

EXPORT FINANCE AND INSURANCE CORPORATION

WORKPLACE AGREEMENT 2008 – 2011

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1 TITLE

This Agreement will be known as the Export Finance and Insurance Corporation Workplace Agreement 2008 - 2011.

2 PARTIES

EXPORT FINANCE AND INSURANCE CORPORATION (**EFIC**) and EFIC employees to whom this Agreement applies (see clause 5).

3 BACKGROUND

This Agreement sets out terms and conditions of employment of employees to whom this Agreement applies.

Employees are required to carry out their duties diligently and efficiently in accordance with the terms of this Agreement and EFIC's policies and procedures as amended from time to time. For the avoidance of doubt, any references to obligations on or requirements of EFIC in any of its policies are not intended to give rise to a contractual obligation or an obligation under this Agreement and will not be binding on EFIC.

4 OBJECTIVE

This Agreement aims to ensure EFIC's Corporate objectives are met through:

- Attracting, rewarding and retaining employees through the market based remuneration system and reducing employee turnover and associated costs;
- Achieving greater productivity with the implementation of improved procedures and smarter work practices that meet the needs of our clients;
- Strengthening the performance-based culture and recognising high achievement; and
- Increasing operational efficiency with streamlined administrative arrangements.

The above objectives are designed to provide productivity enhancements for EFIC. Salary increases provided for in this Agreement are on the basis that these objectives are attained, thus providing productivity enhancements.

5 EMPLOYEES TO WHOM THIS AGREEMENT APPLIES

This Agreement applies to the employment of employees of EFIC other than:

- (a) casual employees;
- (b) employees who are party to an AWA (made before the date on which this Agreement is lodged);
- (c) employees who are Statutory Office Holders; and
- (d) employees who are a member of the Executive team

DEFINITIONS & INTERPRETATION

"**AWA**" means an Australian Workplace Agreement made under the Workplace Relations Act.

"**Casual Employees**" means employees who are employed on a short term, irregular or intermittent basis.

"**Contract Employees**" means employees earning a package of \$80,000 or more who are employed under and are party to a contract for a specified period but who are not Temporary Employees. They can be full-time or part-time employees.

"**EFIC**" means the Export Finance and Insurance Corporation, a corporation established under the EFIC Act, with the power under section 90 of the EFIC Act to, amongst other things, determine the terms and conditions under which its employees are employed.

"**EFIC Act**" means the *Export Finance and Insurance Corporation Act 1991* (Cth) as amended from time to time.

"**Executive**" means any one or more of the Managing Director, Chief Financial Officer, Chief Credit Officer, General Counsel, and Executive Director Origination.

"**Family**" when used in this Agreement, includes:

- a dependent;
- a child, sibling, grandparent, parent (inclusive of blood, foster or adoptive relationships);
- partner (inclusive of same gender);
- traditional kinship (e.g. Aboriginal and Torres Strait Islander).

"**Statutory Office Holders**" means the Managing Director and members of the EFIC Board.

"**Temporary Employees**" means employees who are employed under and are party to a contract headed "*EFIC Temporary Contract*" which is for a specified period.

"**Total Package Value**" means, in respect of an employee:

- the employee's base salary; and
- statutory superannuation contributions made by EFIC on behalf of that employee.

"**Workplace Relations Act**" means the *Workplace Relations Act 1996* (Cth) as amended from time to time.

The headings in this Agreement form part of the Agreement and are to be considered when interpreting the Agreement.

6 TERM OF AGREEMENT

This Agreement will commence on lodgement of the Agreement with the Workplace Authority and expire on the day three years after the date of certification.

7 VARIATION TO THIS AGREEMENT

The parties to the agreement agree that this Agreement may be varied during its term. Any variation will be made in accordance with the procedure set out the Workplace Relations Act.

8 FORMER ENTERPRISE AGREEMENT

- 9.1** This Agreement is comprehensive and replaces the EFIC Certified Agreement 2004 - 2007, which came into effect in September 2004. That prior agreement will have no effect from the date that this Agreement is lodged. Following lodgement of this Agreement an application will be made to terminate the prior agreement.
- 9.2** This Agreement displaces the operation of any industrial award, which may apply to the employment of employees whose employment is subject to this Agreement.

9 AWAs

Subject to the Workplace Relations Act, during the term of this Agreement, EFIC may enter into AWAs or common law contracts with applicable EFIC employees by mutual agreement.

10 DISPUTE PREVENTION AND SETTLEMENT PROCEDURE

- 11.1** Where a matter arising under this Agreement may result in a dispute concerning one or more employees it will, in the first instance, be discussed by:
- the employee(s), and
 - the employee's immediate supervisor.
- 11.2** If the matter then remains unresolved it will be discussed between:
- the employee and/or any person nominated by the employee, and
 - EFIC's Head of Human Resources or their nominee.
- 11.3** If the matter remains unresolved, in an attempt to achieve final determination, it will be discussed between:
- the employee and/or any person nominated by the employee, and
 - the Managing Director of EFIC, or their nominee.
- 11.4** If, after the completion of this procedure, or after seven days, whichever is the sooner, the matter has not been resolved, either party to the dispute may refer it to the Australian Industrial Relations Commission for conciliation only in accordance with the Workplace Relations Act, with a view to settling the issue in dispute.
- 11.5** Work will continue normally and EFIC will make no change with respect to the matter in dispute, either during discussions between the parties to the dispute or whenever the matter is before the Australian Industrial Relations Commission unless the parties to the dispute agree in writing otherwise.

11 EQUAL EMPLOYMENT OPPORTUNITY AND ANTI-DISCRIMINATION

EFIC recognises the importance of promoting a work environment free from discrimination and ensuring the application of the principles of merit.

The parties to the agreement will work together to identify, prevent and remove unfair or unnecessary barriers to employment, skills acquisition, development and advancement on the basis of race, colour, sex, sexual preference, age, physical or mental disability, marital status, family responsibilities, pregnancy, religious belief, political opinion, national extraction or social origin, consistent with the Workplace Relations Act. In circumstances where harassment or discrimination arise, EFIC will take action. EFIC has specific strategies in place to promote an environment free from discrimination.

12 LEGISLATION

It is acknowledged that employment is subject to the provisions of appropriate legislation (and regulations or instruments made under, and replacements of, that legislation) which apply to the organisation in accordance with their provisions as in force from time to time.

13 HUMAN RESOURCE POLICIES

Any variation made to EFIC policies to incorporate changes in government policy will be no less beneficial than the corresponding change in government policy.

EFIC will consult with employees on the implementation of any variations to EFIC policy due to changes in government policy, where this affects more than 50% of employees employed under this Agreement.

It is in EFIC's interest to ensure EFIC's policies attract and retain the appropriate staff. Policies may change from time to time and where appropriate EFIC will consult with staff on any changes that will impact them specifically if it the changes in any way reduce entitlements. The employees must familiarise themselves with EFIC's policies. Where the policies place obligations on the employees, they must comply with them. Any references to obligations on or requirements of EFIC in any of its policies are not intended to give rise to a contractual obligation or an obligation under this Agreement and will not be binding on EFIC.

14 GRIEVANCE RESOLUTION PROCEDURES

Wherever possible, grievances should be resolved between the employee and their direct manager as they arise. If they are not able to be resolved at that level they should be referred to HR or more senior manager for a resolution.

Where a resolution is not achieved it becomes a dispute and should proceed as per the Dispute Resolution Policy (clause 11 of this agreement). This may change to reflect legislative changes from time to time.

15 CODE OF CONDUCT

15.1 OBJECTIVES

The EFIC Code of Conduct outlines the obligations and responsibilities of all employees employed by EFIC. EFIC employees are required to comply with the Code of Conduct.

15.2 GENERAL RESPONSIBILITY

In their employment, employees have a responsibility to:

- be impartial and objective;
- consider matters on their merits;
- perform to the best of their ability, with honesty and integrity;
- treat everyone with courtesy and respect, without coercion or harassment of any kind;
- not participate in corrupt practices, including bribing foreign officials¹ or accepting undisclosed benefits for or from any third party;
- not pursue personal interests which may conflict with EFIC's interests; and

¹ This is a reference to the *Crimes Act 1914* (Cth) and the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999* (Cth)

- comply with applicable Australian laws and EFIC's policies, procedures and guidelines as amended from time to time.

15.3 FINANCIAL AND OTHER PRIVATE INTERESTS

(a) Official Duty and Private Interest

Employees must make a written declaration to EFIC if their private interests (financial or other) may, or may be perceived to, conflict with EFIC's interests. Some examples of situations which must be declared are where an employee:

- holds a position of influence in connection with a company or an organisation which is a supplier to EFIC or which has applied to EFIC for a financial facility;
- holds shares in, or is a member of, a company or an organisation that is a supplier to EFIC or which has applied to EFIC for a financial facility.

In addition, any employee who has had a prior dealing or association (direct or indirect) with an organisation which could be seen to influence their impartiality, should offer, in writing, to exclude themselves from EFIC's dealings with the relevant organisation.

All EFIC employees are expected to be familiar with the Code of Conduct as amended from time to time. In addition, the employee must inform EFIC in writing of every actual or potential conflict of interest of which they become aware, including in relation to the employee's immediate Family.

Declarations in connection with conflicts of interest should be given to the relevant Executive.

(b) Acceptance of Gifts and Entertainment

EFIC employees should make a diary note of any gift, hospitality or entertainment received in connection with their employment that is specifically targeted at the EFIC employee. Diary notes are not required for public events or hospitality that involve a number of entities, unless in the employee's judgment the invitation to the event or the hospitality could be construed to relate to business matters under consideration by EFIC.

In accepting any gifts, hospitality or entertainment, the employee should consider the motivation for the offer and the value of the benefit being provided.

Employees are to advise the Board Secretary of any gift received which exceeds AUD 60.00 in value. This amount may be increased at any time at the discretion of the Board Secretary. The Managing Director will decide whether gifts will be kept by the employee, handed over to EFIC or returned to the giver.

(c) Inducements

Employees should not accept inducements that may, or may be seen to, influence them in the performance of their official duties. The relevant Executive must be promptly advised of any attempt to improperly influence the employee.

(d) Outside Employment

An EFIC employee who wishes to engage in any outside employment or voluntary positions which may impact adversely upon their employment with EFIC, is required to obtain prior written approval from the relevant Executive. Appointments in this case include appointment as Non-Executive Directors to Boards.

15.4 FRAUD CONTROL PROGRAM

Employees have a responsibility to make themselves aware of, and comply with, EFIC's Fraud Control Program. The Program document, as in force from time to time, will be displayed on the EFIC intranet site.

15.5 USE OF INFORMATION

(a) Confidential Records

Employees are required to respect the confidentiality of, and keep secret, any information or documentation concerning EFIC and EFIC's clients to which they have access as a result of their employment with EFIC.

Employees must not use information or records for any improper purpose, and should take all steps to safeguard the confidentiality of confidential information and documentation.

Employees are obliged to observe the secrecy provisions of Section 87 of the EFIC Act as in force from time to time. If employees have difficulty interpreting this Act, they should contact the Legal Department.

Employees are also obliged to comply with the confidentiality provisions of the EFIC Act even after they cease to be employed by EFIC.

Details of the confidentiality obligations of employees are set out in the Confidentiality Policy, which can be found on the EFIC intranet site. Employees must familiarise themselves with the Confidentiality Policy as in force from time to time.

(b) Intellectual Property

EFIC retains ownership of all specific knowledge, documentation, processes and technologies developed by an employee in the performance of their duties.

(c) Public Comment

Unless an employee has been nominated by the Executive as a spokesperson, an employee should decline to make public comment on any issues relating to political matters (in their capacity as an EFIC employee), EFIC business, EFIC's clients, or employment with EFIC.

15.6 USE OF EFIC COMPUTERS

EFIC's computer equipment is provided to conduct EFIC business and may be used for limited appropriate personal use which is not in conflict with EFIC's interests.

Employees must abide by EFIC's IT Security Policy and Guidelines and the Internet Communications Policy, which can be found on the EFIC intranet site.

15.7 PERSONAL BEHAVIOUR

(a) Duty of Care

Employees have a duty of care in the performance of their role. They should ensure to the best of their ability that all information distributed is accurate, complete and balanced.

(b) Performance of Duties

Employees are required to perform their job diligently and to the best of their ability, and accept reasonable direction from their manager.

Employees must exercise due care in the use of all EFIC property, in order to minimise potential risk of loss or damage.

(c) Use of Facilities for Private Purposes

EFIC allows employees reasonable access to EFIC's facilities for private purposes provided this does not conflict with their job responsibilities or with EFIC's interests.

Employees are expected not to misuse this privilege and should obtain prior approval from their manager for any extended or extraordinary use of EFIC facilities.

(d) Professional Conduct

EFIC employees should be courteous and professional in their dealings with their colleagues and all representatives of the public, government and business with whom they have contact.

EFIC's commitments to its clients are outlined in the Service Charter and all employees should contribute to the achievement of these commitments.

15.8 SANCTION

Failure to follow the Code of Conduct may result in disciplinary action and/or dismissal.

16 ORDINARY HOURS OF WORK

16.1 Standard Hours of Duty

EFIC's standard business hours are 8am to 6pm, Monday to Friday. An Employee's standard hours of duty (excluding meal breaks) will be based on:

- 7 hours and 21 minutes each day; and
- 73 hours and 30 minutes each fortnight; and
- 147 hours per 4 -week cycle.

A standard working week will be Monday to Friday (inclusive) within standard business hours unless otherwise agreed with management. Flexible work arrangements, as agreed with the employees immediate management, can be made to have time off in lieu of extra hours worked or to work hours to suit individual circumstances.

16.2 Start and Finish Times

Managers will consult and agree with employees the actual hours of attendance taking into account employee and client needs (internal and external). Where employees wish to vary these hours due to special circumstances, prior approval must be obtained from their manager.

Reasonable consultation will occur between management, employees and (where they choose) their representatives regarding any changes to hours of duty where an employee believes that he/she will be adversely affected by that change.

16.3 Lunch Breaks

Employees must take a minimum unpaid lunch break of 30 minutes, no later than 5 hours after commencing work on any day.

17 OVERTIME

Except for clause 17.8 this clause 17 does not apply to Contract Employees.

17.1 Eligibility

Paid overtime applies to staff earning less than a Total Package Value of \$80,000 in accordance with this clause. For employees whose Total Package Value is above this threshold, flextime/time off in lieu will apply.

Where an employee has worked, at the request of their manager, outside the business hours of 8.00 am to 6.00 pm, and has worked more than 7 hours and 21 minutes in that day, overtime payments may be made. Time worked over 7 hours and 21 minutes up to 6.00 pm will ordinarily be accrued as flextime. However, employees who have prior approval from their manager may elect to have any additional time after 7 hours and 21 minutes paid as overtime.

Overtime is not paid for time spent travelling to and from work.

A minimum of half an hour must be worked in a single working day for overtime to be payable.

17.2 Time off in lieu of Payment for Overtime

By mutual agreement between an employee and their manager, time off may be substituted for payment of overtime worked. Time off shall be taken as soon as practicable and within 3 months of working overtime, otherwise an overtime payment will be made. Time off will be on the basis of an hour off for each overtime hour worked.

17.3 Prior Approval

Overtime should only be worked when the employee or the Cost Centre Manager identifies a demonstrated need. Prior approval must be obtained for the overtime to be worked.

17.4 Rates of Payment

The rates of payment for overtime are:

- (a) **Monday to Friday**
 - Only actual hours worked will be paid overtime
 - First 3 hours at one and a half times base salary
 - Hours thereafter at 2 times base salary
- (b) **Saturday**
 - Minimum 4 hours payment
 - First 3 hours at one and a half times base salary
 - Hours thereafter at 2 times base salary (see example below)
- (c) **Sunday**
 - Minimum four hours payment
 - Paid at 2 times base salary
- (d) **Public Holidays**
 - Minimum 4 hours payment
 - Paid at one and a half times base salary (payment for the day has already been made as ordinary duty)
 - Double time and a half for hours over and above 7 hours 21 minutes.

For example:

If an employee is requested to work 4 hours overtime on a Saturday, the following may apply:

- (i) The employee (who earns less than a Total Package Value of \$80,000) may request time off in lieu for the 4 hours instead of being paid for overtime. If the employee's Department is able to accommodate their request then the employee may take 4 hours off at a mutually agreed time within the next three months; or
- (ii) The employee will be paid for the time worked on Saturday at time and a half base salary for the first 3 hours and double time for the next hour.

No other forms of penalties or shift payments will apply.

17.5 Employee Responsibilities

Employees are personally responsible for:

- accurately recording their overtime and meal break times on timesheets; and
- obtaining prior approval from their manager to work overtime.

They should ensure all work performed on overtime reflects a consistent level of productive output. Employees should therefore ensure they work no longer than is necessary to achieve the outputs required by their manager.

17.6 Management Responsibilities

Managers are responsible for monitoring and verifying tasks to be performed on overtime and ensuring consistent productive output by employees.

Where a manager asks an employee to work overtime it is preferable that the person should not be alone in the office.

Managers should monitor overtime expenditure within their areas and consider the implications of the need for overtime.

17.7 Meal Allowances

- (a) All employees who work overtime in accordance with this provision are eligible to be paid a meal allowance at the current rate of \$20.

The meal allowance will be reviewed annually as at July 1 in each year of operation of this Agreement.

At any annual review, allowances will be increased by no less than the percentage increase in the Consumer Price Index number for Sydney (all groups) as published from time to time by the Australian Bureau of Statistics, or any official substitution therefore, for the four preceding quarters.

- (b) **Monday to Friday**

Employees may be paid a meal allowance where a minimum of one hour overtime is worked and overtime extends beyond 6.30 pm, provided an unpaid break of at least 30 minutes is taken and recorded and a minimum of 15 minutes is worked either side of the meal break. Employees are then eligible for a further meal allowance for every additional 5 hours of overtime worked, provided a further unpaid break of 30 minutes is taken and recorded.

(c) **Saturday, Sunday and Public Holidays**

Employees may claim a meal allowance at the commencement of the overtime period and every 5 hours thereafter, provided an unpaid break of at least 30 minutes is taken and recorded and a minimum of 15 minutes is worked either side of the meal break.

17.8 Use of Taxis

E-tickets will be provided or the cost of appropriate travel arrangements will be reimbursed to employees for all approved business related travel.

E-tickets will be provided or taxi fares home will be reimbursed for employees working after 7:30pm, provided prior approval has been given and that the finishing time of 7:30pm is not part of an employee's standard hours.

When using E-tickets or American Express, employees must note the time and purpose of travel on the ticket request form or Amex docket.

18 PERMANENT PART-TIME EMPLOYMENT

18.1 Objective

To offer part-time employment to employees where it will benefit the organisation and the employee.

18.2 Entitlements

Unless otherwise specified, permanent part-time employees will be entitled to leave entitlements and benefits on a pro-rata basis.

18.3 Applications

No pressure will be exerted on full-time employees to convert to part-time employment or vice versa, or to transfer to another position to make way for part-time employment. EFIC management and the employee will agree in writing upon the terms of the part-time work arrangements.

The written agreement of a full-time or part-time employee must be obtained before the hours of that employee's position can be varied and before that employee can be transferred from one position to another in this context.

Proposals for permanent part-time employment may be initiated by an employee or by the relevant Executive. An employee's application for permanent part-time employment will be dealt with fairly and promptly.

Employees who are employed on a full time basis do not have an automatic right to part-time work. Whilst EFIC will endeavour to provide part time employment where possible, if a role is required full time for valid business reasons applications may be rejected.

18.4 Leave

Permanent part-time employees shall be entitled to annual leave, sick leave and other leave on a pro-rata basis that reflects their agreed part-time work arrangements.

The application of flex-leave will be determined on a case-by-case basis.

18.5 Rate of pay

Permanent part-time employees will be paid the proportion of the annual full-time salary for the equivalent full-time position, which reflects the number of hours agreed to be worked as a proportion of the standard hours of work for the equivalent full-time employee.

18.6 Hours of duty

Before a permanent part-time employee commences duty on a part-time basis EFIC shall specify in writing:

- the number of hours to be worked each week; and
- the hours of duty, including starting and finishing times on each or any day of the week, Monday to Friday.

Hours may only be varied by mutual agreement.

18.7 Overtime and Allowances

A permanent part-time employee may be requested to perform duty in excess of their prescribed hours of duty for the day, or to perform duty on an additional day in the week. Additional days or time are those not provided for in the permanent part-time agreement that has been documented between the employee and EFIC. If a permanent part-time employee declines such a request no unfavourable consequences will ensue for that employee.

If the employee agrees to work beyond 6.00 pm they will be paid overtime, provided they have completed their usual part time hours, and any additional days will be paid at ordinary time. If permanent part-time employees regularly work more than their agreed hours, time in lieu should be taken, or another acceptable option agreed in writing with their manager.

18.8 Training

Where a permanent part-time employee is required to attend training courses during working hours beyond their normal hours he/she will be paid for the additional time to a maximum of 7 hours 21 minutes per day.

19 LEAVE

19.1 Objective

To provide EFIC employees with a range of leave entitlements to enable employees to maintain their health and well being and ensure the effective conduct of their work.

19.2 General Provisions

(a) Management and Employee Responsibilities

Managers will give due consideration to any applications for leave made by their employees and will ensure wherever possible (having regard to EFIC's operational requirements) that employees are given the opportunity to take leave. Human Resources will assist in resolving any disagreement in relation to a leave application.

It is the employee's responsibility to submit adequate information to allow the manager to make a decision about the granting of the leave.

(b) Prior Approval for Leave

An employee will, wherever possible, seek prior written approval from their manager for any absence from work at least 5 working days in advance of the leave.

In the event of illness or emergency situations, the employee will contact their manager as soon as possible.

20 ANNUAL LEAVE

20.1 Management and Employees Responsibilities

Managers will consider the health and well-being of their employees at work and will encourage employees to take annual leave within a reasonable period of its accrual. They will give due consideration to any applications for leave, subject to operational requirements.

Subject to the Workplace Relations Act, employees should endeavour to take all of their annual leave entitlement each year, and not less than 2 consecutive weeks leave should be taken in each calendar year.

Subject to the Workplace Relations Act, managers will only allow employees to accumulate more than 30 days' annual leave where there are extenuating circumstances.

20.2 Basic Entitlement

Full-time employees will be granted 20 days' paid leave every year. Part-time employees will be granted annual leave on a pro-rata basis.

This entitlement is based on an accrual of one and two-third days for every completed month of employment.

20.3 Establishment of the Entitlement

This leave will be credited pro-rata each fortnight.

Once an annual leave credit has been established the employee can apply for time off work, subject to operational requirements.

20.4 Re-crediting of Annual Leave

An employee who is medically unfit for a period of three working days or longer while on annual leave and who produces satisfactory medical evidence may apply for sick leave. The employee's manager and the Head of Human Resources will consider applications and may re-credit annual leave to the extent of sick leave granted. Where sick leave is not granted, management and HR will provide reasons for declining the application.

20.5 Payment of Unused and Pro-Rata Credits

An employee will be paid out for accrued and pro-rata annual leave credits when they separate from EFIC. The calculation of the separation payment will be based on the employee's normal salary (excluding overtime).

24.6 No Leave loading

Leave loading is not payable to any employees. It has been cashed out in accordance with a prior agreement.

21 SICK LEAVE/CARERS LEAVE

21.1 Entitlement

Employees accrue 3 weeks' paid sick leave every year. Employees will be given an initial credit on the date of their commencement and additional credits every anniversary thereafter.

Where an employee has no remaining paid sick leave credits, and is ineligible for a special grant of sick leave they may use accrued annual leave or unpaid leave as approved by their manager.

Up to 10 days per year (non-cumulative) of the sick leave entitlement may be used to care for a member of the employee's immediate Family. Medical certificates will be required on the same basis as an employee's personal sick leave.

21.2 Provision of Medical Certificates

Employees may use up to 5 days' non-consecutive sick leave/carer's leave each year without providing a medical certificate for the absence. Once this limit is reached, further absences without a certificate will be deemed sick leave without pay.

Where an employee is absent for three or more consecutive days they must provide a suitable medical certificate from a registered health practitioner (as that term is defined in the Workplace Relations Act), who practices in the area relevant to the employee's illness or injury, confirming the employee was unfit to attend work or a specified member of the immediate family was sick and needed care. If the employee does not do this, the entire absence will be deemed sick leave without pay.

21.3 Pay-out on Separation

No payment will be made of unused sick leave credits when an employee leaves EFIC's employment for whatever reason.

21.4 Special Grants of Sick Leave

In exceptional circumstances the Head of Human Resources, on recommendation from the Executive, can approve maintenance of normal salary payments to employees who have exhausted their sick leave credits.

21.5 Compensable Conditions

Where an employee is absent due to a condition or injury for which workers' compensation has been approved, no deduction will be made from their sick leave credits for the absence.

21.6 Medical Examinations

The Head of Human Resources may require an employee to attend an examination by a registered medical practitioner, where:

- the employee's medical condition may be hazardous to other employees; or
- the condition is of a nature and severity likely to lead to extensive sick leave, reassessment of duties (medical re deployment), or invalidity retirement.

22 OTHER LEAVE

22.1 Long Service Leave

The provisions of the Long Service Leave (Commonwealth Employees) Act 1976 (Cth) and associated regulations as in force from time to time will apply.

22.2 Special Leave Without Pay

An employee may apply for leave without pay for personal reasons. The delegated manager should make a decision based on:

- the duration of the leave;
- the reasons given by the employee when making the application;
- operational requirements; and
- the potential long term benefit which EFIC may derive from the leave.

This leave does not count towards the accrual of any entitlements.

Where the Managing Director determines that leave to engage in employment is in the interests of EFIC, such leave without pay will count towards the accrual of other entitlements (except annual leave).

22.3 Maternity Leave

The provisions of the Maternity Leave (Australian Government Employees) Act 1973 (Cth) and associated regulations will be applied as amended from time to time.

An employee who becomes a parent may apply for, and may, wherever possible having regard to EFIC's operational requirements have access to part-time work for 2 years from the birth of the child.

22.4 Parental Leave

Managers may approve up to 12 months' leave, which may include a period of leave without pay, for fathers in the year following the birth of the employee's child.

Where an employee adopts a child he/she may apply for up to 12 months' leave, which may include a period of leave without pay, in the year following the adoption.

Employees are entitled to other parental leave in accordance with the Workplace Relations Act. However, in respect of each entitlement to parental leave, any amount of paid leave taken by an employee under clause 23.6 in relation to the adoption of a child or becoming a father will be deducted from the total amount of unpaid leave to which the employee is entitled under the Workplace Relations Act or any other applicable legislation.

Unpaid parental leave does not count towards the accrual of any entitlements.

22.5 Study Leave and Assistance

EFIC encourages employees to study outside work for their professional development and is committed to supporting study through a study assistance policy. For further details refer to EFIC's Studies Assistance Policy.

22.6 Special Leave With Pay

(a) 5 Days' Special Leave

A manager may approve a total of 5 days' paid leave each calendar year to cover such circumstances as:

- Attendance at graduation of an approved student (recommend one day);
- Moving house (recommend one day, but maximum of 2 days);
- Miscellaneous emergency/disaster situations;
- Ceremonial leave for Aboriginal and Torres Strait Islanders;
- Observance of religious holidays excluding public holidays.
- Adoption of a child (recommend up to 5 days); or
- Becoming a father (recommend up to 5 days).

(b) Additional Leave

In addition to the 5 days' paid special leave (listed in (a) above), paid leave will be granted for such situations as:

- Jury service (EFIC will pay the employee's normal salary for the time the employee is absent from their work on jury service subject to the employee making payment to EFIC of all monies received from the Court in respect of their attendance on jury service);
- Bereavement leave;
- Attendance at a funeral;
- Volunteer work for State Emergency Services;
- Blood donations;
- Army reserve training; or
- Answering a subpoena directly related to the EFIC's business.

Leave for these circumstances, where the situation does not dictate the time required, should be referred to HR for comment prior to approval to ensure consistency.

Temporary Employees are entitled to paid leave in respect of jury service, bereavement leave and attendance at a funeral only.

(c) Public Holidays

EFIC will recognise the following days as public holidays (subject to the applicable State and Territory laws and to the public holiday being gazetted in the relevant year):

New Year's Day	Australia Day
Good Friday	Easter Saturday
Easter Monday	ANZAC Day
Labour Day	Queen's Birthday
Christmas Day	Boxing Day

together with any other day which is gazetted as a public holiday in the State or Territory in which the employee works under State or Territory law from time to time and any Commonwealth public service picnic day.

22.7 Administration

(a) Submission of Applications

Employees and their managers are responsible for ensuring that accurate and complete leave applications are submitted promptly for all absences from work.

(b) Management of Entitlements

The Human Resources Department will provide advice to managers and employees on the range and availability of entitlements.

A regular audit of entitlements will be undertaken by the Human Resources Department and the results will be made available to management and employees.

23 REMUNERATION

23.1 Salary

To achieve its business outcomes, EFIC needs to be able to attract, reward and retain good employees.

Remuneration policies are directed to supporting that outcome, recognising that EFIC has to work within an acceptable cost framework, and comply with the Government's policies for its statutory agencies.

Salary reviews will be carried out annually in September. Salaries for employees will be set in accordance with the EFIC Remuneration Policy.

Employees performing work within the below classifications will be paid annual salaries at no less than the minimum rate adjacent to the relevant classification set out below:

Classification	Minimum Rate
Admin/support, secretarial and 1 st level technical employee	\$35,000
Technical Specialists and Professional employee	\$50,000
Senior Managers, Heads of Department, and Senior Technical Specialists	\$70,000

Those employees who receive a salary equal to or less than the Average Weekly Ordinary Time Earnings figure as specified by the Australian Bureau of Statistics at the time of the relevant salary review, will receive an increase of at least 1.5% of their base salary provided productivity gains have been made. To receive the 1.5% increase referred to above, an employee must have been employed by EFIC since at least 1 April in the salary review year in question.

23.2 Capacity Loading

Employees required to temporarily fill a position that is a more senior role carrying increased responsibility and authority than that attached to the employee's usual position, for periods of three weeks or greater will be entitled to a capacity loading. The loading is applicable from the commencement of the duties. See the EFIC Capacity Loading Policy for further details.

23.3 Performance management

Performance reviews will be carried out in accordance with the EFIC Performance Management Policy.

24 MISCONDUCT AND UNAUTHORISED ABSENCE

24.1 Principles

EFIC will deal with any matters which may involve misconduct or unauthorised absence in a fair and timely manner. Any investigation into misconduct or forfeiture of office will be conducted in a professional and impartial manner, demonstrating no bias or favour and subject to the rules of natural justice. Particular regard will be had to the rights of the individual under investigation and the presumption of innocence will apply throughout any investigation.

24.2 Misconduct

Misconduct includes instances where an employee:

- wilfully fails to perform reasonable tasks allocated to them by their manager;
- engages in conduct which is reasonably determined by EFIC to be improper or which would bring EFIC or an EFIC employee into disrepute;
- has been found to have supplied incorrect or misleading information prior to appointment regarding their qualifications, personal details or previous employment;
- has been convicted of a criminal offence.

24.3 Relationship to Performance Management

Where a matter that may involve misconduct has been dealt with as if it were a case of unsatisfactory performance under the Performance Management Policy, the procedures of this clause are not required to be followed.

24.4 Process

The investigation of any allegation of misconduct will be in accordance with the EFIC Misconduct and Unauthorised Absence Process Policy. Termination of, or a decision to terminate employment, cannot be reviewed under the dispute prevention procedures addressed in clause 11 of this Agreement. Nothing in this Agreement prevents the Managing Director from terminating the employment of an employee for serious misconduct, without further notice or payment in lieu, in accordance with section 661 of the Workplace Relations Act.

24.5 Unauthorised Absence

(a) Objective

Where a permanent employee has been notified that he/she is on unauthorised absence from work, procedures may be initiated to terminate their employment.

(b) What is meant by unauthorised absence?

Unauthorised absence refers to absence from duty, without applying for leave or following an application for leave that has been denied by the relevant manager.

Where an application for leave has been submitted and the manager decides not to approve the leave, he/she must notify the employee in writing of the decision and the grounds on which it was made.

In making such a decision the manager should consider operational requirements of the area and provide reasons for refusing the leave. An employee will be given an opportunity to justify the need for leave.

(c) Process

Once the employee has been absent, without approval, for 5 working days:

- The employee's pay will be suspended for any future days the employee is absent without authority, and the employee will be deemed to be on unauthorised leave without pay for those days. If no approval is given for the first 5 days' leave it will be deemed unpaid leave. No other forms of leave may be applied for, e.g. flex-leave; and
-
- The Human Resources Department will issue a letter requesting the employee cease their unauthorised absence immediately or apply for leave, and explain their absence. This letter will inform the employee that failure to cease their unauthorised absence within a stated period or to gain approval for leave, will result in dismissal without further notice unless due cause is shown.

If the employee does not cease their unauthorised absence as directed or gain approval for the leave, he/she will be notified in writing that their employment has been terminated with effect from the end of the stated period. If the employee does return to work within the stated period, an investigation regarding the period of unauthorised absence will occur.

It is each employee's responsibility to make sure that the Human Resources Department has the employee's current address, whether the address is permanent or temporary. Any letter posted or delivered to the address most recently provided to Human Resources by an employee will be deemed to have been received by the employee 2 business days after posting or upon delivery (as the case may be).

24.6 Confidentiality

The sensitive nature of the matters dealt with in any investigation relating to misconduct and unauthorised absence will be recognised by all those involved in this process and all information will be treated confidentially.

25 NOTICE PERIOD

25.1 EFIC will only terminate an employee's employment by providing a minimum of 2 weeks' notice, or any greater period specified within applicable legislation. EFIC may, at its discretion, make a payment to an employee, in lieu of giving notice, or direct an employee to work for part of the notice period and make a payment to the employee in lieu of the balance of the notice period. Nothing in this clause will detract from EFIC's right to terminate the employment of an employee without notice if their misconduct is of such a nature, that it would be unreasonable to require EFIC to continue their employment during the applicable notice period.

25.2 Where an employee wishes to terminate their employment, the employee will give 2 weeks' notice unless a shorter notice period is agreed in writing with their manager or a different notice period is specified in their employment contract. EFIC may, at its discretion, pay an employee, in lieu of accepting the employee's notice.

Any payment in lieu of the notice period will be calculated by reference to an employee's base salary only, payable for the respective notice period.

A decision to terminate, or the termination of an employee's employment, cannot be reviewed under the dispute resolution procedure contained in this Agreement.

26 REDUNDANCY AND RETRENCHMENT

26.1 Objective

To outline the process to be followed and any payments to be made in the event that an employee's position is redundant or an employee is retrenched. This clause 26 does not apply to Contract Employees or Temporary Employees.

26.2 Redundancy

Redundancy arises when a position becomes excess to EFIC's requirements. This may occur due to a number of factors including reorganisation, changed business practice, technological change or a downturn in business.

26.3 Retrenchment Process

(a) Alternative Work

When EFIC identifies a position as excess to requirements, EFIC management will review whether alternative roles are available. If a suitable position is available the employee will be offered the alternative position.

(b) Retrenchment

Retrenchment will occur when alternative work is not available and the employee's position is redundant.

(c) Notice to the Employee

When EFIC identifies a position as excess to requirements, the incumbent will be informed that their position is to be made redundant and if an appropriate alternative position is not available, they will be retrenched. At the employee's request a representative may be notified.

A notice period of one month will apply from the date that the employee is informed of the retrenchment and provided with an estimate of the retrenchment payment they would receive. A further one week's notice applies for employees aged 45 and over with 5 or more years of service. The notice period provided under this clause is inclusive of entitlements to notice of termination under Clause 26.

Where possible, the employee will be offered the option of working out the notice period. If this option is not offered, or, if the employee requests that the retrenchment be effective immediately, EFIC will pay the employee in lieu of notice in addition to the retrenchment payment outlined below.

Any payment in lieu of the notice period will be calculated by reference to an employee's base salary only, payable for the respective notice period.

A decision to terminate, or the termination of an employee's employment, cannot be reviewed under the dispute resolution procedure contained in this Agreement.

26.4 Retrenchment Payment

An employee who, on the date that this agreement commences is employed by EFIC and who is specified in Schedule 1 of this Agreement is entitled upon retrenchment to a payment as set out in Schedule 2 of this Agreement.

All other employees to whom this clause 26 applies are entitled upon retrenchment to a payment as set out in Schedule 3 of this Agreement.

26.5 Additional Retrenchment entitlements

(a) Annual Leave

Retrenched employees will receive the same annual leave entitlement that would have been paid upon resignation.

(b) Long Service Leave

Retrenched employees will receive pro rata Long Service Leave as outlined under the provisions of the Long Service Leave Act (Commonwealth Employees) Act 1976 as in force from time to time.

(b) Superannuation

Subject to any legislative limitations, EFIC will process the withdrawal from the Superannuation scheme as an “involuntary termination” as defined in the PSS Superannuation schemes.

26.6 Additional Support

(a) Reference

The retrenched employee will receive confirmation of their employment on EFIC letterhead, providing information to prospective employers about the employees career history at EFIC.

(b) Outplacement

EFIC may offer employees outplacement support.

(c) Time to search for a new position

Employees may use the notice period to commence searching for new employment and will be provided with reasonable time off to attend external interviews. The employee must notify their Head of Department before taking time off to attend an interview.

Schedule 1

For the purpose of clause 26, the following employees are specified:

Schedule 2

In accordance with clause 26.4 of this Agreement, an employee who, on the date that this Agreement commences pursuant to clause 7, is employed by EFIC under this Agreement and who is specified in Schedule 1 of this Agreement, is entitled upon retrenchment to a payment as follows:

(a) **Retrenchment payment for employees who have less than 20 years' continuous service and are under 45 years of age**

Employees who are retrenched may choose between 2 lump sums calculated as follows:

- 2 weeks' base salary for each completed year of continuous service with a pro rata payment for each completed month of service since the last anniversary of commencement to a maximum of 40 weeks, subject to applicable taxation; or
- 7 months' salary LESS the amount equal to the PAYG tax that would have been applied if this were taken as salary maintenance, paid as a lump sum. This lump sum may be subject to further taxation.

(b) **Retrenchment payment for employees who have more than 20 years' continuous service or are 45 years of age or over**

Employees who are retrenched may choose between 2 lump sums calculated as follows:

- 2 weeks' base salary for each completed year of continuous service with a pro rata payment for each completed month of service since the last anniversary of commencement to a maximum of 48 weeks pay, subject to applicable taxation; or
- 13 months' salary LESS the amount equal to the PAYG tax that would have been applied if this were taken as salary maintenance, paid as a lump sum. This lump sum may be subject to further taxation.

Examples

The following examples set out sample calculations based on a particular base salary and length of service. Example 1 sets out the calculations for an employee under 45 years of age and who has less than 20 years' service.

By entering into this Agreement, the parties acknowledge and agree that the sample calculations set out in this Schedule 2 are for the purposes of illustration only and do not form a binding part of this Agreement. Taxation rates and rules regarding the taxation treatment of termination payments are subject to change.

Employees acknowledge and agree that they will seek their own financial advice in relation to termination payments made under this Agreement.

Example 1 – Under 45 years of age and less than 20 years' service

Employment Particulars	
Annual base salary (ie excluding superannuation)	\$60,000

Hourly Rate	\$31.2973
Hours worked per week	36.75
Years of service	10.2

**Payment in lieu of salary maintenance
(7 months)**

Gross Payment

Step 1 (A)

(\$60,000 (salary) / 12 month) x 7 months = \$35,000 (A)

Step 2 (B)

We now have to work out what PAYG tax would have paid over the 7 months (this gives us the 'net' entitlement)

PAYG per month = \$1,131 x 7 months = \$7,917 (B)

Step 3 (C)

So, the actual entitlement is:

\$35,000 (A) - \$7,917 (B)

= \$27,083 (C)

Total Gross = \$27,083

Tax

Tax free component \$7,020 + \$3,511 x 10 = \$42,130.00

As the tax free component is more than the gross amount, no tax will be deducted from this lump sum payment.

Tax = \$0

Net Payment

\$27,083.00

Example 2 – Over 45 years of age or more than 20 years' service

Employment Particulars	
Annual base salary (ie excluding superannuation)	\$60,000
Hourly Rate	\$31.2973
Hours worked per week	36.75
Years of service	10.2

**Payment in lieu of salary maintenance
(13 months)**

Gross Payment

Step 1 (A)

$(\$60,000 / 12 \text{ months}) \times 13 \text{ months} = \$65,000 \text{ (A)}$

Step 2 (B)

We now have to work out what PAYG tax would have paid over the 13 months (this gives us the 'net' entitlement)

$\text{PAYG per month} = \$1,131 \times 13 \text{ months} = \$14,703 \text{ (B)}$

Step 3 (C)

So, the actual entitlement is:

$\$65,000 \text{ (A)} - \$14,703 \text{ (B)}$

$= \$50,297.00 \text{ (C)}$

Total Gross = \$50,297

Tax

$\text{Tax free component } \$7,020 + (\$3,511 \times 10) = \$42,130.00 \text{ (D)}$

As the tax free component is less than the Total Gross, so the difference is taxed at 31.5%.

$\$50,297.00 \text{ (C)} - \$42,130.00 \text{ (D)} = \$8,167.00 \text{ (E)}$

$\$8,167 \text{ (E)} \times 31.5\% = \$2,573$

Total Tax = \$2,573

Net Payment

\$47,724.00

Schedule 3

In accordance with clause 26.4 of this Agreement, an employee who is employed by EFIC under this Agreement and who is not specified in Schedule 1 of this Agreement, is entitled upon retrenchment to a payment as follows:

- 2 weeks' base salary for each year of service up to a maximum payment of 26 weeks' base salary, subject to applicable taxation.