

AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Workplace Relations Act 1996
s.170LK Agreement with employees (Division 2)

Suncorp Metway Staff Pty Ltd
(AG2002/6818)

**SUNCORP/GIOA GENERAL INSURANCE BUSINESS INTEGRATION
AGREEMENT 2002**

Various employees

Insurance industry

SENIOR DEPUTY PRESIDENT DUNCAN

SYDNEY, 27 MARCH 2003

CERTIFICATION OF AGREEMENT

In accordance with section 170LT of the *Workplace Relations Act 1996*, the Commission hereby certifies the attached written agreement together with the undertakings dated 26 March 2003.

This agreement shall come into force from 27 March 2003 and shall remain in force until 31 December 2003.

BY THE COMMISSION:



SENIOR DEPUTY PRESIDENT

Ag. 2002/6818

Suncorp/GIOA

General Insurance Business

Integration Agreement 2002

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1 Title of this Agreement

1.1 This Agreement shall be known as the Suncorp/GIOA General Insurance Business Integration Agreement 2002.

2 Who this Agreement applies to

2.1 This Agreement applies to:-

- (a) Suncorp Metway Staff Pty Ltd (“Suncorp”);
- (b) GIO Australia Limited (“GIOA”);
- (c) all employees of GIOA; and
- (d) all employees of Suncorp engaged in the General Insurance Business who were previously employed by GIOA at any time subsequent to 30 September 2001 and who have since accepted and transitioned to employment with Suncorp.

3 Objectives of the Parties to this Agreement

3.1 The objectives of the parties to this Agreement include:-

- (a) build a unified, efficient and easy to deal with General Insurance Business, capable of surviving and growing to number one in Australia, and providing optimal support to customer financial management and the protection of customers’ futures;
- (b) build that business on the foundation of a unified, satisfied and committed workforce (employees and contractors);
- (c) maintain the relationship between employer and employee built on trust and confidence through processes reflecting fair treatment and a desire to treat each employee with respect and dignity;
- (d) transition all employees from GIOA to Suncorp with a view to facilitating uniform terms and conditions of employment for all employees throughout the General Insurance Business;

- (e) achieve the transition referred to at Clause (d) above via a fair process which ensures that employees are treated fairly and suffer no disadvantage during the course of the proposed transition;
- (f) respect the freedom of all members of the workforce to enlist such representation in their workplace relations as they consider necessary;
- (g) work towards world best practice in employee engagement.

4 Relationship of this Agreement to other Agreements and Awards

4.1 To the extent permitted by the *Workplace Relations Act* 1996 (Cth) this Agreement shall replace the AMP/GIOA Agreements listed at **Schedule B** to this Agreement and prevail, to the extent of any inconsistency, over:-

- (a) the GIOA Award 2002; and,
- (b) the Suncorp Agreements listed at **Schedule C** to this Agreement.

5 Transition in Employment from GIOA to Suncorp

- 5.1 In order to achieve the objectives of this Agreement, it is agreed that GIOA employees will transition to employment with Suncorp in accordance with the process and terms set out at **Schedule A** to this Agreement.
- 5.2 The transition in employment from GIOA to Suncorp is intended to be built upon the notion of individual employee freedom of choice and to be supported by the no disadvantage test incorporated in Schedule A.
- 5.3 Prior to making any transition from GIOA to Suncorp, GIOA employees will be entitled to all of the benefits of the AMP/GIOA Agreements referred to at Schedule B to this Agreement.
- 5.4 Subsequent to transition from GIOA to Suncorp, employees engaged by GIOA at the time of certification of this Agreement will be employed as appropriate under the terms of the Suncorp Agreements set out at Schedule C to this Agreement, subject to the protections embodied in Clauses 6 and 8 and Schedule A to this Agreement.

6 Benefits of Transition to Suncorp

6.1 In addition to the protections embodied in Schedule A to this Agreement, employees transitioning to employment with Suncorp will maintain as minimum terms of their contracts of employment with Suncorp the following benefits:-

- (a) employer superannuation contributions will be maintained at 10.5% for all employees at Levels 1 to 3 inclusively who received superannuation contributions at that level during their employment with GIOA;
- (b) GIOA employees engaged at Levels 4 and above who received superannuation contributions at the rate of 10.5% during their employment with GIOA will have the choice of:
 - (i) retaining a 10.5% superannuation contribution level by way of salary sacrifice (without any change to their total employment cost); or
 - (ii) defaulting to a 9% superannuation contribution with any reduction in the superannuation contribution level compensated for by a commensurate increase in base salary;
- (c) provision of retrenchment notice period and severance payments of up to 104 weeks in accordance with the amounts specified in Appendix B of the AMP-GIO Enterprise Agreement 2000;
- (d) sick leave entitlements for all GIOA employees will be preserved in accordance with the AMP-GIO Enterprise Agreement 2000;
- (e) all accrued leave balances will be maintained;
- (f) all years of service of employees with GIOA will be recognised;
- (g) long service leave accrual rate for employees with greater than 10 years' service at 18 August 2000, being the time the AMP-GIO Enterprise Agreement 2000 commenced, will continue at the preserved level;

(h) long service leave accrual rate for all other GIOA employees to whom Clause 6.1(g) above does not apply, will continue at the current accrual rate of 1 week per year of service.

6.2 In addition to the benefits in Clause 6.1, all employees who satisfy the eligibility rules of the Suncorp Metway Employee Share Scheme, who transition to Suncorp prior to 30 June 2003, will be offered the opportunity to receive shares to the value of \$250 within the calendar quarter that they transition to Suncorp.

6.3 All employees of Suncorp referred to at Clause 2.1(d) above will be taken to have transitioned to employment with Suncorp in accordance with Schedule A to this Agreement and will enjoy all of the benefits referred to in this Clause 6 as minimum terms of their contracts of employment with Suncorp.

7 Dispute Settlement Procedure

7.1 The parties to this Agreement will utilise the Dispute Settlement Procedure set out at Clauses 11.5 and 11.6 of the AMP-GIO Enterprise Agreement 2000.

8 Protection for Employees Transitioning to Suncorp Schedule C Agreements– Access to the Australian Industrial Relations Commission

8.1 Any employee who receives an offer to transition to Suncorp under the terms of the Suncorp Agreements in Schedule C, in accordance with Schedule A to this Agreement, and who genuinely believes that they will suffer a reduction in their overall terms and conditions of employment, notwithstanding the application of the no disadvantage test embodied in Schedule A, may progress their grievance in accordance with the Dispute Settlement Procedure set out at Clause 7 above and Clause 8.3 below.

8.2 Any employee who transitions to Suncorp under the terms of the Suncorp Agreements in Schedule C, in accordance with Schedule A to this Agreement, and who genuinely believes that they have suffered a reduction in their overall terms and conditions of employment, notwithstanding the application of the no disadvantage test embodied in Schedule A, may progress their grievance in

accordance with the Dispute Settlement Procedure set out at Clause 7 above and Clause 8.3 below.

- 8.3 In the event that the grievance is not resolved to the satisfaction of the employee concerned, that employee may require that the issue of no disadvantage be assessed by a member of the Australian Industrial Relations Commission and the parties to this Agreement agree to be bound by the recommendations of that Commission member concerning any alterations to employment arrangements necessary to satisfy the no disadvantage test embodied in Schedule A to this Agreement.
- 8.4 Nothing in this Clause 8 should be taken as denying any employee the opportunity to utilise the dispute settlement procedure set out at Clause 7 above in any circumstances.

9 Employee Choice of Representation

- 9.1 The FSU will retain such powers in respect of employees transitioning to Suncorp under the terms of the Suncorp Agreements set out at Schedule C to this Agreement, in accordance with Schedule A of this Agreement, as existed under the provisions of the AMP-GIO Enterprise Agreement 2000 listed below:-
- (a) notice will be given to and discussions held with employees and the FSU regarding the introduction of major changes to work and/or the business operations that are likely to significantly affect those employees (as per Clauses 11.2; 11.3 and 11.4 of the AMP-GIO Enterprise Agreement 2000);
 - (b) a role in dispute resolution for employees (as per Clauses 11.5 and 11.6 of the AMP-GIO Enterprise Agreement 2000);
 - (c) a role in the Work Performance Improvement Procedure and the equivalent procedure in Suncorp for employees (as per Clause 12 of the AMP-GIO Enterprise Agreement 2000); and

- (d) right of entry and access to employees (as per Clause 17.3 of the AMP-GIO Enterprise Agreement 2000).

10 Term of this Agreement

- 10.1 This Agreement shall commence operation upon its certification by the Australian Industrial Relations Commission and will remain in effect until 31 December 2003.

**SCHEDULE A - TRANSITION FROM EMPLOYMENT WITH GIOA TO
EMPLOYMENT WITH SUNCORP**

1. For the purpose of assisting in the merger of the AMP/GIO and Suncorp General Insurance Business, Suncorp may provide you with a letter offering you employment in Suncorp ('Offer'). This Offer will contain the protections contained in this Agreement, including the minimum terms contained in Clause 6 and, where appropriate, will be under the terms of the relevant Suncorp Agreement set out at Schedule C to this Agreement. The Offer will be designed to ensure that the offer will not result in a reduction on balance of your overall terms and conditions of employment when compared with employment under Schedule B Agreements.
2. If you accept the Offer the working arrangements set out in the Offer and the relevant Suncorp Agreement in Schedule C to this Agreement will comprise your terms and conditions of employment (referred to as "Employment Arrangement").
3. An Employment Arrangement may be entered into by you as an individual employee ("**Individual Employment Arrangement**"), or by you as one of a group of employees in a team, work area, department or business unit ("**Workgroup**") where the majority of employees in that Workgroup seek to enter into the arrangement ("**Workgroup Employment Arrangement**").
4. Employment Arrangements are intended to provide for flexibility in work arrangements in circumstances where Suncorp and its employees are undergoing a period of change as a result of the merger between the General Insurance Businesses of Suncorp and AMP/GIO. That merger process may be assisted by flexible steps towards uniform terms and conditions of employment between employees of Suncorp and GIOA.
5. Any proposal presented by Suncorp for an Employment Arrangement must:
 - (a) summarise the potential key areas of reduction in terms and conditions of employment; and

- (b) summarise the compensating benefits for the relevant employee which assist in avoiding a reduction on balance of overall terms and conditions of employment with GIOA when compared with the proposed Employment Arrangement .
6. Relevant employees are to be provided on their request with a cooling off period of up to three days in which to consider their decision as to whether or not to accept a particular Employment Arrangement. That three day cooling off period may be requested by an employee at any time after the receipt by that employee of an Offer to enter into an Employment Arrangement. A relevant employee will not be required to further discuss the proposed Employment Arrangement with Suncorp during that cooling off period.
 7. An individual employee in the case of an Individual Employment Arrangement, or a Workgroup in the case of a Workgroup Employment Arrangement, may choose to be represented when meeting and conferring with Suncorp in relation to a proposed Employment Arrangement by a third party of their choice, such as the FSU. That third party, on the request of an individual employee or Workgroup, must be given a reasonable opportunity to participate in discussions regarding the proposed implementation of the proposed Employment Arrangement. In no circumstances however will the consent of a third party representative be required prior to the introduction of or entry into an Employment Arrangement.
 8. In the event that an individual employee or a particular Workgroup holds a genuine concern that a particular proposed Employment Arrangement does involve a reduction on balance in the overall terms and conditions of employment when compared with the AMP/GIOA Agreements at Schedule B, that genuine concern shall be resolved through the process set out at Clauses 7 and 8 of this Agreement.
 9. Any Employment Arrangement concluded under this Schedule A will be recorded in writing and signed by the individual employee or by a representative of the Workgroup concerned, and by a representative of Suncorp.

10. Employees will not refuse without reasonable cause an Employment Arrangement aimed at bringing about uniform terms and conditions of employment between employees of Suncorp and GIOA.
11. An Employment Arrangement properly entered into in accordance with this Schedule A will constitute an Acceptable Alternative Position for all purposes of the AMP/GIOA Agreements at Schedule B and any relevant Redundancy, Redeployment and Retrenchment Policies. In the case of any employee transferring employment between GIOA and Suncorp, the securing of an Employment Arrangement or any other Acceptable Alternative Position within Suncorp will be taken for all purposes to constitute Redeployment to an Acceptable Alternative Position within GIOA.
12. A copy of any relevant Individual Employment Arrangement or Workplace Employment Arrangement will be maintained on the personnel file of any employee governed by such an arrangement.
13. For purposes of this Agreement, a majority of relevant employees party to a Workplace Employment Arrangement will be formed if:-
 - (a) Suncorp gives all of the persons employed at a particular time, whose employment is or will be subject to the Employment Arrangement, a reasonable opportunity to decide whether they want to make the Employment Arrangement; and
 - (b) either:
 - (i) if paragraph (ii) does not apply – a majority of the persons; or
 - (ii) if the decision is made by a vote – a majority of the persons who cast a valid vote;

genuinely decide that they want to make the Employment Arrangement.

SCHEDULE B – AMP/GIOA AGREEMENTS

1. AMP-GIO Enterprise Agreement 2000.
2. GIO Business Restructuring and Security of Employment Agreement 1999
– 2002.

SCHEDULE C - SUNCORP AGREEMENTS

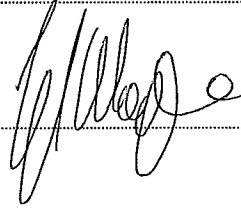
1. Suncorp Metway Call Centre Employment Agreement June 2001.
2. Suncorp Metway Staff Pty Limited Certified Agreement 2002.

DATED THIS 23RD DAY OF DECEMBER 2002

SIGNED, SEALED AND DELIVERED BY }
SUNCORP METWAY STAFF PTY LTD }
BY DULY AUTHORISED ATTORNEYS' }

Mark William Blucher

Gregory John Moynihan


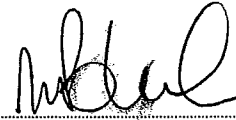


DATED THIS 23RD DAY OF DECEMBER 2002

SIGNED, SELAED AND DELIVERED BY }
GIO AUSTRALIA LTD }
BY DULY AUTHORISED ATTORNEYS' }

Mark William Blucher

Gregory John Moynihan



**SUNCORP/GIOA GENERAL INSURANCE BUSINESS
INTEGRATION AGREEMENT 2002**

AG 2002/6818 & AG 2003/963

**UNDERTAKINGS BY SUNCORP METWAY STAFF PTY LIMITED
AND GIO AUSTRALIA LIMITED**

1. Further to the Australian Industrial Relations Commission's decision (PR929388) dated 25 March 2003, Suncorp Metway Staff Pty Limited ("Suncorp") and GIO Australia Limited ("GIOA") (together "Suncorp/GIOA") undertakes that the proper interpretation of the Suncorp/GIOA General Insurance Business Integration Agreement 2002 ("Integration Agreement"), and the manner in which Suncorp/GIOA will implement the Integration Agreement, incorporate the following:
 - (a) The AMP/GIO conditions preserved within the Integration Agreement are minimum benefits in addition to the process set out in Schedule A to the Integration Agreement (clause 6.1).
 - (b) All offers under Schedule A of the Integration Agreement are required to contain the protections by way of retained AMP/GIO conditions which are set out in clause 6 of the Integration Agreement (Schedule A, paragraph 1).
 - (c) The retained AMP/GIO conditions, set out in clause 6 of the Integration Agreement, will not be reduced by contract or by recourse to Schedule A of the Suncorp Metway Staff Pty Ltd Certified Agreement 2002 at any time during the period in which the Integration Agreement remains in force.
 - (d) Offers of employment at Suncorp pursuant to the Integration Agreement will include, as a minimum, the actual rates of pay or total salary package that currently apply at GIOA.
 - (e) Suncorp/GIOA will apply the Integration Agreement on an "over-agreement" basis in addition to the relevant AMP/GIO Agreements at Schedule B, or the Suncorp Agreements at Schedule C, as if the Integration Agreement prevailed to the extent of inconsistency over the underlying certified agreements

