9.2 Consultation and Communication

9.2.1 A commitment to thorough and effective communication and consultation between IAG and its Employees is a major feature of this Agreement.

9.2.2 Managers will communicate regularly with Employees as a matter of normal ongoing practice regarding matters which may affect Employees or which may be of concern to them. Within business constraints Managers will consult with Employees about major workplace changes that are likely to have a significant effect on the Employees. Managers will consult with Employees and endeavour to address concerns raised by Employees. Employees may elect to be represented in the consultation process by an employee representative such as the FSU.

9.2.3 IAG is committed to sharing relevant information with the FSU regarding major workplace change programs impacting on Employees (who are FSU members) about matters contained in this Agreement.

9.2.4 Where a major workplace change is likely to result in a situation that will lead to positions being made redundant and/or the Retrenchment of Employees, IAG will consult with affected Employees in accordance with clause 7.2.

9.2.5 In addition to clause 9.2.3 of this section, representatives from IAG Human Resources and the FSU will meet on a regular basis to discuss IAG workplace change issues that impact on the Employees they represent.

9.2.6 Consultation will allow employee representatives, such as the FSU, an opportunity to contribute suggestions to IAG on behalf of Employees they represent and raise concerns regarding IAG operations or employee relations.

This process will, where possible, allow employee representatives the opportunity to provide input from Employees prior to the implementation of any proposed changes on the basis of its commitment to improving IAG's productivity and the quality of working life of Employees. Where planned changes are of concern to IAG, its Employees or their representative, every effort will be made to resolve such concerns through consultation and discussion.

9.2.7 Where there is a change to an Employee's regular roster or ordinary hours of work, IAG will consult with affected Employee's in accordance with clause 4.5.1(c).

9.3 FSU Recognition

IAG recognises the FSU as the union entitled to represent the industrial interests of IAG employees, in relation to matters pertaining to the relationship between IAG and its Employees.

IAG also recognises the right of each Employee to decide whether they will join or not join the union.

9.3.1 FSU Workplace Representatives

(a) On an as needs basis and in consideration of operational requirements, workplace representatives will be provided with reasonable time and facilities during working hours to attend to union related issues.

(b) Upon written advice from the National Office of the FSU, IAG will recognise a nominated Employee to act as an FSU workplace representative for the following purposes:

- recruitment of members to the FSU;
- discussion with FSU officials, other union members and potential members regarding work/union related issues;
- representing members where appropriate in meetings with management upon request;
- receiving information from the FSU; and
- attending workplace FSU meetings.

(c) Where available, IAG will provide FSU workplace representatives access to telephone, notice boards, the FSU website or other arrangements as agreed to communicate union information to FSU members within IAG.

(d) FSU Officials will be invited to IAG induction programs to present to new recruits, for up to 30 minutes on the benefits of FSU membership.

9.3.2 Training

Upon application by the FSU and with IAG's agreement, an FSU workplace representative will be granted paid leave to attend training, a seminar or course related to the role of a workplace representative.

The provision of this leave will be granted in consideration of business and operational requirements. Paid leave is provided on the requirement that the FSU provides IAG with four weeks written notice and if requested by IAG, the course agenda, contents and objectives.

9.3.3 FSU Honorary Officials

At the beginning of each calendar year, FSU may apply in writing for additional paid leave for Honorary Officials in order to attend events that occur during work hours.

9.3.4 Entry to the Workplace

(a) In accordance with section 484 of the Act, IAG will allow Employees to meet with the FSU on IAG premises to hold discussions.

(b) Employees will meet with the FSU at times/locations sensitive to IAG business needs and will ensure their discussions are held away from customers and during scheduled meal breaks or other breaks or as otherwise agreed.

(c) IAG will provide, where possible, appropriate facilities to enable Employees to meet with FSU e.g. an office or private space or access to a meeting room or tea room for general discussion.

(d) For an FSU official to access an IAG workplace in order to meet with Employees they will:

(i) provide at least 24 hours, but not more than 14 days notice, before the entry, in accordance with section 518(3) of the Act;

(ii) not hinder or obstruct an Employee in the performance of their work during work times; and

(iii) exercise every care to preserve the confidentiality of all work, books or documents viewed during their visit under this clause.

(e) This provision shall not be interpreted to provide the FSU with any rights of entry which are inconsistent with or additional to its rights under the Act.

9.3.5 FSU Fees

IAG will deduct FSU membership fees from payroll, where an Employee authorises the deduction in writing.

A.

Annexure A: Classification Structure.

Level 1

A Level 1 position is one in which Employees work within established routines, methods and procedures that are predictable and may require the exercise of limited discretion.

Typical activities and skills may include but are not limited to:

- applying basic office procedures;
- operating office equipment;
- receiving, sorting, distributing and filing correspondence and documents;
- performing basic manual or technical duties;
- performing defined data entry/inquiry tasks; and/or
- answering enquiries using a general knowledge of the employer's services.

IAG indicative job list – Office Trainee; Filing Clerk; Mail Sorting Officer.

Level 2

A Level 2 position performs tasks and service requirements given authority within defined limits and employer established guidelines, using a more extensive range of skills and knowledge at a level higher than in Level 1.

Level 2 Employees are responsible for their own work which is performed within established routines, methods and procedures.

Typical activities and skills may include but are not limited to:

- processing of standard documentation;
- undertaking cashiering functions;
- answering enquiries from members and external parties using a detailed knowledge of specific business activities;
- drafting correspondence appropriate to job function;
- organising own work schedule; and/or
- providing information/assistance to other staff members.

IAG indicative job list – Administration Assistant / Officer; Claims Support Officer; Mail Room Officer.

Level 3

A Level 3 position is one in which tasks and service requirements are performed using a more extensive range of skills and knowledge at a higher level than required in Level 2.

The position encompasses limited discretion in achieving task outcomes. A level of delegation and authority may be employed consistent with the job function and is performed predominantly within established policies and guidelines.

Those employed at this level are responsible and accountable for their own work, and may be expected to provide direction to other staff.

Typical activities and skills may include but are not limited to:

- undertaking of projects;
- preparing reports and recommendations within their own job function;
- drafting of routine correspondence;
- administering/maintaining staff records; and/or
- delivery and/or co-ordination of learning and development activities.

IAG indicative job list – Claims Lodgement Consultant; Customer Service Consultant; Insurance Solutions Consultant; Lodgement Consultant; Customer Business Consultant; Case Manager.

Level 4

A Level 4 position is one in which tasks and service requirements are performed using a more extensive range of skills and knowledge at a level higher than required at Level 3. Those employed at this level are responsible for their own work and any employees under their control.

Positions at this level require the application of relevant specialist knowledge and experience.

Those employed at this level would be required to advise on a range of activities and contribute to the determination of objectives within the required area of expertise.

Typical activities and skills may include but are not limited to:

- managing and maintaining service standards;
- overseeing day-to-day operations of functional areas of responsibilities;
- implementing and maintaining effective controls;
- initiating disciplinary processes;
- assisting with the recruitment and selection of staff; and/or
- preparing of reports.

IAG indicative job list – Assessor, Underwriter, Account Manager, Senior Case Manager, Analyst Programmer, Injury Management Advisor, Senior Injury Claims Consultant, Personal Assistant, Business Analyst.

Level 5

A Level 5 position is one in which tasks, service requirements and supervisory functions are performed using a more extensive range of skills and knowledge at a higher level than required at Level 4. The position may be:

- a specialised role, possibly supported by one or two junior staff members, requiring formal qualifications and/or specialised vocational training; and/or
- a managerial role (managing 5–10 people) responsible for the operation of part or parts of the employer's business.

Those employed at this level exercise considerable discretion and/or are responsible for operational planning.

IAG indicative job list – Team Manager, Senior Analyst Programmer, Business Sales Executive, Retail Business Manager, Technical Manager.

Level 6

Those employed at this level perform a middle managerial role primarily to control the conduct of a part of the employer's business and in which decisions are regularly made and responsibility accepted on matters relating to the administration and conduct of a part of the business. Those responsible for managing more than 10 people must be classified at this level.

IAG indicative job list – Portfolio Manager, Claims Manager, Senior Systems Analyst, Operations Manager, Claims and Injury Manager, Manager.

B.

Annexure B: Transitional Arrangements.

1. 140 Hours Arrangements

1.1 Introduction

After the commencement of the 2003 Agreement, a number of Employees elected to remain on full-time Ordinary Hours of 140 hours per four week cycle (or a pro-rata equivalent for part-time Employees) in accordance with the 2003 Agreement (the 140 Hours Arrangement).

1.2 For Employees Employed on the 140 Hours Arrangement:

(a) **Ordinary Hours**

In a number of clauses of the Agreement, there is a reference to Ordinary Hours of work being 150 hours per four week cycle (37.5 hours per week). For Employees employed on the 140 Hours Arrangement, the following sections will be read and interpreted as 35 hours per week or 140 hours per four week cycle:

Section	Clause	Page
Types of employment at IAG		
	Full-time employment	8
	Part-time employment	8
Hours of work		
	Ordinary Hours	10
	Application of Overtime	12
	Overtime for Part-time Employees	12
	Flex time arrangements	13
	Rostered Days Off	13

(b) **In the following clauses of the Agreement, 37.5 hours will be interpreted as 35 hours:**

(i) Additional Hours for Part-time Employees (clause 4.2.2 of the Agreement); and

(ii) Overtime for Part-time Employees (clause 4.7.3(a)(i) of the Agreement).

(c) **Varying the 140 Hours Arrangement**

Any Employee who elects to remain on the 140 Hours Arrangement will not be required to increase their hours to 150 hours per four week cycle (or pro-rata equivalent), except by Mutual agreement.

(d) **No disadvantage**

Employees who elect to remain on the 140 Hours Arrangement will not be disadvantaged in relation to:

(i) conditions of employment;

(ii) remuneration, including Annual Remuneration Reviews and selection for rewards or bonuses;

(iii) performance assessment;

(iv) the working of Overtime; or

(v) promotion, selection or career-path opportunities.

1.3 Safeguard

An Employee who elects to increase their Ordinary Hours to 150 hours per four week cycle and receives compensation for that change, will not be disadvantaged in future Annual Remuneration Reviews. The amount of compensation received to increase an Employee's Ordinary Hours, will not be used to offset any future adjustments to Fixed Pay in the Annual Remuneration Review process.

1.4 Conversion of Leave Entitlements

Where an Employee changes from 140 hours per four week cycle to 150 hours per four week cycle, existing leave accruals will be converted to reflect the new Ordinary Hours arrangements from the effective date of the change. The leave provisions will be adjusted in the following manner:

$$\mathbf{LB = \frac{ELB}{7} \times 7.5}$$

Where:
LB = An Employee's Leave Balance (in hours)
ELB = An Employee's existing leave balance (in hours)
7 = Daily hours based on a full-time 35 hour week
7.5 = Daily hours based on a 37.5 hour week

For example
Annual leave for a full-time Employee is 20 days per year which equates to 140 hours per year based on a 35 hour week. A full-time Employee who has 140 hours of annual leave accrued, and elects to increase their hours to 37.5 hours per week will have their annual leave balance adjusted in the following way, to ensure that they would still have 20 days of annual leave.

$$\mathbf{AL = \left(\frac{140}{7} \times 7.5\right) = 150}$$

Where:
AL = An Employee's annual leave balance (in hours)
140 = An Employee's existing leave balance (in hours)
7 = Daily hours based on a full-time 35 hour week
7.5 = Daily hours based on a 37.5 hour week
150 = The employee's new annual leave balance

Sick Leave

Jan has 54 days of Sick/Carer's Leave accrued as a full-time Employee working 35 hours per week (378 hours). Jan elects to increase her hours to 37.5 hours per week. Jan's Sick/Carer's Leave balance will be adjusted in the following way:

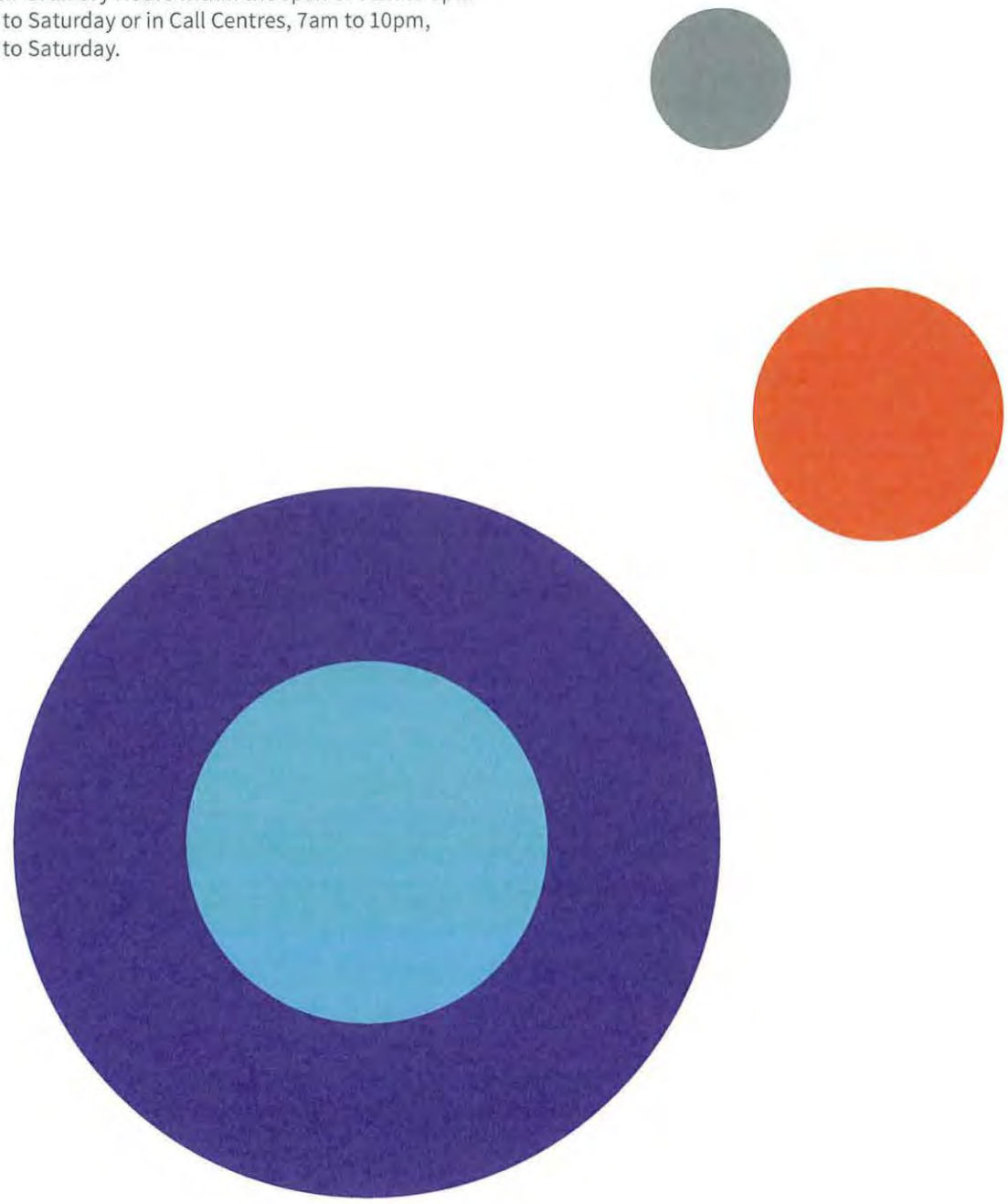
$$\mathbf{SL = \left(\frac{378}{7} \times 7.5\right) = 405}$$

Where:
SL = An Employee's Sick/Carer's Leave balance (in hours)
378 = An Employee's existing Sick/Carer's Leave balance (in hours)
7 = Daily hours based on a full-time 35 hour week
7.5 = Daily hours based on a 37.5 hour week
405 = The Employee's new Sick/Carer's Leave balance

2. Transitional Ordinary Hours Arrangements

2.1 Employees employed with SGIO as at 12 September 1999, may only be required to work their Ordinary Hours within the span 8.30am to 5.30pm Monday to Friday. However, Employees may agree to work their Ordinary Hours within the wider span, in accordance with clause 4.1.2.

2.2 Employees as at the certification date of the 2003 Agreement, whose terms and conditions were set by the CGU Insurance Enterprise Agreement 2002/2004 may work their Ordinary Hours within the span of 7am to 9pm Monday to Saturday or in Call Centres, 7am to 10pm, Monday to Saturday.



Signing Page.

EXECUTED as an Agreement

SIGNED for and on behalf of
INSURANCE AUSTRALIA GROUP SERVICES PTY LIMITED and
INSURANCE MANUFACTURERS OF AUSTRALIA PTY LIMITED
by an authorised officer
in the presence of

Signature of witness

DAVID LAHOOD

Name of witness (print)

Lee Heycox
EGM, People & Culture (Australia)
Group People, Performance & Reputation
388 George Street,
Sydney, New South Wales, 2000

SIGNED for and on behalf of the
FINANCE SECTOR UNION OF AUSTRALIA
by an authorised representative
and in the presence of

Signature of witness 01/4/16

Hemantha Angampitiya

Name of witness (print)

Fiona Jordan
National Secretary,
Finance Sector Union of Australia
341 Queen Street
Melbourne, Victoria, 3000

Authorised under rule 49 of the FSU's rules to sign industrial agreements.

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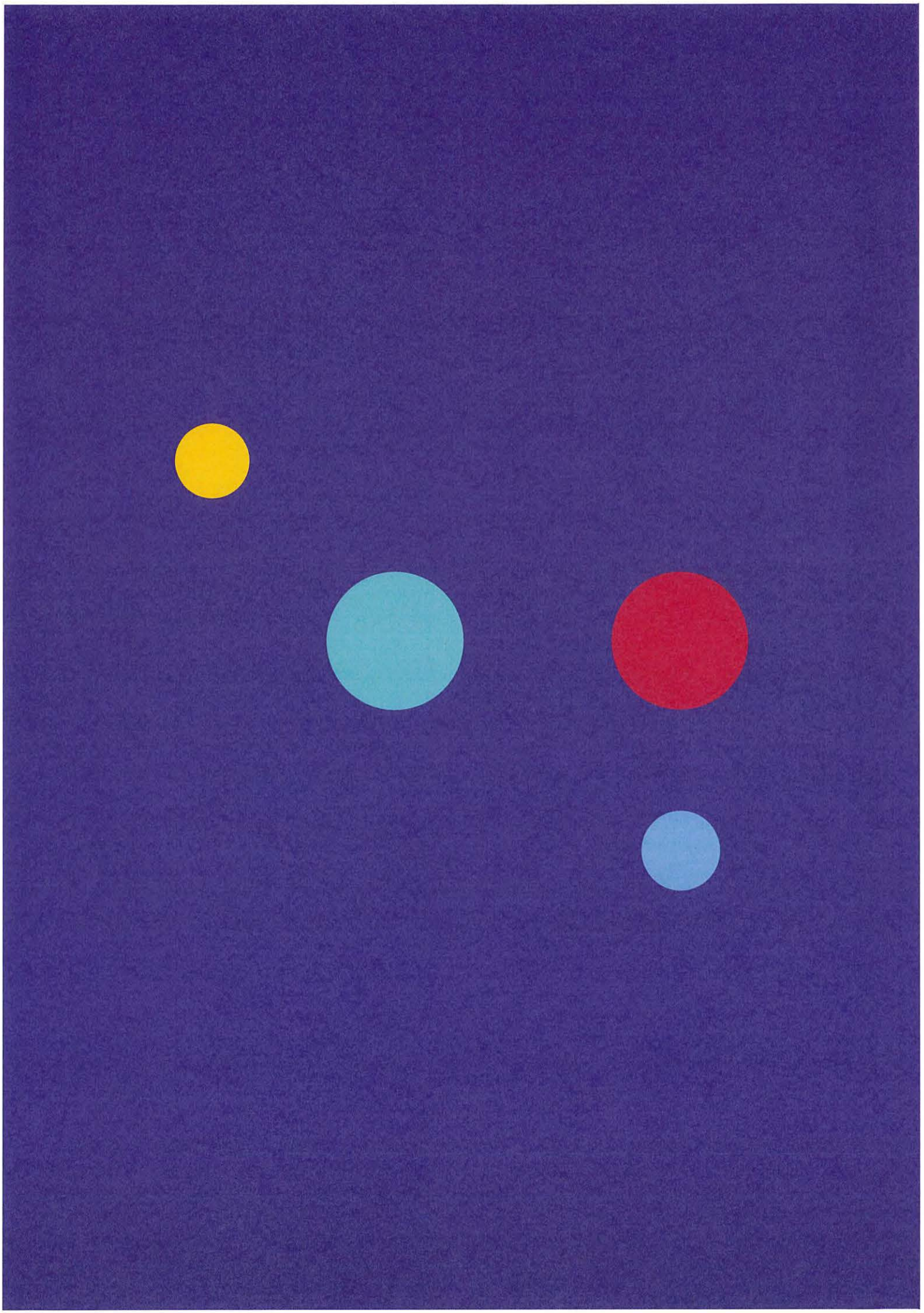

iag

Australia

NRMA INSURANCE · CGU · wfi · SGIO · SGIC · swann insurance · RACV* · coles Insurance*

New Zealand

STATE · ami · NZI · Lumley Insurance

Asia

Thailand* · NZI* · AmAssurance* · KURNIA* · SBIGeneral* · 渤海保险 Bohai Insurance* · AIA* · ASURANSI PAROLAMAS*

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This is a written undertaking relating to the *IAG Enterprise Agreement 2016* (**Agreement**) which applies while the Agreement is in operation.

Insurance Australia Group Services Pty Limited and Insurance Manufacturers of Australia Pty Limited (collectively **IAG**) are the employers who are covered by the Agreement.

IAG undertakes that clause 5.9.2 of the Agreement will be applied, in respect to part time employees who work Additional Hours under clause 4.2.1 which are paid at their single hourly rate (**ordinary rate**), in and following each Relevant Period as follows:

1. IAG payroll will identify the number of Additional Hours the part time employee works which are paid at ordinary rates;

2. IAG payroll will then compare the amount the part time employee would have been paid under the *Banking, Finance and Insurance Award 2010* (**Award**), for the hours they have worked in the Relevant Period against the payments and employment related benefits to, or on behalf of, the part time employee (as contemplated by clause 5.9.2(b) of the Agreement); and

3. if there is any shortfall against the Award, IAG will make a payment to, or on behalf of, the part time employee equal to the difference (less tax).

I am authorised to give this undertaking on behalf of IAG.

David Lahood

Senior Manager, People Services

Return to work forms

me to [redacted] 5/21/16

Thanks[redacted]. I'm meeting another carer next week who has a spot on Mondays, so let's aim for Mon - Wed. If anything changes I will let you know.

Jess

...

On Thu, 19 May 2016 6:10 pm [redacted] <[redacted]iag.com.au> wrote:

> No worries. I'll put your first day back as Monday 25 July. I think you mentioned you had lined up care for Tuesdays? Did you want to work Mon-Weds or Tues-Thurs? I don't mind as long as you're here on Wednesdays please!
>
> Hope all is well
>
> [redacted]
>
> [redacted]
> INTERNAL COMMS MANAGER
> GROUP CORPORATE AFFAIRS, IAG
>
> [redacted] | x[redacted] | [redacted]
> Level 18, 388 George St, Sydney NSW 2000 Australia
> [redacted]
>
> Please note that I don't work on Wednesdays
>
> **From:** Jessica van der Hilst [mailto:[redacted]m]
> **Sent:** Monday, 9 May 2016 4:40 PM
> **To:** [redacted]@iag.com.au>; Jessica van der Hilst <Jessica.vanderHilst@iag.com.au>
> **Subject:** Re: Return to work forms
>
> Thanks for looking into it, [redacted]. I hope you had a lovely mothers' day, too!
>
> I was discussing my return to work date with [redacted] after we spoke and I realised a better week to start would be w/c 25 July, as we have a couple of personal commitments in the previous week that will be hard to work around.
>
> Yes, starting back 3 days in the short term with one as a work from home day. I agree, set it up that way now and we can worry about returning to full time later. And as I mentioned, rather than working the WFH days in the first week or two while I am getting up to speed, I can put them into the system as unpaid leave.
>
> On Mon, 9 May 2016 3:56 pm [redacted] <[redacted]@iag.com.au> wrote:
>
> > Hi Jess
> >
> > Hope you had a lovely Mother's Day!
> >
> > Great to chat last week. The only form we need to complete before you get back is the Return from Extended Leave form – and I need to complete this. You just need to fill in the Welcome Back Payment form in ESS when you're back.
> >
> > Could you please confirm your return to work date – which we discussed as Monday 18 July – and that you'll be three days in the short term? I'm thinking that it might be easier to change your working hours to part time when you first get back and then move them to full time when that happens.
> >
> > I don't need to complete this form until the end of the month so you've got some time to confirm!
> >
> > Cheers
> > [redacted]
> >
> > [redacted]
> > INTERNAL COMMS MANAGER
> > GROUP CORPORATE AFFAIRS, IAG
> >
> > [redacted] | x[redacted] | [redacted]
> > Level 26, 388 George St, Sydney NSW 2000 Australia
> > [redacted]@iag.com.au | www.iag.com.au
> >
> > Please note that I don't work on Wednesdays

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