

AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

*Workplace Relations Act 1996*  
s.170LJ certification of agreement

**QBE Mercantile Mutual Limited and the Finance Sector Union of Australia**  
(C No. 20903 of 2000)

**QBE MERCANTILE MUTUAL LIMITED CERTIFIED AGREEMENT 2000-2002**

Various employees

Insurance industry

SENIOR DEPUTY PRESIDENT DRAKE

SYDNEY, 14 APRIL 2000

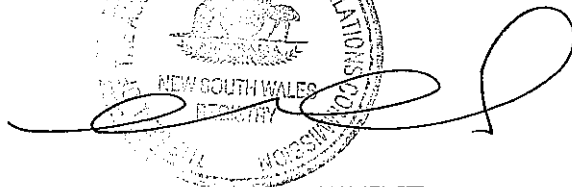
*Certification of Division 2 agreement with organisation(s) of employees.*

**CERTIFICATION OF AGREEMENT**

In accordance with section 170LT of the *Workplace Relations Act 1996*, the Commission hereby certifies the attached written agreement between qbe Mercantile Mutual Limited and the Finance Sector Union of Australia in this matter.

This agreement shall come into force from 6 April 2000 and shall remain in force until 22 December 2002.

BY THE COMMISSION



SENIOR DEPUTY PRESIDENT

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**1. Title**

This Agreement will be known as the QBE Mercantile Mutual Limited Certified Agreement 2000 – 2002 (“the Agreement”)

**2. Arrangement**

- 1. Title
- 2. Arrangement
- 3. Parties Bound
- 4. Objective
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- 6. Duration
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**3. Parties Bound**

This Agreement binds QBE Mercantile Mutual Limited (“the employer”), the employees employed by the employer and the Finance Sector Union of Australia. It is a Certified Agreement (s.170LJ) pursuant to Division 2 of Part VIB of the Workplace Relations Act 1996 (Cth).

**4. Objective**

It is the intention of the parties to this Agreement that where possible retrenchments should be avoided.

**5. Relationship to Awards and Agreements**

- 5.1 The terms and conditions of employment for employees as specified in this Agreement will operate in conjunction with the Award and the successors of the Award.
- 5.2 The terms and conditions of employment for those employees previously employed by Mercantile Mutual as specified in this Agreement will also operate in conjunction with the Mercantile Mutual Enterprise Agreement 1996 – 1997
- 5.3 Where this agreement prescribes different or inconsistent terms and conditions to those prescribed by the Award or the Mercantile Mutual Enterprise Agreement 1996 – 1997, this Agreement will prevail to the extent of the difference or inconsistency.
- 5.4 All prior redundancy agreements, policies and procedures of either QBE or Mercantile Mutual which cover the employees subject to this Agreement cease to apply as at 22 December 1999.

## 6. Duration

This Agreement will apply from the date of certification of this Agreement by the Australian Industrial Relations Commission ("the Commission") and will remain in effect until 22 December 2002.

## 7. Definitions

"Acceptable alternative position" will mean a position of at least the same level having regard to the relevant award level (or classification where a nominated award level does not apply), which does not entail a significant change of Key Result Areas having regard to the employee's current skills and competencies; and that does not involve a reduction of remuneration, status or promotional opportunity; and which is in the same location or at another location that is within reasonable commuting distance and which does not entail unreasonable changes in hours both having regard to family and personal commitments, and historical use of public and private transport.

"Award" is the Insurance Industry Award 1998

"Agreement" is the QBE Mercantile Mutual Certified Agreement 2000 – 2002

"AIRC" is the Australian Industrial Relations Commission

"Employee" is any employee employed by the employer

"Employer" is QBE Mercantile Mutual Limited

"FSU" is the Finance Sector Union of Australia

"Redeployment" means the allocation by the employer of an acceptable alternative position, or acceptance by the employee of a voluntary alternative position

"Redundancy" will mean

- A situation where the work being done by an employee (or the major portion of it) is no longer required to be done in that location as a result of re-organisation, restructuring, changed business practice, technological change, or down turn in business; or
- A situation where rostered hours being performed by a part time employee are reduced, other than by mutual consent, due to a lessened requirement for the performance of that work in that location as a result of reorganisation, restructuring, changed business practice, technological change, or down turn in business.
- A position being made redundant does not automatically require the retrenchment of the incumbent.

**“Remuneration”** shall mean

- For remuneration package employees the total remuneration package being received by an employee at the date of redeployment or retrenchment and divided by 52 to calculate a “weeks remuneration”.

**“Retrenchment”** will mean the termination of employment as a result of redundancy where redeployment is not available or retraining appropriate.

**“Voluntary alternative position”** will mean:

- A position at a level lower than an employee’s current level, having regard to the relevant award level (or classification where a nominated award level does not apply) or;
- A position at the same level having regard to the relevant award level (or classification where a nominated award level does not apply; but which: entails a significant change in Key Result Areas which may require different skills and competencies; and/or involves a reduction of remuneration, status, or promotional opportunity.

## 8. Redeployment, Redundancy and Retrenchment

### 8.1 Discussions before redeployment, redundancy and retrenchment

Where a decision has been made by the employer that it is likely that a position will be redundant, the employer will hold discussions as soon as it is practicable with:

- The employee(s) affected; and
- The FSU

The discussions will include:

- Any measures to mitigate any adverse effects on the employees concerned
- The reasons for the proposed termination(s)
- Measures to avoid or minimise terminations

During such discussions the employer will provide in writing to the employees and the FSU, all relevant information concerning the proposed terminations. This will include:

- The reasons for the proposed termination(s)
- The number and classification of employees likely to be affected
- The period over which the termination(s) will occur

In providing this information the FSU must keep confidential any information concerning the business the disclosure of which would be contrary to the company’s interest.

## 8.2 Avoidance of retrenchment

Every effort will be made to avoid retrenchment through redeployment, retraining, normal staff wastage and curtailing recruitment.

## 8.3 Redeployment

Following the discussions in accordance with 8.1 above, the following redeployment process will be conducted over a period of ten weeks. This ten weeks is calculated from the time that the employee receives formal written notification from the employer that they may be retrenched.

A resource kit will be provided to staff in redeployment in either hard copy or electronic form to explain the redeployment process in detail.

Staff will be asked to complete a preference form on a without prejudice basis asking the employee to indicate:

- A preference to be redeployed; and
- Positions the employee would be interested in applying for; and
- Any interest in retraining; or
- A preference to be retrenched

Staff will be allowed a minimum of one day per week to pursue redeployment activities such as:

- Consulting time with an outplacement company at the expense of the employer
- Completion of resume and applications as appropriate
- Viewing job circulars
- Time off for preparing and attending interviews

During the 10 week redeployment period, with the employee's agreement, the employer will provide the employee with:

- Outplacement assistance
- Financial advice
- Counselling that extends to the employee's family at the employer's expense.

The employer will provide assistance in preparing a resume at the request of the employee.

Employees will have access to internal job applications and will be encouraged to apply for suitable roles.

In filling vacancies first consideration will be given to suitably qualified staff members whose jobs are disappearing.

Every reasonable effort will be made to redeploy an employee to a position that is an acceptable alternative position to the employee's current role. If unavailable an employee may also agree to consider a Voluntary Alternative Position. An employer cannot require an employee to accept a Voluntary Alternative Position. Where alternative employment is offered at a lower graded role but not accepted by the employee, rights in respect of retrenchment will be preserved.

Employees accepting alternative employment at a lower graded level, defined as a Voluntary Alternative Position, than their current position will be given a trial period of eight weeks in their new position. Should either the employer or the employee find that the employment is unsuitable, the employee's services may be terminated without loss of entitlement to retrenchment payments calculated to the date service actually ends.

Where it is agreed that ongoing work commitments prevent employees from pursuing redeployment activities, employees will not commence redeployment until their position is no longer required.

As a result of redeployment, an employee may request to transfer to a different location. The company may also request an employee to transfer from one position to another. Such a transfer will only occur with the agreement of the employee.

The company will meet all reasonable direct expenses, for example, temporary accommodation, sale and purchase costs of housing, travel and removal costs. The company will also contribute towards reasonable miscellaneous expenses for the employee and any immediate family/dependants, up to one month's gross remuneration to a maximum of \$20,000.

The FSU will be advised of all staff placed in redeployment and that they may be retrenched if redeployment activities are unsuccessful. When redeployment has been exhausted, the FSU will be advised of the names and locations of employees that will receive notification of retrenchment.

#### **8.4 Retrenchment**

Any employee in receipt of written notification in accordance with the first paragraph of clause 8.3 of this Agreement, and who has not been redeployed to an Acceptable Alternative Position or a Voluntary Alternative Position, may elect to leave the employment of the employer at any time after the expiry of the first six weeks of the redeployment period, but will retain all entitlements to severance payments in accordance with clause 8.5 of this Agreement.

The outplacement assistance, financial advice and counselling referred to in clause 8.3 of this Agreement will continue to be provided for one month following retrenchment at the request of the employee.

A statement of service will be provided to the employee at the time of termination.

### 8.5 Severance Payments

Upon termination through retrenchment, an employee who was not previously employed by Mercantile Mutual shall be paid a special lump sum severance payment calculated as follows.

- Eight weeks pay; plus
- Three weeks pay for each year of service; plus
- A pro-rata payment for each completed month of service in the final part year of service.

This payment, to an employee who was not previously employed by Mercantile Mutual, will not exceed 75 weeks of pay calculated on the remuneration applicable to the individual at the time of termination.

Employees that were previously employed by Mercantile Mutual are entitled to the following severance payments upon termination through retrenchment:

#### Grades 1-7

No. of years with Company	Notice on Retrenchment (in weeks)	Severance payment (in weeks)
Less than one year	8	Nil
2-15	8	3 weeks per year of service
15-20	12	3 weeks per year of service
20+	16	Capped at 65 weeks

#### Grades 8+

No. of years with Company	Notice on Retrenchment (in weeks)	Severance payment (in weeks)
Less than one year	8	Nil
2-10	8	3 weeks per year of service
10-15	12	3 weeks per year of service
15-20	16	3 weeks per year of service
20+	20	Capped at 65 weeks

### 8.6 Other Payments

#### Annual leave

Each employee shall be paid pro rata in lieu of any annual leave accrued but not yet taken, plus any loadings which would otherwise have been placed on that leave.

### **Long Service Leave**

Each employee with more than five years' continuous service will be paid for untaken long service leave on a pro rata basis.

### **Superannuation**

The superannuation fund provides for 30 days continuation of death and disability insurance cover from the date of termination. At the end of the 30 days this cover will lapse.

## **8.7 Additional Benefits**

### **Motor Vehicles**

The General Manager, Deputy General Manager, Regional Business Manager or Senior Business Support Manager may allow an individual continued use of the company vehicle allocated to that person for a period of not exceeding 4 weeks on the basis that the individual will be held responsible for running costs, repairs and maintenance during that period.

### **Company Extended Loans/Mortgages**

The General Manager, Deputy General Manager, Regional Business Manager or Senior Business Support Manager may impose a maximum period after separation for which any interest or other such subsidies will continue to apply. Such periods may not exceed 3 months and all costs involved will be charged to the relevant local cost centre.

## **8.8 Notice to Employment National/Centrelink (previously the Commonwealth Employment Service ("CES"))**

Where the employer decides to terminate 15 or more employees in circumstances of a redundancy situation, Employment National/Centrelink is to be notified. Employment National/Centrelink is to be provided with the following details:

- Number of employees affected
- Classifications affected
- Period over which the terminations will occur

## **9. Grievance and Dispute Resolution Procedure**

9.1 As a first step the employee should discuss the dispute or grievance with their immediate team leader or manager who will immediately address the issue and make every effort to resolve the matter. The employer recognises that in some circumstances it may not be appropriate for the employee to discuss an issue with their immediate superior. In such cases the employee may move to 9.2

9.2 If the matter remains unresolved in so far as either party is concerned the Human Resources Manager will be notified and will attempt to resolve the dispute or claim.



9.3 Where steps 9.1 and 9.2 have failed to resolve the matter, the employee may request that a duly authorised representative of the FSU to take the matter up directly with the employer or its representative.

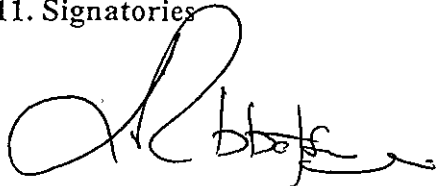
9.4 Notwithstanding 9.3 above, an FSU member may contact the FSU seeking guidance at any stage of the procedure.

9.5 If the matter is not settled between the FSU and the employer, it can be submitted to the Australian Industrial Relations Commission by either party in an endeavour to resolve the dispute by conciliation and/or arbitration.

### 10. Variation of Agreement

This Agreement may be varied by mutual agreement of the parties in accordance with the requirements of Division 7 of Part VIB of the Workplace Relations Act 1996 (Cth) as amended from time to time.

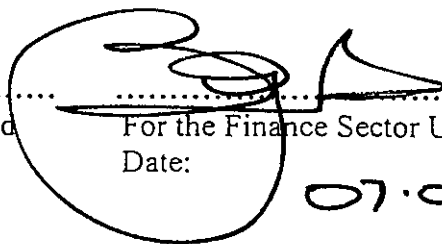
### 11. Signatories



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For QBE Mercantile Mutual Limited

Date:

10/3/2000



.....  
For the Finance Sector Union of Australia

Date:

07.03.00.

AJ Beak.  
National Secretary