

STATEMENT OF GARY HUMPHREYS CHIEF OPERATING OFFICER ESSENTIAL ENERGY

I, Gary Humphreys, Chief Operating Officer at Essential Energy, of 8 Buller Street, Port Macquarie of the State of New South Wales, affirm:

Position

1. I am the Chief Operating Officer at Essential Energy. I have been in this role from July 2012. I report to Vince Graham, the Chief Executive Officer of Essential Energy. Networks NSW is used to describe the operating model where Essential Energy, Endeavour Energy and Ausgrid work cooperatively to achieve efficiency benefits and other reform initiatives under common governance arrangements.
2. As the Chief Operating Officer I am responsible for the day-to-day operations of Essential Energy. The fundamental objective of this role is to provide value to customers in a manner that does not compromise safety, network reliability or sustainability. Position Description is attached as appendix 1.

Educational background and professional experience in the energy sector

3. I am a Graduate of the Australian Institute of Company Directors, completed the Senior Executive Program through the Melbourne Business School, and have completed the Advanced Management Program through Harvard Business School.
4. I have been working in the electricity distribution sector for over 17 years and have performed the following executive roles during this time:
 - Chief Operating Officer, Essential Energy
 - Executive General Manager, Infrastructure Operations, Essential Energy
 - Group General Manager, Corporate Operations, Country Energy
 - General Manager, Customer Service, Country Energy
5. My CV is attached as appendix 2.

Background

6. This statement is made in support of Essential Energy's revised regulatory proposal to the Australian Energy Regulator (**AER**). The AER has proposed, in its draft determination dated 27 November 2014, inter alia, real reductions in allowable capital expenditure (**capex**) of 27 per cent and operational expenditure (**opex**) of 38 per cent over the amounts proposed by Essential Energy in its substantive regulatory proposal.

Essential Energy

7. Essential Energy distributes electricity to approximately 95 per cent of NSW in terms of land area. The area which Essential Energy services may be thought of as consisting of two parts:
 - the western part (west of the Great Dividing Range), which is sparsely populated; and
 - the eastern part, which includes coastal area and is more heavily populated.
8. The low population and remoteness of many customers in the western part of the service area creates particular challenges for Essential Energy in delivering services, as I detail further below.
9. The composition of Essential Energy's customer base (by consumption) is:
 - approximately 35 per cent: residential customers;
 - approximately 35 per cent: commercial customers; and
 - approximately 30 per cent: mining and large industrial customers.
10. A large proportion of Essential Energy's residential customers are low income customers or rural customers. Mining customers have higher reliability requirements for power supply as they typically operate 24 hours a day, 7 days a week.
11. The legislation framing Essential Energy's regulatory determination includes:
 - Work, Health and Safety Act 2011 (NSW);
 - National Electricity Law (NEL) and National Electricity Rules (NER), which provide for safe, reliable and efficient distribution services in the interest of consumers;
 - Energy Services Corporations Act 1995 (NSW)
 - State Owned Corporations Act 1989 (NSW)
 - Fair Work Act 2009 (Cth), which binds Essential Energy as party to enterprise agreements; and
 - A number of NSW electricity regulations, including Electricity Supply (Safety and Network Management) Regulation 2014, which impose standards for reliability, vegetation management and bushfire risk management.

Risk management in Essential Energy

12. Essential Energy has adopted a risk management framework based on ISO 31000:2009 - an international standard for risk management. This risk management framework provides that risks should be "As Low As Reasonably Practicable" (**ALARP**). This refers to the level of risk that is tolerable and cannot be reduced further without the expenditure of cost, time and/or effort that is disproportionate to the benefit gained or where the solution is impractical to implement.

13. Under the framework, risks should be identified, analysed, evaluated and then treated. Risks are subject to ongoing monitoring and review. (See Board Policy – Governance – CECP0002.03 Risk Management attached as appendix 3).
14. Under this framework Essential Energy recognises various categories of risk to its business, including safety risk (being the risk of fatality/serious injury of employee or member of the public). Essential Energy has developed risk plans to mitigate these risks. A copy of Essential Energy 2014-15 Risk Management Plan is attached as appendix 4. A copy of Essential Energy Electrical Safety Rules is attached as appendix 5.

General observations

15. One of the characteristics of Essential Energy's network is vast geographic size with very low customer density. There may be hundreds of kilometres of line to supply only a small number of customers. By way of example the longest feeder line is approximately 1,900 kilometres and supplies the area from Broken Hill to Tibooburra. This results in longer travel times for Essential Energy's employees to perform work necessary on the network when compared to more urban networks.
16. Essential Energy also has a legislative obligation to supply electricity and cannot refuse a request by a potential customer within its service area to connect to the network. By way of example, there are approximately 100 customers that live in Tibooburra to whom Essential Energy supplies electricity, a distance of over 330km from Broken Hill. Due to Tibooburra's remoteness and small customer base, it would be more cost efficient for Essential Energy if the customers turned to alternative power supply. However, as required by the Electricity Act, Essential Energy must continue to maintain the network and supply electricity even if there is only one customer left at that location that relies on Essential Energy to supply its electricity needs.
17. In terms of demand in general, the peak demand of electricity distributed by Essential Energy's network on average has been declining over the past few years. This is a combination of the following three changes:
 - for approximately 28 per cent of Essential Energy's high voltage feeders, demand has declined (for which augmentation capital (**augex**) may still be required at specific locations).
 - for approximately 39 per cent of Essential Energy's high voltage feeders, demand has remained stable (for which augex may still be required at specific locations).
 - for approximately 33 per cent of Essential Energy's high voltage feeders, demand has increased (for which augex is required – see below).
18. For example, in growing areas such as Port Macquarie, there is a lot of development and demand has been increasing. On the other hand, demand in certain smaller rural areas has been decreasing quite dramatically.

19. However, I consider that the peak demand in Essential Energy's network (either decreasing or increasing) does not have a material impact on Essential Energy's level of opex required. This is because the level of opex required is determined by the relevant asset base, and operational standards and strategies, rather than the electricity demand supplied by the relevant asset base. In general, irrespective of the demand or consumption of electricity through the asset base, they still have to be maintained.
20. In the last regulatory period, Essential Energy was able to underspend in terms of capex, for reasons including an intensive capital reduction efficiency program or by deferring certain capex projects through improved governance. Capital projects have been deferred as the growth at certain locations has been lower than forecasted, reliability performance has been better than required by licence conditions and some large projects were delayed due to weather impacts, contractor and supplier delays.
21. It's important to understand the difference between Essential Energy's reliability performance compared to, say, Ausgrid and Endeavour Energy. Essential Energy's average normalised minutes of power loss per customer per year for the last regulatory period was about 225 minutes SAIDI ('SAIDI' refers to normalised unplanned System Average Interruption Duration Index) while for Endeavour Energy and Ausgrid the average normalised SAIDI was about 80 minutes. Another example is that the current unassisted pole failure rate for Essential Energy is about one failure per 11,500 poles per year. This is a much higher failure rate than experienced by Ausgrid (approximately one failure per 70,000 poles per year) or Endeavour Energy (approximately one failure per 40,000 poles per year).
22. Essential Energy adopts lower reliability standards due to the geographic spread of its network and greater exposure of the overhead network to extreme adverse weather conditions (storm activity). The cost of keeping the same reliability standards as, say, Ausgrid or Endeavour Energy would be prohibitively high. Further, Essential Energy's customers, in particular rural residential customers, have lower reliability expectations than urban customers and accept extended power outages as part of living in regional and rural areas. Further, Essential Energy is in a position to adopt these lower standards because the safety risks associated with, for example, a higher pole failure rate at Essential Energy are lower than those for Ausgrid or Endeavour Energy. Many of Essential Energy's poles are located in remote rural areas and the risk associated with one of those poles failing is far lower than, say, a pole in an urban area which might cause substantial injury or property damage if it failed.

Capital Expenditure

23. Essential Energy's capex is largely spent on two categories of assets: network assets and non-network assets. The network assets on weighted average have an age of 32.9 years which is older than the average across other network operators in Australia which is 28.7 years. The calibrated weighted average age of assets at replacement is 70.3 years at Essential Energy compared to 59.6 years at Ausgrid and 50.4 years at Endeavour Energy. The average across network operators in Australia is 67.5 years. This indicates that the Essential Energy network is older than the average and assets are maintained in service longer than the average for all network operators in Australia. Over the last five years, the age of the assets on weighted average has increased and the health of the assets has declined.

Network Assets

24. Capex for network assets mainly consists of:
- (a) augmentation expenditure (**augex**), including new connections in relation to increased load on the existing network, to supply new businesses or new residents.
 - (b) replacement expenditure (**repex**), in relation to replacing components in the network; and
 - (c) compliance and safety expenditure.
25. Network assets are assets that form part of the network. The main types of network assets are:
- (a) Poles (wood, steel or, concrete);
 - (b) Streetlight Columns;
 - (c) Underground Cables/Overhead Conductors;
 - (d) Underground Cables;
 - (e) Zone and Distribution Substations, including Transformers;
 - (f) Protection Equipment;
 - (g) Control Equipment
 - (h) Radio Communications Systems and Equipment; and
 - (i) Meters.

Poles

26. Essential Energy has approximately 1.38 million poles. 87 per cent of the poles are wooden while the rest are primarily steel or concrete poles. Essential Energy continues primarily using wooden poles out of cost considerations.
27. The life of a wooden pole can vary between 20 to more than 80 years depending on the quality of the timber, maintenance through the life of the pole and local conditions including weather, termites and incidence of timber rot. Poles are not replaced at any particular age

but are only replaced when a condition assessment determines that the pole is no longer serviceable and its mechanical strength has degraded to a point where it is likely to fail prior to the next inspection.

28. 'Unassisted pole failure' is failure not caused by third party events (e.g. car colliding with pole, wire strikes from aircraft or bushfire event) or extreme weather events beyond design limits (e.g. lightning or extreme winds). Essential Energy's unassisted pole failure rate is approximately one failure per 11,500 poles per year. This is the second highest pole failure rate of any electricity distributor in Australia and the highest across NSW and Victoria.
29. This means that Essential Energy is already taking a substantial level of pole failure risk. Essential Energy is aiming to achieve the target rate of one failure in 20,000 poles every year with cost efficient changes to standards, processes and training, considering the area it covers is less densely populated. The costs of achieving this are included in Essential Energy's Regulatory Proposal and Revised Regulatory proposal.
30. Poles are generally inspected every four years. Ninety per cent of the pole inspection is sourced internally. Essential Energy has plans to further market test outsourcing pole inspections to external providers.
31. The criteria applied by an Essential Energy inspector when inspecting wooden poles is the serviceability of the pole. The inspectors dig into the ground, drill a hole and measure the thickness of the pole wall and make a judgement as to whether the pole can last another four years, or needs repair or replacement. Where it is determined that a pole needs to be replaced, the pole is usually replaced within about six months, unless a determination is made that the pole is an imminent safety risk, in which case it is replaced urgently.
32. Essential Energy accepts a higher level of risk regarding replacing wooden poles to achieve a long service life at the expense of a higher pole failure rate. Transmission and sub-transmission poles with wall thickness less than 30mm to 50mm and distribution poles with wall thickness less than 20mm to 30mm will be replaced while (for example) Ausgrid's approach is to consider poles for replacement with wall thickness of less than 70mm. The reason Essential Energy is able to accept a higher pole failure rate is because of the lower reliability and safety issues identified at paragraph 22 above.
33. Adding steel reinforcement to the bottom of wooden poles (known as "pole nailing") is a way of extending the life of wooden poles by providing extra support and strengthening at the ground line when mechanical strength has been lost through wood decay. However, Essential Energy does not nail poles to the same degree as other utilities. This is because Essential Energy allows wooden poles to deteriorate to a much lower wall thickness before replacing the pole. Once wooden poles deteriorate to a certain degree there is insufficient remaining strength left in the timber for the steel nail to provide the strength needed for the pole to remain in service without risk of failure. Adopting a strategy of identifying poles for replacement or nailing when the wall thickness is, say 70mm, would increase the pole nailing

rate and improve the pole failure rate however this would introduce a very significant increase in costs to Essential Energy's operations.

34. Essential Energy inspectors also inspect concrete and steel poles however a different assessment criteria is used. The assessment is rust or deterioration index for steel poles, and cracking and bending over a period of time for concrete poles.
35. The expected life of a steel pole or concrete pole is, in theory, longer than wooden poles. However, many of these steel or concrete poles are not near the end of life and Essential Energy does not have any general experience as to how long steel or concrete poles in its network tend to last in practice.
36. Steel and concrete poles are usually used for areas in Essential Energy's network which have very high termite risk or with difficult access. However, steel poles and concrete are about 2.5 times more expensive to purchase than wooden poles and the NPV comparison favours wooden poles. Essential Energy conducts thorough analysis regarding what types of poles to install for an area based on a combined consideration of the environment, cost, risk and reliability.
37. Essential Energy is currently replacing approximately 7,500 failed poles every year. However, the largest proportion of the pole population is yet to reach the end of life and the replacement rate is forecast to increase significantly. Essential Energy expects pole replacement rates to increase each year to at least 20,000 poles per year over the next 20 years as the general condition of its pole assets substantially deteriorates. To continue to replace only 7,500 poles per year from a population of 1.38M implies a pole life of almost 200 years which is obviously not realistic. As stated above, Essential Energy has a high pole failure rate (one failure per 11,500 poles per year) currently ranking second highest in Australia.
38. The cost of replacing one pole is on average approximately \$7,200. The replacement cost will vary depending on the complexity of the pole, for example less complex single circuit poles crossing flat farming land in close proximity to a depot will have a much lower replacement cost than poles in difficult to access terrain that are large distances from a depot. The range of pole replacement cost can vary from \$3,000 to \$30,000.

Streetlight Columns

39. Columns in Essential Energy's streetlight network are mainly made of steel. Columns are inspected every four years by Essential Energy employees.
40. Currently, bulbs are replaced every three years in bulk or when they fail.
41. Essential Energy replaces the bulbs in bulk every three years so as to be compliant with the Public Lighting Code in New South Wales, as the bulbs become dim over time although they do not necessarily fail at the three year point. However, with the proposed revenue cut, and as recommended by the AER in its draft determination, Essential Energy will not be

compliant with the Public Lighting Code in New South Wales and will reduce its replacement program to four years. A copy of the Public Lighting Code is attached as appendix 6. The Public Lighting Code was implemented by the NSW Department of Energy, Utilities and Sustainability in order to clarify the relationship between public lighting service providers (mainly electricity distributors) and public lighting customers (mainly local councils). It is a voluntary code that provides minimum maintenance standards and service level guarantees, as well as requirements for billing, inventory management and performance reporting.

Underground Cables/Overhead Conductors

42. The Essential Energy network is mostly a rural network comprising bare and covered overhead conductors, in the larger urban areas the network also comprises underground cables. The different types of conductors and cables used for different voltages are summarised in Table 1 below, as well as the total length of each category.

Table 1: Distance travelled by cables

Low Voltage	Type	km
Overhead	Services	16,115
Overhead	Mains	22,202
Underground	Mains	5,214
Distribution	Voltage	km
Overhead	6.6kV	19
	12.7kV SWER	7,462
	19.1kV SWER	22,247
	11kV	70,418
	22kV	42,336
Underground	6.35kV	25
	11kV	1,977
	12.7kV SWER	12
	19.1kV SWER	2
	22kV	300
Subtransmission	Voltage	km
Overhead	33kV *	5,325
	66kV	7,734
	110kV	21
	132kV	1,951
	220kV	3
Underground	33kV	46
	66kV	27
	132kV	10
* Some 33kV circuits are used for distribution and sub transmission concurrently		

43. Over 95 per cent of Essential Energy's network is overhead. Essential Energy has regular inspection programs that to the extent possible assess conductor condition. Conductor health is generally impacted by corrosion, particularly for overhead conductors in the coastal areas as they corrode faster due to effects of salt and coastal conditions.
44. Underground cables and overhead conductors tend to be resilient and generally have a long life. Essential Energy analyses failure information to identify any systematic issues or issues with a particular types of underground cable /overhead conductors. If there are particular types of cable that have unacceptable failure rates then a program is implemented to replace this type of cable/overhead conductor. Essential Energy is replacing selected small diameter steel and copper overhead conductors which over time have shown increased failure rates and are causing public safety issues. There are about 85,000km of steel and copper conductor in the Essential Energy network. Essential Energy is currently only replacing approximately 230km annually of this type of overhead conductor every year with plans to increase this to 350km per year. At this rate it would take almost 250 years to replace all conductors. This replacement program would be at risk if the AER draft determination was adopted.
45. The inspection and analysis of cables is primarily done in-house.

Substations

46. There are three types of substations in Essential Energy's network:
- Sub-transmission substations take power from the transmission system (132kV or 110kV), and convert the voltage and feed out power into the sub-transmission system via 66 or 33kV feeders. These subtransmission substations supply power up to 60,000 customers. Generally Essential Energy does not own subtransmission substations. They are owned by TransGrid NSW high voltage transmission network.
 - Zone substations take power from the sub-transmission system (generally 66kV & 33kV), then transform and distribute power into the distribution system via a variety of distribution voltages including 33kV, 22kV, 11kV, and 19.1kV SWER systems. These zone substations supply power up to 15,000 customers.
 - Distribution substations then take power from the distribution feeders (33kV, 22kV, 11kV, and 19.1kV) systems and supply customers at low voltage (240-415V). The number of customers supplied from these substations can range from one customer up to 300 customers.
47. Essential Energy is responsible for operating and maintaining 413 sub-transmission substations, zone substations, sub-transmission switching stations, generation stations and regulator stations that form critical nodes on Essential Energy's supply network. Zone substations range from two distribution feeder stations serving a few hundred customers with a replacement value of less than \$1M to complex 132/66/33kV substations serving up to 60,000 customers valued in excess of \$35M. A small number of zone substations also

- exclusively supply major industrial sites such as mines and large industrial customers (i.e. food processors and manufacturers).
48. The poor performance of sub-transmission substations and zone substations can have a significant financial impact on customers and customer reliability due to the impact of widespread and lengthy supply interruptions.
 49. Sub-transmission substations and zone substations have equipment which require regular preventative, corrective and reactive maintenance, these assets generally have manufacturer maintenance requirements which ensure they operate and perform in the manner intended. The purpose of preventative and corrective maintenance is to ensure that equipment operates in a safe and reliable manner, enhances the economic life of the asset and reduces the risk of unplanned premature failure. Maintenance periods and tasks can be altered for specific asset classes to suit local conditions or if asset history indicates specific failure modes.
 50. Essential Energy utilises an analytical tool known as Failure Modes Effects & Criticality Analysis (**FMECA**) which uses asset history to chart the probability of failure modes against the severity of their consequences. The results of the analysis highlight failure modes with relatively high probability and severity of consequences, allowing remedial effort to be directed where it will produce the greatest value.
 51. The types of assets within sub-transmission substations and zone substations include: power transformers, voltage regulators, circuit breakers, protection equipment, fault monitoring equipment, DC protection & control systems, battery systems, controlled load equipment e.g. controlling hot water heaters and streetlights.
 52. Sub-transmission substations and zone substations within Essential Energy are dispersed throughout the state which require zone substation technicians to travel considerable distances to undertake maintenance activities as per predefined schedules. Preventative and corrective maintenance tasks are scheduled to optimise efficiency in logistics by grouping all maintenance tasks into work packs for a given site and time period.
 53. Typically, sub-transmission substations and zone substation preventative and corrective maintenance tasks number between 7,000 to 9,000 tasks per annum and range from routine inspections through to major transformer & voltage regulator maintenance.
 54. In addition to sub-transmission substations and zone substation preventative maintenance tasks, approximately 4,000 reactive zone substation maintenance tasks are completed annually. Reactive tasks include zone substation tasks from fault & emergency incidents, defects and reactive projects as directed by the Network Engineering or Health Safety and Environment divisions such as asset type fault projects, asset data validations and asbestos audits.

55. Other sub-transmission substation and zone substation tasks that are not included under zone substation preventative or reactive tasks include:
- Routine sub-transmission substations and zone substation grounds and building maintenance (conducted by contractors).
 - Sub-transmission substations and zone substation operational switching & secondary system isolations for other parties, such as Regional Operations, Network Regions, Network Development, TransGrid and System Control.
 - Technical Services from SCADA, Load Control, Voltage Regulation Communications & Telemetry.
56. Distribution substations are periodically inspected for safe operation and have minimal maintenance during their asset life. Both the transformer and the switchgear in a distribution substation are inspected every four years. The transformers are usually run to fail, as replacement, refurbishment and re-deploying of these types of smaller transformers is not economically viable. Essential Energy's internal Fault and Emergency crews respond to distribution transformer failures and undertake the replacement. These transformers may also be replaced when the load on that part of the network increases beyond the capacity of the existing transformer. Essential Energy's Planning Engineers identify, plan and oversee the replacement program for these types of the transformers.

Protection Equipment

57. Protection equipment refers to circuit breakers and other fault sensing equipment designed to protect the network when faults occur. Types of faults which can impact upstream equipment include lightning strikes, third party damage, and equipment failure.
58. The type of protection equipment ranges from older mechanical type technology devices through to more modern electronically controlled devices.
59. Older mechanical devices include fuses on the top of poles (of which there are around 150,000 control points on the network) or oil circuit breakers in zone substations. More modern devices include vacuum circuit breakers with electronic controls and field reclosers, some of which can be operated remotely.
60. Approximately 80 per cent of the field reclosers (which are pole top mounted circuit breakers located along feeders) on Essential Energy's network are remotely controlled. The remaining 20 per cent need to be operated manually i.e. an employee needs to physically attend the site. These older reclosers provide no indication to System Operators in the System Control room that these devices have operated, consequently Essential Energy relies on customers to call in and advise of unplanned interruptions. A number of modern field reclosers are also unable to be remotely controlled from the System Control room due to the lack of communication services in remote locations thereby necessitating field employees to visit these sites to switch equipment.

Control Equipment

61. Control equipment refers to equipment used to monitor and remotely control the Essential Energy network. The control equipment used by Essential Energy comprises what is called the Supervisory Control and Data Acquisition (**SCADA**) system.
62. In the SCADA system, computer terminals in subtransmission and zone substations collect information regarding the substation and sends signals to the Control Rooms (one in Queanbeyan and one in Port Macquarie). Essential Energy employees at the Control Rooms can obtain real time monitoring data of the substations and remotely switch them on or off.
63. This control equipment is subject to maintenance and repair programs to ensure the capability is available for planned network maintenance and emergency response to unplanned network outages. The inspection and maintenance of the control equipment at the substations requires specialist knowledge.

Outsourcing Substation and Critical Network Device Maintenance

64. Essential Energy has implemented a blended approach to the outsourcing of maintenance within zone substations, protection equipment and control devices in the field. Maintenance activities which require low level skills such as building and yard maintenance are outsourced whereas the maintenance of complex equipment such as transformers, voltage regulators, protection equipment and control equipment such as SCADA are not outsourced. This is due to the specialised nature of the equipment, specific equipment setup knowledge required and importantly the immediate response times required when equipment is unavailable for service or damaged.
65. The resources which undertake these activities are highly specialised and the work locations are spread over a large geographic area. The work volumes of these specialist tasks are such that it does not support having a dedicated specialist skillset at one location. The limited availability of appropriately skilled resources and the cost of mobilisation make the outsourcing of these specialists' tasks uneconomic.

Radio Communications Systems and Equipment

66. Radio and communications equipment refers to the base stations, vehicle and hand held radios required to provide communications between control room and field staff.
67. Essential Energy maintains over 275 radio base stations at sites owned or leased by Essential Energy. The base station consists of radio transmitter equipment, relay equipment, batteries and power supplies, antennas, towers and buildings and associated access tracks. In addition to voice radio, the same sites are also used to support last-mile communications links between field equipment located in over 380 zone substations to Essential Energy's data network.

68. Approximately 2,800 two way radios, including vehicle mounted and hand held units, are maintained to provide communication facilities with the control rooms at Port Macquarie and Queanbeyan. These include Essential Energy vehicles as well as vehicles owned and operated by third parties engaged by Essential Energy for the purposes of carrying out contracted services to the organisation (e.g. Vegetation Management).
69. Due to the remote areas serviced radio facilities are owned and maintained by Essential Energy as no commercial service is available that provides state wide coverage with required reliability at an economic cost.
70. A high reliability two way radio network is critical to be able to direct staff during normal day to day operations, provide for safe network isolation for work to be carried out, direct staff in emergencies for prompt response and importantly to be able to respond to requests for assistance if staff are injured and need emergency services such as ambulance, police or fire services on site.
71. Radio equipment is required to be maintained, obsolete equipment replaced and systems updated to meet regulatory standards.
72. Essential Energy's Regulatory Proposal and Revised Regulatory Proposal contain opex and capex expenditure plans to ensure the satisfactory operation of the two way radio network and to meet regulatory requirements. The expenditure reductions proposed by the AER put at risk meeting this requirement.
73. Essential Energy is unique in terms of the need to provide such an extensive two way radio network across 95 per cent of NSW.

Meters

74. Essential Energy's network includes old mechanical meters and modern electronic meters.
75. Meters have to comply with requirements under the National Electricity Rules and the testing regime is required to be approved by AEMO.
76. Inspection of meters usually occurs as part of this testing regime. Essential Energy conducts sampling on meters to comply with the requirements mentioned above and also the National Measurement Act 1960 (Cth). The sampling of meters is conducted in-house. Inspection of meters also occurs in response to a customer's request.

77. Meters are replaced:
- (a) when they fail; or
 - (b) as a class, when that class of meters no longer meet the requirements in the testing regime.
78. Essential Energy has outsourced the replacement of meters, except for emergency replacement.

Non-network assets

79. Non-network assets mainly consist of property, fleet, computer hardware and software.

Property

80. Essential Energy's property portfolio includes over 1,100 properties such as:
- 750 owned properties, for example the corporate office at Bathurst, some depots, zone substations etc.; and
 - leased property at approximately over 350 locations in total including office accommodation, some depots and radio sites.
81. Essential Energy has outsourced the maintenance of its property portfolio, for example grounds maintenance at the office buildings and substations. The grounds maintenance program for network assets was established via an open tender in accordance with Essential Energy's procurement policy and is an arrangement that operates across the entire state. The non-network maintenance of depots and miscellaneous sites is performed by a multitude of small local contractors that work only within their local area.

Fleet

82. Essential Energy currently has approximately 2,150 motorised vehicles in its fleet. 100 per cent of these vehicles are owned by Essential Energy. Approximately 600 of these vehicles are heavy vehicles such as elevated work platforms and crane borers. Other heavy vehicles include timber jinkers to carry poles, and other specially designed trailers to carry cable.
83. The other vehicles in Essential Energy's fleet are light fleet, e.g. light commercial vehicles for line workers, asset inspectors, vegetation officers and the like.
84. Essential Energy has considered leasing these vehicles. However, it was decided to continue owning these vehicles as it is a more cost effective way to manage the fleet and provides additional flexibility and scalability, as vehicles can be removed from the fleet and sold without the early termination penalties associated with leasing. A thorough financial analysis has determined that owning the fleet does not increase costs to the customer in any way, in fact the increased flexibility reduces costs, especially when the workforce is reducing in size.

Operating Expenditure

85. Essential Energy, in its Substantive Regulatory Proposal dated 30 May 2014 (**SRP**), determined an opex requirement based upon the opex needed to maintain the safety and reliability of its network assets and the operation of the network. This was done in the following manner:
- (a) All opex requirements were determined by a detailed assessment of the prudent costs associated with inspections, maintenance, repairs, customer service standards and corporate support costs required to maintain the safety and reliability of the network.
 - (b) Historical information (i.e. Essential Energy's actual opex for the previous regulatory period), industry standards and legislative and regulatory requirements were also used to determine the overall level of opex requirements.
 - (c) Efficiency savings were also included that will be derived from the network industry reform program. These efficiencies will come from new operating model initiatives, policy and strategy initiatives and strategic sourcing initiatives.
86. Following the AER's Draft Determination dated 27 November 2014, Essential Energy revised the opex requirements for its Revised Regulatory Proposal (**RRP**) in the following manner:
- (a) Essential Energy reviewed its entire opex requirements. This resulted in a slight decrease compared to the SRP which was mainly driven by annualised labour productivity improvements of 22.6 per cent by the end of the regulatory control period.
 - (b) This decrease was offset by the defects identified through the introduction of LIDAR (laser Light Detection and Ranging) technology (further information provided at paragraph 85). These increased defects were identified in the areas of vegetation management, network defects (poles, cross arms) and low mains with non-compliant clearance levels.
87. Opex comprises primarily vegetation management cost and labour cost as well as regulatory costs which represents a much smaller category. I explain these components below

Vegetation management

88. Vegetation management refers to the clearing of vegetation either which encroaches on overhead distribution lines or which is outside of the minimum clearance space but has the potential to grow in or poses a hazard to the powerline were it to break, fall or be blown into the line. This clearing reduces the risk of interference with the network and associated safety risks, including bushfire risk.
89. Vegetation management work can be split as follows:
- management and supervision, representing 2.7 per cent of total vegetation management expenditure;

- scoping, auditing, notification and customer consultation representing 8.7 per cent of total vegetation management expenditure, for identifying the trees that need to be cut and verifying work as compliant; and
 - actual clearing, representing 88.6 per cent of total vegetation management expenditure.
90. Vegetation management on Essential Energy's network is required to comply with Essential Energy's Health Safety and Environment Strategic Plan (attached as appendix 7) and is conducted in accordance with the ISSC3 Guidelines for Managing Vegetation Near Power Lines (attached as appendix 8). Essential Energy's Vegetation Management Plan (attached as appendix 9) details the requirements for vegetation control near powerlines and is Essential Energy's Tree Management Plan for the purpose of the Electricity Supply (Safety and Network Management) Regulation 2014.
91. Vegetation clearing has primarily been outsourced to external service providers.
92. Essential Energy has developed a model for bush fire risk to identify areas of higher bush fire risks. The Regional Fire Risk Profile Methodology and Regional Fire Risk Map are attached as appendix 10 and appendix 11.
93. Essential Energy has commenced using high resolution photography and LIDAR technologies to conduct inspection of network assets and vegetation, which allows Essential Energy to identify potential asset defects and vegetation encroachments on the basis of digital photos in addition to ground line pole inspections rather than on-site inspections. The use of high resolution photography and LIDAR results in a more accurate and repeatable network inspection process which has assisted Essential Energy to prioritise its works program based on a risk assessment in the lead up to the 2014/15 bushfire season. In September 2014, Essential Energy has inspected approximately 277,000 poles and 44,000 kms of lines using LIDAR and without this technology many defects would not have been identified.
94. Appendix 12 provides an example of high resolution photographs of a pole top defect. In this case, the defects identified by high resolution photographs was a defective crossarm. This defect has the potential to cause the crossarm to fail and conductors falling to the ground. An image of the same pole top as seen from the ground is also provided to demonstrate that many of the defects identified through high resolution pole top photography are not identifiable using existing ground based inspections or lower resolution photos. In all likelihood, the defects of this nature would have resulted in a network failure causing a power outage and/or a potential safety issue if they were not identified through high resolution pole top photography and subsequently rectified.

Labour

95. Essential Energy currently has approximately 3,868 full time equivalent employees. A break down by resource group is set out below in Table 2.

Table 2: Break down of full time equivalent employees

Resource Group	Full Time Equivalent Employees - FY15
Distribution Trades	1,482
Engineering	225
Field Support	434
Non-core Grouping	512
Administration	344
Project Management	72
Transmission Trades	177
Total Network	3,196
Health Safety and Environment	42
People and Services	411
Finance and Compliance	86
ICT	121
NNSW (OD & Tech Training)	12
Total Corporate	672
Total	3,868

96. The Network Operations division is responsible for the overall management of the network to deliver a safe, reliable and sustainable outcome. It comprises of eight groups:
- (a) Four Regions – north coast, northern, southern and south eastern. Regional Operations perform operating and maintenance activities, both planned and unplanned, on the sub-transmission and distribution network (i.e. poles and wires), Regional Operations are also responsible for emergency response to network events and the distribution network design function.
 - (b) Transmission services, operate and maintain 413 sub-transmission substations, zone substations, sub-transmission switching stations, generation stations and regulator stations This group undertakes preventative, corrective and reactive maintenance. This group have specialist technical skills for this type of work which requires specialist knowledge of transformers, circuit breakers and highly technical protection equipment in substations.
 - (c) System Control (control rooms located in Queanbeyan and Port Macquarie) – coordinate switching activities on the network for both planned and unplanned network events 24/7. System Control also coordinate emergency response to major events such as storms and bushfires. Switching on the network is undertaken mostly by regional field operators however some devices on the network can be switched remotely from System Control.
 - (d) Operational Performance – this group provides business and analytical performance reporting, budgeting and forecasting, development and implementation of productivity

initiatives for Network Operations. This group also centrally manages the dispersed administrative resources which support each branch within Network Operations.

- (e) **Network Connections** – manage the technical aspects of the new connection process (solar, wind farms, new developments (urban, commercial, industrial and rural). This involves both indoor and field based resources overseeing compliance with safety, quality and technical standards and overseeing compliance of Accredited Service Providers and Electrical Contractors.
97. The Network Development division is responsible for overall program management and delivery of the network capital and maintenance programs.
98. The Network Development division also includes front line workers. It conducts the following tasks:
- (a) maintenance (including asset inspection and pole inspection);
 - (b) meter reading services;
 - (c) vegetation management (this team is responsible for the scoping and contract management of vegetation management only – the field work is conducted by external contractors); and
 - (d) major project design and delivery (these teams are responsible for the project design and the project management of larger capital projects that create new assets or substantial refurbish assets – large projects are generally executed externally).
99. Field staff (i.e. staff that perform tasks near or in relation to the network) need to meet certain qualifications before they can operate near the network. Generally the qualification of field staff will fall into one of four categories and they perform different duties in accordance with their qualifications:
- (a) **Power line workers** build and maintain the overhead network, replacement of poles, (e.g. remove old pole, isolate and switch) Line workers are generally in Regional Operations.
 - (b) **Electrical Technicians** have an electrical qualification and generally conduct electrical inspections, meter replacement and customer service tasks.
 - (c) **Zone Substations Technicians** are generally a higher skilled electrical technician, however some have higher technical qualifications in the electrical engineering field. This group predominantly work on sub-transmission and distribution assets.
 - (d) **Electrical workers** – labourer or plant operator without a technical qualification, typically have qualifications for operating plant such as cranes and excavation equipment for the erection of poles and pole top equipment.
100. Essential Energy allocates labour as efficiently as possible, utilising the most appropriate resource skillset and resourcing level for the task which minimises the quantity of man hours

expended to complete the task safely and effectively. For example, the pole replacement program necessarily involves field staff from both Network Operations and Network Development. The need for maintenance will be identified as a result of inspection conducted by the Network Development team. Inspections are generally conducted by one inspector working alone.

101. The Networks Operation division will then prepare a work pack, order materials and schedule the replacement work.
102. It generally requires three to four field workers to replace a pole, for example, two power line workers, an apprentice and a plant operator (see Crew Structure Guidelines for Common Field Tasks attached as appendix 13). Often, all of the workers are required to perform tasks simultaneously throughout the replacement procedure, and so the number of workers cannot be reduced efficiently. The line workers will untie all the wires connected to the pole, all three workers will remove the old pole and install the new pole (usually in the same hole), and the line workers will reattach the wires. The hours of labour required depend on the location pole (i.e. urban or rural location and distance for the crew to travel) and the complexity of the task. A simple rural pole may take the crew an hour, excluding travel time which could be up three hours. But other poles may take far longer. The average hours of labour required for the replacement of a pole is 28-32 hours per pole (including planning the work and travel time).
103. Another example is zone substation maintenance. One or two technicians will attend the zone substation, and perform many discrete smaller tasks over the course of a day in the interests of efficiency.

Enterprise Agreement

104. Essential Energy currently has two enterprise agreements with the unions, covering employees as follows:
 - Essential Energy Enterprise Agreement 2013 (the EA), covering approximately 3,610 FTE's representing 93 per cent of the workforce, attached as appendix 14; and
 - Essential Energy Far West (Electricity) Enterprise Agreement 2013 (the FWEA), covering approximately 102 FTE's representing 3 per cent of the workforce, attached as appendix 15;
 - In addition there are approximately 156 FTE's on individual contracts of employment, representing 4 per cent of the workforce.
105. Some of the terms in the FWEA are different or not provided for in the EA. These terms include, for example:
 - Annual leave as four weeks per year at clause 4.1.1 in the EA and annual leave as five weeks per year at clause 4.1.1. in the FWEA;
 - camping allowance at clause 5.11 of the FWEA, not provided for in the EA;

- towing allowance at clause 5.12 of the FWEA, not provided for in the EA;
 - climbing allowance at clause 5.13 of the FWEA, not provided for in the EA;
 - confined spaces allowance at clause 5.14 of the FWEA, not provided for in the EA;
 - dirty work allowance at clause 5.15 of the FWEA, not provided for in the EA;
 - living away allowance at clause 5.16 of the FWEA, not provided for in the EA;
 - plant operator allowance at clause 5.17 of the FWEA, not provided for in the EA; and.
 - redundancy provision of generally three weeks per year of service, uncapped at clause 10.2 of the FWEA, compared to two weeks per year of service (capped at 52 weeks) in the Managing Excess Employees Policy referenced in clause 3.6 of the EA.
106. I note that the AER Draft Determination has incorrectly assumed the FWEA as the enterprise agreement governing the contracts between Essential Energy and its employees generally (as applicable). However, as stated above, the FWEA only applies to approximately 3 per cent of Essential Energy's employees while the EA, on less favourable terms to the employees, cover approximately 93 per cent of Essential Energy's employees.
107. Both EA and the FWEA expire on 30 June 2015. The re-negotiations for new enterprise agreements have not commenced.
108. Essential Energy currently has three main employee policies:
- Corporate Policy - Salary Maintenance CEC1026 (attached as appendix 16), which provides for maintenance of existing salary for 12 months if redeployed to a new role for less salary. This policy is incorporated into the EA under clause 3.6 b)
 - Redundancy Policy - Management of Surplus Employees Policy, dated 20 November 2013, which incorporates the Redundancy provisions for the EA (attached as appendix 17). This policy is incorporated into the EA under clause 3.7;
 - Corporate Policy – Redeployment CEC1083 (attached as appendix 18). This policy is incorporated into the EA under clause 3.6 a).
109. Like many public sector organisations Essential Energy's predecessors operated defined benefit superannuation schemes which provided a defined retirement benefit for employees regardless of investment returns. This scheme was discontinued for new members in 1992 as it was considered more prudent and efficient from an employer's perspective for employees to be part of an accumulation scheme, as the organisation is not required to inject funds during periods of low investment returns. Any employees who were members of the defined benefit scheme at the time of transition were 'grandfathered' into the old scheme. Due to the long-serving nature of our employee base approximately 750 employees, or 19 per cent of our workforce, are members of the defined benefits scheme. The Trust Deed (including its schedules) governing defined benefit is attached as appendix 19.

Steps to increase efficiency / save costs

110. Since the introduction of Networks NSW in July 2012, Essential Energy has been on a reform journey to safely improve the efficiency of its operations. From the financial year 2012/13 through to 2015/16, opex and capex savings of \$1.4b have been identified and included in future financial forecast which have also been included in the 2014/19 regulatory proposal. Many of these savings have come from improved capital governance (as mentioned earlier) and a significant and sustained reduction in discretionary expenditure in areas such as overtime, fleet, travel, and corporate overheads. Since July 2012 Essential Energy has reduced its employee numbers (FTEs) by approximately 705 resulting in significant labour cost savings.
111. As noted above, Essential Energy has implemented a program to more effectively manage overtime hours, and has achieved an annual reduction of approximately \$20M. However, the payment of overtime can be a necessary and efficient way to complete tasks bearing in mind the geographic spread of the network. For example, where a crew does not complete a task within business hours, rather than sending the crew home, and then transporting the crew back to the site the next day to complete a task within business hours, it may be more efficient to pay an amount of overtime so that the crew may finish the task on the day and not incur the additional costs/time associated with travel (and possibly less efficient scheduling of tasks on the next day).
112. Essential Energy will consider outsourcing some parts of its operation based on three criteria; safety, quality, and cost. Essential Energy has developed a Strategic Market Testing Program (attached as appendix 20) and Draft Procedures in relation to Outsourcing (attached as appendix 21) to ensure a robust process is followed to determine the most efficient way forward. Essential Energy has also conducted a Preliminary Strategic Outsourcing Assessment (attached as appendix 22).
113. Essential Energy's General Tender Policy and Procurement Manual is attached as appendix 23.
114. Essential Energy also has an employee initiated voluntary redundancy program. Since July 2012, approximately 400 people have chosen voluntary redundancy.
115. Essential Energy has also had a Mix & Match Program approved by the Australian Tax Office and commenced implementation of that program. In the Mix & Match Program, an employee can be voluntarily placed in another position if the employee in the other position chooses voluntary redundancy. This in effect delivers headcount reduction and job allocation that may suit Essential Energy and the employees better.

Requirements of operation in NSW

116. The electricity legislative and licence conditions obligations are set out in:

- Electricity Supply Act 1995;
 - Electricity (Consumer Safety) Regulation 2006;
 - Electricity Supply (Corrosion Protection) Regulation 2014;
 - Electricity Supply (General) Regulation 2014;
 - Electricity Supply (Safety and Network Management) Regulation 2014;
 - Market Operations Rule (NSW Electricity Business to Business Procedures) No 1 Of 2013;
 - Ministerially imposed licence conditions for Distribution Network Service Providers:
 - Conditions 1 to 13; and
 - Conditions 14 – 19.
117. Essential Energy must comply with these legislative and licence conditions when developing, maintaining and operating the assets that make up Essential Energy's network as described above. A failure to do so and a failure to be provided with sufficient capex and opex in order to do this will jeopardise the safety and reliability of the network.
118. Essential Energy is also subject to legal obligations imposed by other legislations (for example, environmental and financial legislations) when operating its business in NSW (see Essential Energy Operational Procedure: Legislative Register CEOP4304.11 attached as appendix 24).

Impacts of proposed revenue reduction

119. In my opinion, based on current information, the reductions proposed by the AER would likely lead to substantial under investment by Essential Energy in both capital and operating expenditure, and would compromise the safety, the reliability and the ongoing sustainability of its network.
120. In relation to opex, as set out at paragraph 77 and following above, Essential Energy has determined the amount of opex it requires for its SRP and RRP based upon the opex required to maintain the safety and reliability of its network assets and the operation of the network. Essential Energy has calculated that opex requirement based upon actual historical opex, incorporating efficiency savings which we have been able to identify into that process. The AER's Draft Determination on opex is far below the opex required to maintain safety and reliability. If the Draft Determination was to be adopted, the cut to opex would be so substantial that it could not be absorbed by, for example, reductions in headcount or greater outsourcing of functions. Instead opex reductions of that magnitude would entail that Essential Energy would not be able to carry out a material part of the opex it had planned over the regulatory period. A failure to perform that opex will mean that network assets will not be maintained in a timely fashion or inspected in a manner which enables adequate preventative maintenance to occur. This is likely to result in increased assets failures.

121. I set out below a few examples of possible impacts on the safety and reliability of Essential Energy's network if it had to adopt the capex and opex allowed by the AER in its Draft Determination.
122. In addition to the safety and reliability impacts of asset failures, a reduction in allowable opex which leads to reduced preventative maintenance activities is also an inefficient course, as it will require Essential Energy to incur increased capex costs, particularly in future periods, as assets fail.
123. For example, as noted above, Essential Energy carries out preventative maintenance on poles by chemical treatment and, in some cases "nailing" the base of the pole. If this is not done, poles can be expected to fail at a higher rate than they otherwise would, leading to earlier replacement.
124. Further, as noted above, Essential Energy inspects poles on a four yearly cycle and replaces poles based upon the serviceability of the pole. Pole replacement is therefore able to be done in an orderly fashion, prior to pole failure. If inspections are conducted at less frequent intervals, the number of pole failures can be expected to increase. More poles will therefore be replaced after, rather than prior to, failure. This results in higher capex as the costs of replacing a failed pole are higher than the costs of replacing a pole before it has failed (quite apart from the additional impact on customers from unplanned network outages and safety hazards such as risk of electrocution or bushfire risk).
125. The increased future capex costs that would be caused by a reduction in opex are not limited to poles. For example, as noted above Essential Energy conducts regular inspections and maintenance of sub-transmission and zone substations. If the frequency of inspection and maintenance cycles is decreased, there can be an expectation of a higher frequency of asset failures within these substations, leading to earlier replacement of assets. Such failures would also increase opex costs as urgent repairs may need to be carried out, at a higher cost than routine maintenance.

Overall health of the network

126. With the proposed reductions in the AER Draft Determination, many investment programs would have to be reconsidered or deferred. The impact of this will be two fold. Firstly, the overall health of the network will deteriorate. The current average weighted age of Essential Energy's network is 32.9 years which is above the industry average of 28.7 years. This average age will increase even further from the industry average and will result in increased asset failure rates. Secondly, many of the necessary investment programs will simply have to be deferred to later regulatory periods which will result in a spike in investment and customer prices. The costs associated with many of these programs, such as pole replacement, will only compound in future regulatory periods if adequate levels of investment are not made during the upcoming four years.

127. Essential Energy will seek to maintain its standard of inspection and maintenance programs of large critical network assets (e.g. sub transmission substations and zone substations) but the general health of distribution system assets (e.g. poles, transformers and overhead conductors) would deteriorate. This would lead to reduced reliability of electricity supply to customers and increased safety concerns.
128. Insufficient capex and opex will also threaten our ability to comply with all required legislative and licence conditions.

Increased pole failures

129. In order to lower its replacement capital to the level allowed by the AER Draft Determination, Essential Energy would need to consider changing pole inspection cycles from every four years to say every six years, and the replacement of poles will have to be a lower rate (i.e. a higher risk tolerance than the already relatively high thresholds adopted by Essential Energy). Less frequent inspections and a lower replacement rate would contribute to higher pole failure rates, increasing safety risks, and reducing reliability for customers.

Defect and Vegetation Management

130. As mentioned under the vegetation section, Essential Energy has commenced using high resolution photography and LIDAR technology to significantly improve the identification of defects on the network to better manage its risk and prioritise its works program. The use of this technology would have to be reconsidered if the reductions in the proposed AER Draft Determination are implemented. This would result in less defects being identified, increased failure rates and potentially non-compliance with ISSC 3. It also may lead to an increased bushfire risk.
131. As vegetation management is a significant part of the opex program (over 31%), this would have to be reduced. Lower expenditure would mean a reduction in compliance levels with our standards. In turn, this would lead to far higher risks of bushfires that can have devastating impacts on human life and property. It will also increase the frequency and duration of outages.

Labour reduction

132. It is estimated that employee reduction of approximately 1,500 employees would need to be made redundant immediately with no transition period.
133. Under Essential Energy's Enterprise Agreement there is no provision for forced redundancies making these immediate and abrupt reductions unachievable.
134. Essential Energy currently has 280 apprentices in training and would mean an inability to appoint the majority of apprentices when they graduate to trade upon successful completion of their apprenticeships.

135. During the mid to late 1990's North Power and Great Southern Energy (previous distributors) ceased their apprenticeship program which caused significant succession planning issues and a skills shortage into the early 2000's.
136. Any abrupt reduction in staffing levels needs to be carefully risk assessed to understand the impacts in areas such as network inspection and maintenance programs, safety outcomes, and employee skill & knowledge retention.
137. Essential Energy is very proud of the relationship it has developed with its customers. According to our latest quarterly Customer Satisfaction Index, the vast majority of our customers (81.6 per cent) are satisfied with Essential Energy's current levels of service. Additional Ipsos customer research conducted in December 2014 as part of the revised regulatory proposal has identified that the majority of customers are not prepared to sacrifice power supply reliability and safety for lower prices. With an abrupt reduction in staffing levels, and potential depots closures (discussed below), there is no doubt these satisfaction levels will decline as the reliability and safety of the network deteriorates.

Depot closures

138. Historically, operating smaller depots in more remote locations has been done to maintain customer service levels, particularly during fault and emergency situations, rather than economic reasons. In order to reduce labour and property costs, closing and consolidating 20 to 30 depots into other areas will be required if the draft AER determination is implemented.
139. The current location of zone substation sites and depots that currently have zone substation electrical technicians are shown on Figure 1 below, with the current customer density shown in Figure 2 below.

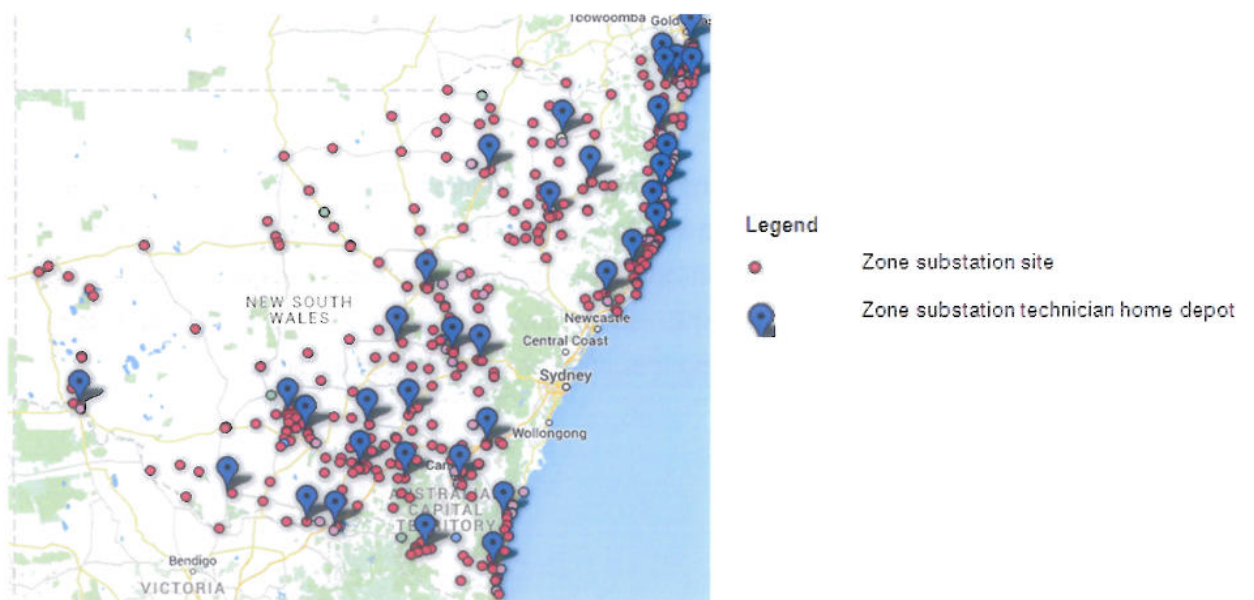


Figure 1: Zone Substation Sites and Zone Substation Technician Depots

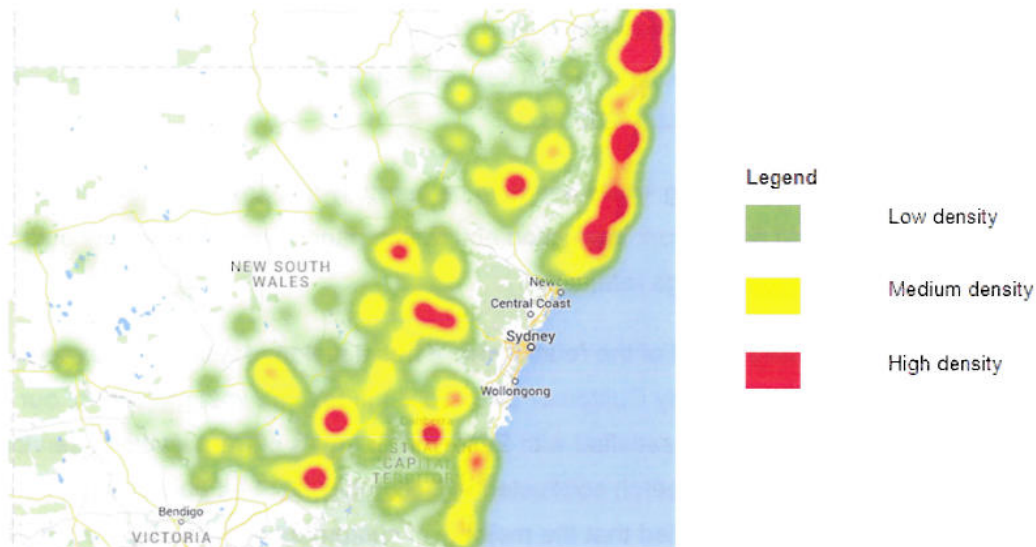



Figure 2: Customer Density on Essential Energy's Network

140. These maps give an indication of the distances employees have to currently travel. With the consolidation of depots, employees will need to travel further to inspect, maintain and rectify faults on the network. Less crews will be available to respond which will compound the distance issue of response times to attend to public safety incidents and increase supply restoration times. Although this will reduce overall costs, it will dramatically reduce the productivity of employees and also reduce customer service standards.
141. Given the vast and remote nature of our network, local knowledge in areas such as access roads into properties, network configuration, and local terrain is often critical to a timely response and restoration during fault and emergency situations. In addition, strong relationships with local emergency service providers such as the Rural Fire Service and police have also been developed with local employees over many years. If smaller and more remote depots are closed much of this local knowledge will be lost.
142. Customer service activities which do not relate to network or public safety would be deferred or reduced. For example, faults identified after business hours that do not pose a safety risk may not be rectified (i.e. power restored) fully until business hours, to avoid incurring overtime costs.
143. Planned work activities would be consolidated into larger work packs and assigned less frequently. An example of this is to accumulate a larger number of streetlight failure reports and to repair the failed streetlights less frequently. This would especially be the case for small towns and locations which do not have a local depot. This would lead to longer response times and longer periods of no or insufficient street lighting.


Affirmed at 8 Buller Street, Port Macquarie of
the State of New South Wales, this 19
January 2015



.....
Gary Humphreys

Before me:

Signature of witness:



.....
Name of witness: Shannen Dawson

Solicitor - NSW
.....
Qualification of witness: Australian Legal Practitioner

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24	Essential Energy Operational Procedure – Legislative Register CEOP4304.11

Position Description

Position Title:	Chief Operating Officer, Essential Energy Essential Energy		
Position Number:	50000	Division:	Essential Energy
Reports to:	Chief Executive Officer, Networks NSW		
Date Created:	June 2012	Date Updated:	
Job Analyst Name:	Andrew Pitman		
CEO Signature:	(signed)		

ORGANISATIONAL CONTEXT

Networks NSW is the group of companies comprising Ausgrid, Endeavour Energy and Essential Energy. Although they remain separate legal entities with separate network operations, these companies are managed together under common governance arrangements effective from 1 July 2012, to implement the Government's reform of the NSW electricity distribution industry.

As one of the three separate Network businesses, Essential Energy is responsible for the safe and efficient management and operation of the electricity distribution network consistent with the strategy, policies and standards as determined by the common group management structure.

While considerable changes are likely to occur in the operating environment of the business, Networks NSW and each network business will remain focused on:

- Achieving the objectives set out in the State Owned Corporations Act 1989, including
 - Operating at least as efficiently as any comparable privately owned business;
 - Maximising the value of the business to the State;
 - Operating a safe, reliable and sustainable network; and
 - Balancing commercial, social, environmental and customer expectations;
- Implementing initiatives identified under the Network Reform Program; and
- Fully harnessing the skills and capabilities of our people through a clear focus on leadership and cultural transformation, underpinned by our corporate values.

POSITION PURPOSE

The Chief Operating Officer is accountable to the CEO for the safe, reliable and sustainable development, construction, maintenance and operation of all electrical infrastructure in Essential Energy. The Chief Operating Officer also has responsibility for the delivery of safety, human resources, environment, communications and finance support and management of information and operations technology that enables the achievement of Essential Energy's objectives.

The Chief Operating Officer leads a whole of company commitment in which the safety of

employees, contractors and the communities in which we work is seen as the number one priority and where continuous improvement in safety performance is owned by all employees.

The Chief Operating Officer is responsible to manage Essential Energy's performance of its contractual obligations with [insert Retailer] under the terms of the Transitional Services Agreement.

KEY ACCOUNTABILITIES

The Chief Operating Officer is accountable for the positions and key functions described below:

Chief Engineer

- Provide long term stewardship of the network including policies, standards, growth, renewal and maintenance planning, and reliability and compliance management. This includes development of a detailed asset management program within a framework determined by Group General Manager Network Strategy and development of plans to optimally sustain network condition, safety, asset utilisation, supply security and network performance.
- Direct and manage strategic projects including network technology.
- Manage the implementation of the network strategy & compliance framework as determined by Group General Manager Network Strategy.

Network Development

- Overall program management and delivery of the network capital and maintenance programs. This includes the establishment of a Program Management Office to provide end to end project management of all projects (including contractor management and the external works program).
- Deliver efficient and effective asset management services including vegetation management, asset inspection and streetlight management.

Network Operations

- Overall management of the network to deliver a safe, reliable and sustainable outcome
- Manage field operations resources to maintain the electricity distribution network to meet license requirements and customer expectations. This includes works scheduling, program delivery, supply interruptions, emergency response, line safety management and implementation of the metering strategy.
- Maintain oversight of the network and work being conducted on the network. This includes management of the systems control function.

People and Network Services

Support the network business through the delivery of key support activities as follows:

- Manage the provision of core people services to support improved delivery of business outcomes. This includes employee relations and business partnering, change

management support employee advice, recruitment, payroll and training. This also includes implementation of Group people strategies and policies.

- Support the operations of the network business through the delivery of key support activities including customer and market services, procurement, transport, property and logistics consistent with strategic direction from the Group.
- Deliver local internal and external communications and stakeholder management. This includes employee communications, regional media management and community relations activity.
- Deliver retail support services to Origin in accordance to service levels established in the Transitional Services Agreement.

Finance and Compliance

- Financial management of the business including risk, compliance and regulation. This includes providing financial management support for the business, financial reporting and analysis, business development and commercial support, general ledger, accounts payable, budgeting and forecasting processes and provision of decision support analysis and advice.
- Manage governance requirements including risk and insurance, compliance, audit, fraud control and records, and provide Board and Executive support as required.

Health, Safety and Environment

- Manage the health, safety and environment strategy, program development, audit and compliance. This includes the development and management of health, safety and environment management systems within the network business in line with Group strategy and policies.
- Implement public safety strategies and investigation of accidents and incidents and capture to learnings in order to improve safety and environmental management systems and performance.

Information Communication and Technology

- Manage the provision, delivery and operations of all network and business Information, Communication and Technology (ICT) requirements in line with Group strategy. This includes leading Network Company's IT/OT approach and delivery to optimise capital investment and opex spend, maximise value from IT/OT investments and drive efficiencies in the business which are aligned to Group strategy and initiatives.
- Maintains and operates network security and SCADA systems.

POSITION DIMENSIONS

Staff

Number of direct reports: 7

Number of staff reporting indirectly: approx 6000/4600/2950 FTE

Budget (annual) direct responsibility

CAPEX \$1.7b/947m/673m

OPEX \$797/472/394m

(Based on 2012/13 budget targets)

Value of electricity assets: \$12.7/6.1/5 billion

CHALLENGES

- Ensuring a whole of organisation focus and commitment to safety as the “number on” priority and continuous improvement in safety performance
- Leading a large organisational change and reform agenda delivering significant cash savings in line with performance and savings objectives determined by Network’s NSW
- Meeting the customer service and network performance targets for Essential Energy
- Development of a culture that is safety focused, customer centred and efficiency drive
- Manage Essential Energy’s unions based on respect and consultation to deliver value to Network Company customers
- Developing a Strategic Asset Management Plan (SAMP) consistent with group policies and standards, including growth, renewal, compliance and maintenance plans and ensuring their implementation
- Lifting the performance of Essential Energy through optimised use of resources, rationalisation of operations
- Implementing Group strategies, policies and frameworks, and working to matrixed reporting relationships

KEY RELATIONSHIPS

- Chief Executive Officer, Chief Operating Officers, Group Executives and Board - advising and reporting on Essential Energy plans and performance.
- Managers and key staff - promoting organisational and business change, setting performance targets, leading cultural change and dealing with performance shortfalls.
- Major contractors and business customers - resolving major contractual performance problems.

WORK HEALTH AND SAFETY

Demonstrate personal leadership in the implementation of Essential Energy's Safety Management System and facilitate its effectiveness by ensuring adequate resources are available, that all employees are aware of their Work Health and Safety obligations and that one's personal behaviour models the organisation's commitment to Work Health and Safety.

ETHICS, EEO, ENVIRONMENT AND QUALITY

All employees within Essential Energy are required to have an awareness of, and a commitment to:

- The Essential Energy values and code of ethics
- Equal Employment Opportunity
- Environmental Management Protection

This is in addition to the specific job details described in this document, and in conjunction with

the appropriate Essential Energy policies and procedures as amended from time to time.

KNOWLEDGE, SKILLS AND EXPERIENCE

Desirable Qualifications

- Tertiary qualifications in engineering or relevant degree discipline.
- Management qualification from a recognised institution.

Experience

- A senior executive with demonstrated experience in managing large scale infrastructure operations with significant weighting of experience in the electricity distribution industry.
- Strong resource, budget and people management and leadership with demonstrated experience in driving substantial reform and change agendas.
- Industrial Relations experience at a senior operating level in a highly industrialised environment.

LEADERSHIP COMPETENCIES

COMPETENCY	EXECUTIVE BEHAVIOURS
<p>Strategic thinking Sees the bigger picture. Applies experience and knowledge to bring fresh insights and new ideas to the business.</p>	<ul style="list-style-type: none"> ▪ Conceptualises and delivers something new or significant for the business ▪ Breaks the mould, realises opportunities that others cannot see ▪ Can create innovative, breakthrough strategies and plans.
<p>Initiative Anticipates and takes action to create opportunities, overcome challenges and avoid future problems.</p>	<ul style="list-style-type: none"> ▪ Anticipates and takes action to create an opportunity or avoid a future problem, looking ahead within a three to five year time frame ▪ Creates a framework which enables others to consider and/or anticipate the potential for future problems ▪ Proactively seeks out strategic opportunities to grow the business ▪ Re-shapes the organisation to take advantage of long term growth opportunities ▪ Thinks of and takes action which will benefit the whole organisation.
<p>Developing others Recognise's others' potential and their development needs. Supports their capability and long term.</p>	<ul style="list-style-type: none"> ▪ Provides (or assigns others to provide) in depth coaching or mentoring and ongoing developmental support ▪ Carefully selects development assignments in order to build long term capability.
<p>Leading people Energises and aligns employees around a shared vision. Creates a climate in which our employees want to do their best.</p>	<ul style="list-style-type: none"> ▪ Provides a clear vision of future success which is compelling and engaging ▪ Believes in the vision and inspires confidence in the vision ▪ Generates excitement, enthusiasm and commitment to the vision ▪ Talks about possibilities; is optimistic about the future.
<p>Communicating and influencing Gains the support of key stakeholders in courses of action that benefit the business.</p>	<ul style="list-style-type: none"> ▪ Thinks through how they will influence over time and develops deliberate influencing strategies ▪ Builds support for ideas through informal stakeholders ▪ Uses an in depth understanding of the interactions within a group to move towards a specific outcome.
<p>Mobilising change Displays openness to change, inspires others to change and acts to make change happen.</p>	<ul style="list-style-type: none"> ▪ Creates a sense of urgency for change ▪ Challenges the status quo when appropriate by comparing it to an ideal or vision of change ▪ Anticipates and take actions to address the emotional impact of change ▪ Recognises and reinforces the behaviours of those who embrace the change ▪ Encourages others to recognise that change is the norm.
<p>Customer focus Creates customer value by understanding and acting in the best interests of the customer.</p>	<ul style="list-style-type: none"> ▪ Looks for long term benefits that create value for the customer ▪ Becomes involved in the customer's decision making process as appropriate ▪ Builds an independent opinion on customers' needs and problems; recommends approaches which are new and different from those requested by the customer ▪ Anticipates the customer's future needs.
<p>Drive for results Takes personal accountability for delivering results. Displays an inner drive to improve performance and achieve a standard of excellence.</p>	<ul style="list-style-type: none"> ▪ Takes calculated risks to achieve long term improvement ▪ Conducts detailed cost-benefit analyses, being mindful of the corporate values ▪ Persistently drives through obstacles ▪ Puts commercial results ahead of personal credibility; is courageous in decision making.
<p>Holding to account Takes personal accountability for delivering results. Displays an inner drive to improve performance and achieve a standard of excellence.</p>	<ul style="list-style-type: none"> ▪ Rigorously manages performance against demanding targets ▪ Consistently challenges individuals openly and constructively about performance problems; takes action if performance does not improve ▪ Creates a 'performance culture' where effective performance and continuous improvement are valued.

Appendix 2 Curriculum Vitae removed for confidentiality.

Board Policy

GOVERNANCE	Document No : CECP0002.03 Amendment No : 1 Approved By : Board (Item 3.2) Approval Date : 30/07/2014 Review Date : 30/07/2015
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CECP0002.03 RISK MANAGEMENT

1.0 POLICY STATEMENT

The board will support management to enable, develop and sustain a consistent, positive culture of risk management that is based on the proactive and systematic identification and management of risk to support delivery of safe, reliable and efficient electricity services to our customers.

This policy is in accordance with the board's responsibilities under its charter to minimise the possibility of the company operating beyond acceptable levels of risk. It also supports the board's responsibility to exercise due care, diligence and skill in relation to risk management.

Risk exists in many forms. The Risk Management Framework is firmly premised on identification of risks and the development and implementation of initiatives and treatment actions to reduce as far as reasonably practicable risks to the health and safety, network, finance, compliance, reputation, environment, people, strategy and Information, Communication and Technology (ICT) performance of the company.

The company will work to continually improve risk management performance through close monitoring, regular review and reliable reporting. Such oversight of the effectiveness of risk management processes will be undertaken to provide assurance to the Executive Leadership Team, Chief Operating Officer, Executive Leadership Group, Chief Executive Officer, the Board and shareholders.

2.0 PURPOSE

To establish that the requirements for the development, implementation, communication and review of the Risk Management Framework are continually aligned with the delivery of proactive, systematic risk management that is aimed at integrating risk management into all that we do as a company.

3.0 REFERENCES

Internal:

CECP0002 - Board Policy – Governance (including Annexure A – Board Charter and Board Committee Charters)

CECP0002.02 - Board Policy (Governance) – Compliance

Annexure A – Common Risk Matrix

Annexure B – Common Risk Framework – Governance Structure

External:

ISO 31000:2009 – Risk Management – Principles and Guidelines

NSW Treasury Risk Management Toolkit for the NSW Public Sector (TPP12-03)

4.0 DEFINITIONS

Where applicable, definitions are consistent with ISO 31000:2009 – Risk Management – Principles and Guidelines.

As Low As Reasonably Practicable (ALARP)

Core to this concept is “reasonably practicable”. The objective is to eliminate risk. If it is not reasonably practicable to eliminate a risk, then it should be minimised to as low as reasonably practicable (in accordance with the hierarchy of controls). ALARP is the level of risk that is tolerable and cannot be reduced further without the expenditure of cost, time and/or effort that is disproportionate to the benefit gained or where the solution is impractical to implement.

Business Continuity Management (BCM)

Holistic management process that identifies potential threats to an organisation and the impacts to business operations those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability of an effective response that safeguards the interests of key stakeholders, reputation, brand and value-creating activities [ISO 22301].

Business risk category

Nine business risk categories have been identified for grouping high level risks that have the potential to prevent the company from achieving its objectives. A Risk Category Owner is assigned to monitor the risk management activities undertaken in regard to each business risk category.

Corporate Risk Management Plan

The Corporate Risk Management Plan details the risks to the achievement of the company’s strategic and operational objectives. This includes the company risk profile, results of the risk assessments, key risk indicators and the treatment action plans.

Document Control

Employees who work with printed copies of document must check the BMS regularly to monitor version control. Documents are considered “uncontrolled if printed”, as indicated in the footer.

Executive Leadership Group

Chief Executive Officer, Chief Operating Officers, Group Chief Financial Officer, Group Executive Network Strategy, Group Executive People & Services and Board Secretary.

Executive Leadership Team

Chief Operating Officer, General Manager Health, Safety & Environment, General Manager People & Services, Chief Engineer, General Manager Network Development, General Manager Network Operations, General Manager Finance & Compliance and General Manager Information, Communications & Technology.

Group Risk Category Owner

The Group Executive with the authority and accountability to undertake risk assessments to support the delivery of the Strategic Plans, and reviewing and endorsing the risk ratings and ALARP status of the hazardous events included in their risk category.

Hazard

Source of potential harm.

Hazardous event

An event which has the potential to cause harm (ie loss or damage).

Hierarchy of controls

Elimination of a hazard is the most effective control and if this is not reasonably practicable to achieve, implementation of additional controls should be considered based upon their degree of effectiveness. This order is referred to as the hierarchy of controls and comprises elimination, substitution, isolation, engineering controls, administrative controls and finally use of personal protective equipment.

Network Fatal Risk

A hazardous event that has the potential to result in a permanent disability or fatality. Network Fatal Risks are those that can be described as low frequency, however high consequence and form a prioritised subset of operational risks.

Operational Risk

A hazardous event linked to day-to-day activities undertaken by the company.

Positive risk culture

Is evident in a company when employees are aware of the company's activities, operations and objectives; consider the opportunities and what can go wrong; and takes action to harness the opportunities and address the consequences.

Review date

The review date displayed in the header of the document is the future date for review of a document. The default period is three years from the date of approval however a review may be mandated at any time where a need is identified due to changes in legislation, organisational changes, restructures, occurrence of an incident or changes in technology or work practice.

Risk

The effect of uncertainty on objectives.

Risk Category Owner

The Executive Leadership Team member nominated by the Chief Operating Officer to have oversight of all hazardous events contained within a Business Risk Category.

Risk management

Coordinated activities to direct and control the company with regard to risk.

Risk Management Framework

The set of foundation documents and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the company.

Risk management plan

A document that formally collates the results of risk assessments related to a specific set of objectives. This includes the risk ratings, key risk indicators and treatment action plans for the reduction of risk to a tolerable level.

Risk management process

The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Management Strategic Plan

The Risk Management Strategic Plan details the initiatives aimed at strengthening system weaknesses identified through the monitoring and review of the Risk Management Framework. Implementation of the Risk Management Strategic Plan aims to embed continuous improvement in the Risk Management Framework and its application. Covering a three year period, the Risk Management Strategic Plan is reviewed and revised annually.

Risk Owner

The employee with the authority and accountability to make decisions to treat, or not to treat a risk. Generally this is the Risk Category Owner, however it may be another Executive Leadership Team member with accountability for the management of the hazardous event and development and completion of treatment action plans.

Risk profile

The description of the company's risks.

Risk treatment

The development and implementation of measures to modify risk. Defined in the Risk Management process as a Treatment Action Plan. Risk treatment measures may include:

- avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- taking or increasing risk in order to pursue an opportunity;
- removing the risk source;
- changing the likelihood;
- changing the consequences;
- sharing the risk with another party or parties (including contracts and risk financing); and
- retaining the risk by informed decision.

Strategic Risk

A hazardous event either related to the development of the Networks NSW Strategic Plan or the delivery of initiatives contained in the subordinate Strategic Plans.

Uncertainty

The state, even partial, of deficiency of information related to a future event, consequence or likelihood.

5.0 KEY REQUIREMENTS

The board intends that the company will preserve [and where possible, create] value for the community and our shareholders through adherence to a positive culture of risk management that is aligned to ISO 31000: 2009 – Risk Management – Principles and Guidelines. The company will demonstrate its commitment to risk management through the following actions:

- embedding effective risk management into the company, making it an integral part of normal business practice and decision making;
- applying a positive risk culture of risk management commensurate with our need to pursue commercial opportunities while delivering essential services to the community;
- maintaining a robust Risk Management Framework including Business Continuity Management, centred on treatment actions to minimise the chance of harm or loss, maximise safe operations and support shareholder growth;

- actively monitoring the internal and external environment to identify emerging risks;
- implementing appropriate risk management plans and to regularly assess and review potential strategic, Network Fatal and operational hazardous events and controls in a consistent manner utilising common systems and methodologies;
- engaging in regular, effective consultation and open communication on risk management both within the network companies, Networks NSW and relevant external stakeholders; and
- providing our workers, managers and contractors with access to relevant risk management guidelines and training and, above all, to continually improve our risk management performance through close monitoring, regular review and reliable reporting.

6.0 ACTIONS TO ACHIEVE IMPLEMENTATION OF THIS POLICY

The board asks the Chief Executive Officer, Chief Operating Officer and the Executive Leadership Team to:

- endorse, support and promote this policy and to lead in the development of a positive risk management culture;
- document a Risk Management Framework including development of appropriate procedures, systems and tools that meet the intent and performance objectives of the Networks NSW Risk Management Strategic Plan and each network company's Corporate Risk Management Plan;
- support management and employees across the company to apply risk management to their operations, including in the development of policy, strategic planning and change management processes;
- monitor and review risk management performance on an ongoing basis, and to identify opportunities to develop risk management and where possible, reduce risk throughout the company;
- identify continual improvement opportunities to strengthen and mature risk management and to capture opportunities in an overarching Risk Management Strategic Plan applied across the three network companies;
- consult and communicate on risk management to provide the necessary information and supervision for effective risk management across the company; and
- develop skills and competencies in the company to support effective implementation of the Risk Management Framework. This will include development of training and mentoring programs that facilitate risk management within the divisions.

7.0 AUTHORITIES AND RESPONSIBILITIES

The **Board** has the authority and responsibility for:

- approving and supporting this policy; and
- reviewing and approving the company's risk appetite from time to time, based on the recommendations of the Audit and Risk Committee.

The **Audit & Risk Committee** has the authority and responsibility for:

- reviewing and approving the Risk Management Framework and methodology;
- approving the risk management initiatives contained in the Risk Management Strategic Plan; and
- monitoring the implementation of the requirements of this Policy.

Chief Executive Officer has the authority and responsibility for:

- accounting to the Board for the management and governance of the company, including risk management; and
- leading the development and promotion of a positive risk management culture.

Executive Leadership Group and **Executive Leadership Team** have the authority and responsibility for:

- implementing this policy within their area of responsibility as defined in Annexure B – Common Risk Management Framework – Governance Structure;
- endorsing the Risk Management Strategic Plan for the improvement and maturing of the Risk Management Framework;
- providing leadership in the development and promotion of a positive risk management culture;
- providing adequate competent and skilled resources within their division to support the implementation of this Policy; and
- embedding the company's consistent framework and procedures for the management of risk within their area of responsibility.

Group Executive People & Services has the authority and responsibility for:

- developing the Risk Management Framework and the Risk Management Strategic Plan; and
- commissioning an independent review of this Policy and the Risk Management Framework every three years on behalf of the Audit and Risk Committee.

General Manager Finance & Compliance has the authority and responsibility for:

- establishing appropriate governance mechanisms to support the implementation and ongoing management of the Risk Management Framework; and
- regularly reviewing this Policy so that it remains current and relevant to the company's needs.

Manager Governance, Risk & Compliance has the authority and responsibility for:

- providing leadership in the development and promotion of a positive risk management culture;
- implementing the principles of this policy into the design of the Risk Management Framework;
- implementing the Risk Management Strategic Plan;
- implementing an annual review of the network company's Corporate Risk Management Plan;
- the delivery of awareness, training and mentoring to continue the development of appropriate risk management skills and competencies in the company; and
- establishing the systems and tools to facilitate the risk management process and the implementation of the Risk Management Framework.

8.0 DOCUMENT CONTROL

Content Coordinator : Manager Governance, Risk & Compliance

Distribution Coordinator : GRC Process Coordinator

Annexure A – Common Risk Matrix

	CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Severe
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Low	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

Likelihood Assessment Table

	Almost Certain	Likely	Possible	Unlikely	Rare
Likelihood Criteria	Probability of event occurring - more than 5 times in one year	Probability of event occurring - more than once a year but no more than 5 times in one year	Probability of event occurring - more than once in 10 years but no more than once a year	Probability of event occurring - more than once in 25 years but no more than once in 10 years	Probability of event occurring - less than once every 25 years

Consequence Assessment Table

	Insignificant	Minor	Moderate	Major	Severe
Safety	Low level injury/symptoms requiring first aid only	Non-permanent injuries/work related illnesses requiring medical treatment	Significant non-permanent injuries/work related illnesses requiring emergency surgery or hospitalisation for more than 7 days	Permanent injuries/ work related illnesses to one or more persons	One or more fatalities Significant permanent injuries/ work related illnesses to one or more persons
Network	<p>Corporate SAIDI¹ < 0.25 minute</p> <p>Outage Duration to a small group of customers² < 4 hours</p> <p>Outage to 1 or more Sensitive Load Customers³ Any event where the community/ economic impact to the customer/s is considered to be insignificant</p> <p>Outage to 1 or more CBD⁴ customers Any event where the community / economic impact to the CBD customer/s is considered to be insignificant</p>	<p>Corporate SAIDI¹ 0.25 minute to 1 minute</p> <p>Outage Duration to a small group of customers² 4 to 12 hours</p> <p>Outage to 1 or more Sensitive Load Customers³ Any event where the community /economic impact to the customer/s is considered to be minor</p> <p>Outage to 1 or more CBD⁴ customers Any event where the community / economic impact to the CBD customer/s is considered to be minor</p>	<p>Corporate SAIDI¹ > 1 minute to SAIDI exclusion threshold</p> <p>Outage Duration to a small group of customers² 12 hours to 36 hours</p> <p>Outage to 1 or more Sensitive Load Customers³ Any event where the community /economic impact to the customer/s is considered to be moderate</p> <p>Outage to 1 or more CBD⁴ customers Any event where the community / economic impact to the CBD customer/s is considered to be moderate</p>	<p>Corporate SAIDI¹ > SAIDI exclusion threshold to 20 minutes</p> <p>Outage Duration to a small group of customers¹ 36 hours to 1 week</p> <p>Outage to 1 or more Sensitive Load Customers³ Any event where the community/ economic impact to the customer/s is considered to be major</p> <p>Outage to 1 or more CBD⁴ customers Any event where the community / economic impact to the CBD customer/s is considered to be major</p>	<p>Corporate SAIDI¹ > 20 minutes</p> <p>Outage Duration to a small group of customers¹ > 1 week</p> <p>Outage to 1 or more Sensitive Load Customers³ Any event where the community/ economic impact to the customer/s is considered to be severe</p> <p>Outage to 1 or more CBD⁴ customers Any event where the community / economic impact to the CBD customer/s is considered to be severe</p>
	<p>¹ A measure of the impact of the event on the overall System Average Interruption Duration Index (SAIDI) performance calculated using the organisation's total connected customers as the base</p> <p>² A small group of customers is generally considered to be less than 100 non-sensitive load customers</p> <p>³ Sensitive load customers are customers whose supply Security is substantively Network reliant and where an interruption to their Network supply has the potential to cause widespread community or economic impact</p> <p>⁴ CBD refers to the area within the City of Sydney that is supplied by the triplex 11kV cable system</p>				
Finance#	Ausgrid <= \$500K Endeavour & Essential <= \$250K	Ausgrid = \$500K - \$10M Endeavour & Essential = \$250K - \$5M	Ausgrid = \$10M - \$50M Endeavour & Essential = \$5M - \$25M	Ausgrid = \$50M - \$100M Endeavour & Essential = \$25M - \$50M	Ausgrid >\$100M Endeavour & Essential > \$50M
	# Scaled according to respective network revenues				
Compliance	Indication of interest from Regulator No fines incurred but administration costs may be payable No litigation	Warning/ notifications from Regulator Minor financial penalties Short term duration litigation	Medium financial penalties Medium duration litigation	High financial penalties Lengthy litigation	Significant financial penalties Potential jail term for individuals Extensive litigation Loss of Operational Licence
Reputation	Public concern restricted to local complaints or intra-industry knowledge / awareness	Attention from media and or heightened concern from local community / external stakeholders Criticism from multiple sources for one or two days	Adverse state media/public/stakeholders attention sustained over 1-2 weeks	Significant adverse national media/public/stakeholders attention sustained over 1-2 weeks Loss of confidence by State government minister Directive to amend practice received from regulators	Significant adverse national media/public/stakeholders outcry Sufficient outcry to cause irreparable damage to brand Ministerial enquiry / Royal Commission
Environment	Limited localised damage to minimal area of low significance	Minor impact on biological or physical environment or heritage item over a limited area Little or no need for remediation	Moderate damage over a large area or affecting ecosystem, or heritage item Moderate remediation is required	Serious widespread, long term damage to ecosystem or heritage item Significant rectification is required	Very serious long term, wide spread impairment of ecosystem or heritage item

Annexure B – Common Risk Management Framework – Governance Structure

N E T W O R K S N S W	Main Plan									Networks NSW Strategic Plan
	Supporting Strategic Plans	Health Safety & Environment Strategic Plan	Asset Management Strategic Plan	Finance Strategic Plan	Risk Management Strategic Plan	Customer Strategic Plan	Health Safety & Environment Strategic Plan	Human Resources Strategic Plan		Technology Strategic Plan
	Group Strategic Plan Owner	Group Executive Network Strategy	Group Executive Network Strategy	Group Chief Financial Officer	Group Executive People & Services	Group Executive People & Services	Group Executive Network Strategy	Group Executive People & Services	Group Chief Financial Officer	Group Executive People & Services
	Supported by:	Group Manager Health, Safety & Environment	Group Manager Asset Strategy & Performance	Group Financial Controller	Group Manager Corporate Governance	Group Manager Customer Service	Group Manager Health, Safety & Environment	Group Manager Human Resources	Group Manager Strategy & Performance	Various ICT & OT
	Group Risk Category Owner	Group Executive Network Strategy	Group Executive Network Strategy	Group Chief Financial Officer	Group Chief Financial Officer	Group Executive People & Services	Group Executive Network Strategy	Group Executive People & Services	Chief Executive Officer	Group Executive People & Services
	Business Risk Category	BR1 Safety	BR2 Network	BR3 Finance	BR4 Compliance	BR5 Reputation	BR6 Environment	BR7 People	BR8 Strategy	BR9 ICT
	Risk Category Owner	General Manager Health, Safety & Environment	GM Network Ops (Ausgrid) or Chief Engineer (Endeavour & Essential)	General Manager Finance & Compliance	General Manager Finance & Compliance	General Manager People & Services	General Manager Health, Safety & Environment	General Manager People & Services	Chief Executive Officer	General Manager Information, Communications & Technology
N C E O T M W P O A R N K Y	Supported by:	Nominated Representative	Nominated Representative	Nominated Representative	Nominated Representative	Nominated Representative	Nominated Representative	Nominated Representative	Chief Operating Officer	Nominated Representative



RISK MANAGEMENT

2014-15 Risk Management Plan

July 2014

Version 4 - 5 December 2014

VERSION CONTROL

Version	Change from previous	Date	Comment
1	NA	25.08.2014	
2	Insertion of Responsible Manager BR5.4.1 and BR 5.4.2	17.09.2014	
3	Amendment to KRI BR7.2a and deletion of BR7.2b	6.11.2014	
4	Amendment to BR2.3.1	5.12.2014	

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Appendix A – Hazardous Event Summaries

Appendix B – Alignment between insurance cover and hazardous events

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1.0 OVERVIEW

1.1 Introduction

The 2014-15 Risk Management Plan is the second to be developed under the Networks NSW (NNSW) Risk Management Framework.

The NNSW Risk Management Framework includes:

- Risk Management Policy
- Risk Management Strategy
- Common Risk Matrix
- Risk Assessment Methodology
- Corporate Risk Management Plan Development
- Risk Management Reporting Requirement

The NNSW Risk Management Framework is common across Essential Energy, Endeavour Energy and Ausgrid.

For the purposes of embedding accountability for risk within the organisation, members of the ELT are nominated as Business Risk Category Owners for the nine generic Business Risk categories (Table 1).

Table 1 Business Risk Category Owners

BR Number	Risk Category	Generic Risk Description	Risk Owner
BR 1	Safety	Fatality/serious injury of employee or member of public	GM Health Safety & Environment
BR 2	Network	Significant customer impact related to the Network	Chief Engineer
BR 3	Finance	Significant unbudgeted financial loss	GM Finance & Compliance
BR 4	Compliance	Liability associated with a dispute or material breach of legislation or licence	GM Finance & Compliance
BR 5	Reputation	Sustained public criticism of Essential Energy	GM People & Services
BR 6	Environment	Significant environmental incident	GM Health Safety & Environment
BR 7	People	Failure to deliver performance through people	GM People & Services
BR 8	Strategy	Strategic objectives are not delivered and business opportunities are lost	Chief Operating Officer
BR 9	ICT	Significant ICT system failure	GM Information Communications & Technology

1.2. Context

The 2014-15 Risk Management Plan has been developed in the context of the following external and internal factors.

Essential Energy together with Ausgrid and Endeavour Energy are managed under a new Group governance arrangement. The three separate legal entities continue to operate with a common Chairman, common Directors and CEO. This NNSW group has created a more efficient structure that aims to limit future network charges and put downward pressure on electricity price rises.

Essential Energy's 2014-15 Corporate Plan, continues to focus on meeting the relevant government policies and fulfilling its obligations as a State Owned Corporation through the implementation of strategies developed by NNSW. The context in which these strategies have been developed and the associated uncertainties assessed include the following:

- The economic outlook;
- NSW Government budget and wages policy;
- Continuing trend in the decline in average residential energy consumption in parallel with the continuing growth in peak demand;
- Community concern regards electricity price rises; and
- Australian Energy Regulator (AER) rule changes to the Australian Energy Market Commission (AEMC).

As the manager of the electricity distribution asset, servicing approximately 800,000 customers spread over 775,000 square kilometres, there are a number of intrinsic workplace, environmental and community issues that need to be managed. These include:

- Workplace and public safety;
- Pollution prevention; and
- Community consultation regarding new assets.

Consideration of the inherent issues together with the external context establishes the risk management context for Essential Energy for 2014-15.

1.3 Alignment with Group Strategic Plan

The 2014-15 Group Strategic Plan is supported by 7 key area Strategic Plans that detail the initiatives that will support the delivery of the Group Strategic Plan. This Risk Management Plan includes 7 Strategic hazardous events that are directly linked to delivery of a Strategic Plan and have been given an 'A' designation. As such, there is clear linkage between the Strategic Plans and the risk assessments that have been undertaken regarding their delivery (Table 2).

Table 2 Alignment with Strategic Plans

NNSW Strategic Plans	BR No.	Hazardous Event
Safety Strategic Plan	1.A	Failure to deliver the Safety Strategic Plan
Asset Management Strategic Plan	2.A	Failure to deliver the Asset Management Strategic Plan
Finance Strategic Plan	3.A	Failure to deliver the Finance Strategic Plan
Risk Management Strategic Plan	4.A	Failure to deliver the Risk Management Strategic Plan
Customer Value Strategic Plan	5.A	Failure to deliver the Customer Value Strategic Plan
Human Resources Strategic Plan	7.A	Failure to deliver the Human Resources Strategic Plan
Technology Strategic Plan	9.A	Failure to deliver the Technology Strategic Plan

1.4 Risk Management Plan Development

The 2014-15 Risk Management Plan was developed following a series of risk identification and analysis workshops conducted throughout the organisation between February and May 2014. The workshops focussed on each of the business risk categories and involved subject matter experts from all relevant areas of the business.

The risk analysis methodology was based on the Bow-Tie methodology that considered a plausible worst case hazardous event and identified both the preventative and mitigative controls in place to either reduce the likelihood or mitigate the consequence of the event should it occur. The risk rating criteria used is shown in Table 3.

Table 3 Common Risk Matrix

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD	Almost Certain	Medium	Medium	High	Extreme	Extreme
	Likely	Low	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

Appendix 4

Likelihood Assessment Table

	Almost Certain	Likely	Possible	Unlikely	Rare
Likelihood Criteria	Probability of event occurring - more than 5 times in one year	Probability of event occurring - more than once a year but no more than 5 times in one year	Probability of event occurring - more than once in 10 years but no more than once a year	Probability of event occurring - more than once in 25 years but no more than once in 10 years	Probability of event occurring - less than once every 25 years

Consequence Assessment Table

	Insignificant	Minor	Moderate	Major	Severe
Safety	Low level injury/symptoms requiring first aid only	Non-permanent injuries/work related illnesses requiring medical treatment	Significant non-permanent injuries/ work related illnesses requiring emergency surgery or hospitalisation for more than 7 days	Permanent injuries/ work related illnesses to one or more persons	One or more fatalities Significant permanent injuries/ work related illnesses to one or more persons
Network	SAIDI impact:* <15 seconds (CBD) < 15 seconds (urban) < 35 secs (rural) < 85 secs (long rural) Supply outage to less than 0.5% of customers for a period less than 4 hours Sensitive Load Customers Momentary outage to one or more Sensitive Load Customers where there is no impact to the Customer's operations or the public	SAIDI impact:* 15 secs – 2mins (CBD) 15 secs - 5 mins (urban) 35 secs - 12 mins (rural) 85 secs - 28 mins (long rural) Supply outage to 0.5% to 1% of customers for a period less than 4 hours Sensitive Load Customers Interruption affecting one Sensitive Load Customer for less than 30 minutes, where there is little impact on the Customer's operations or the public	SAIDI impact:* 2 mins - 8 mins (CBD) 5 mins - 10 mins (urban) 12 mins - 24 mins (rural) 28 mins - 280 mins (long rural) Supply outage to 1% to 5% of customers or critical infrastructure for a period less than 4 hours Sensitive Load Customers Interruption affecting one Sensitive Load Customer for: a) a short time but where there is significant impact (e.g. CBD, hospital) b) an extended period of time	SAIDI impact:* 8 mins - 36mins (CBD) 10 mins – 50mins (urban) 24 mins - 240 mins (rural) 280 mins - 560 mins (long rural) Supply outage to 5% to 10% of customers or critical infrastructure for a period in excess of 4 hours Sensitive Load Customers Several significantly Sensitive Load Customers for: a) a short time but where there is significant impact (e.g. CBD, hospital) b) an extended period of time	SAIDI impact:* > 36 minutes (CBD) > 50 minutes (urban) > 240 minutes (rural) .> 560 minutes (long rural) Supply outage to more than 10% of customers or critical infrastructure for a period in excess of 24 hours Sensitive Load Customers Many significantly Sensitive Load Customers for a) a short time but where there is significant impact (e.g. CBD, hospital); or b) an extended period of time
	* A measure of the impact of the event on the overall System Average Interruption Duration Index (SAIDI) performance for the organisation calculated using the organisation's total connected customers as the base.				
Finance#	Ausgrid <= \$500K Endeavour & Essential <= \$250K	Ausgrid = \$500K - \$10M Endeavour & Essential = \$250K - \$5M	Ausgrid = \$10M - \$50M Endeavour & Essential = \$5M - \$25M	Ausgrid = \$50M - \$100M Endeavour & Essential = \$25M - \$50M	Ausgrid >\$100M Endeavour & Essential > \$50M
	# Scaled according to respective Network revenues				
Compliance	Indication of interest from Regulator No fines incurred but administration costs may be payable No litigation	Warning/ notifications from Regulator Minor financial penalties Short term duration litigation	Medium financial penalties Medium duration litigation	High financial penalties Lengthy litigation	Significant financial penalties Potential jail term for individuals Extensive litigation Loss of Operational Licence

Consequence Assessment Table

	Insignificant	Minor	Moderate	Major	Severe
Reputation	Public concern restricted to local complaints or intra-industry knowledge / awareness	Attention from media and or heightened concern from local community / external stakeholders Criticism from multiple sources for one or two days	Adverse national media/public/stakeholders attention sustained over 1-2 weeks	Significant adverse national media/public/stakeholders attention sustained over a month Loss of confidence by State government minister Directive to amend practice received from regulators	Significant adverse national media/public/stakeholders outcry Sufficient outcry to cause irreparable damage to brand Ministerial enquiry / Royal Commission
Environment	Limited localised damage to minimal area of low significance	Minor impact on biological or physical environment or heritage item over a limited area Little or no need for remediation	Moderate damage over a large area or affecting ecosystem, or heritage item Moderate remediation is required	Serious widespread, long term damage to ecosystem or heritage item Significant rectification is required	Very serious long term, wide spread impairment of ecosystem or heritage item

Appendix 4

Through the risk rating process the business can ensure that resources are focussed on establishing effective controls that can eliminate the risk entirely, reduce the severity of any impact and/or reduce the likelihood of the event occurring. If not eliminated entirely, the aim is to reduce the residual risk of these hazardous events to 'As Low As Reasonably Practicable' (ALARP).

The risk associated with a hazardous event is considered ALARP when existing controls are considered sufficient to limit the Residual risk to an acceptable level or that there are no additional controls that could be practicably undertaken to reduce the risk further. The criteria used for the assessment of ALARP status were:

- No new controls are planned or being considered; and/or
- Where a treatment action is part of an on-going multi-year program, a decision has been made that it is not practicable to speed up the program or undertake other actions.

Where gaps were identified in the control environment and the hazardous event was considered non-ALARP, a Treatment Action Plan outlining the actions, responsibilities and due dates was documented. Key Risk Indicators were also developed, preferably one leading and one lagging, to monitor potential changes to the risk rating.

Each Business Risk Category Owner has endorsed the risk summaries contained in Appendix A. In doing so, each Owner endorses, the risk rating, ALARP status and where required the risk treatment action plans for their respective hazardous events.

1.5 Plan Structure

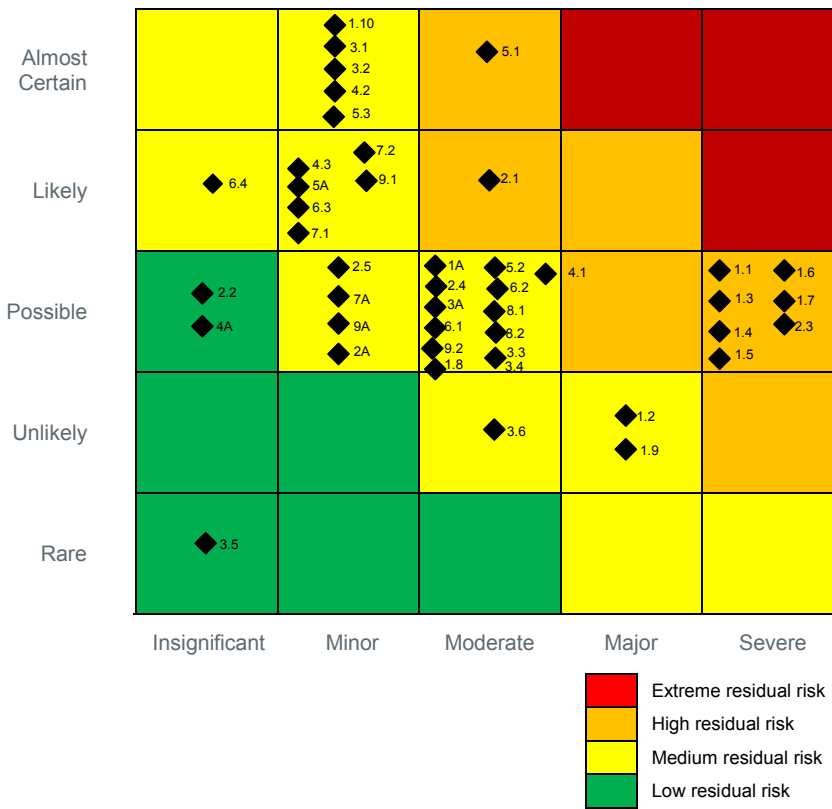
This Plan is structured as follows:

- Section 2.0 summarises the 2014-15 risk profile.
- Section 2.1 provides details on Network Fatal Risks and those hazardous events with a residual risk rating of 'High' where controls that have not reduced the risk rating to 'As Low As Reasonably Practicable' i.e. 'High' Non-ALARP.
- Section 3.0 details how the ELT will be kept informed of changes to the risk profile.
- Appendix A contains the details of each of the 43 hazardous events including their definition, causes, consequences, key controls, risk analysis rationale, treatment action plan and the leading and lagging key risk indicators that will be used to monitor the effectiveness of the existing controls.
- Appendix B details the alignment between insurance cover and hazardous events.

2.0 2014-15 RISK PROFILE

The risk assessment process has identified a total of 43 hazardous events (7 Strategic and 36 Operational) that are material to Essential Energy meeting its Corporate objectives (refer to Figure 1).

Figure 1 Essential Energy Full Risk Profile 2014-15



BR No	Hazardous Event	BR No	Hazardous Event
1A	Failure to deliver the Health, Safety & Environment Strategic Plan	3.5	Material adverse movement relating to significant foreign exchange and commodity prices exposure
1.1	Exposure to unintended discharge of electricity	4A	Failure to deliver the Risk Management Strategic Plan
1.2	Exposure to hazardous chemicals/materials	4.1	Disputes leading to litigation
1.3	Fall from height	4.2	Non-compliance with legislation or license conditions
1.4	Motor vehicle accident	4.3	Corrupt conduct by an employee, consultant or contractor
1.5	Unintended contact with mobile plant	5A	Failure to deliver the Customer Value Strategic Plan
1.6	Struck by falling or moving object	5.1	Misalignment between Community expectations and management decisions
1.7	Incident while undertaking lifting operations	5.2	Ineffective management response to an incident/crisis
1.8	Uncontrolled collapse of excavation work	5.3	Failure to deliver minimum customer service expectations
1.9	Breach of controlled worksite when working near or around traffic	6.1	Polluting the environment
1.10	Exposure to hazardous manual task	6.2	Unauthorized development or damage to flora/fauna or heritage
2A	Failure to deliver the Asset Management Strategic Plan	6.3	Inappropriate management of waste and/or contaminated materials
2.1	Performance of the Network is inadequate to meet customers supply expectations	6.4	Excessive and intrusive emissions
2.2	The Network has insufficient capacity/capability to meet the demands placed on it	7A	Failure to deliver the Human Resource Strategic Plan
2.3	Major fire caused by the Network or Network activity	7.1	Poor cultural alignment following new Operating Model implementation
2.4	Loss of Upstream supply	7.2	Loss of key knowledge and/or experience
2.5	Insufficient water or quality issue	8.1	Failure to develop a robust Strategy
3A	Failure to deliver Finance Strategic Plan	8.2	Failure to deliver Strategy
3.1	Loss of or damage to a physical organizational asset	9A	Failure to deliver the Technology Strategic Plan
3.2	Claim for personal injury, death or property damage or other loss to a Third Party (excluding bushfire)	9.1	Loss of ICT & OT service
3.3	Shortfall in expected profit	9.2	Breach of data integrity and/or security
3.4	Financial loss due to Retailer non-payment		

2.1 Potentially fatal and other high risk events

At Essential Energy we undertake activities that expose the workforce to potentially fatal hazards. The business considers nine safety related hazardous events to be 'Network Fatal Risks'.

The risk assessment process has also identified other hazardous events that have a high potential to impact either the safety of the workforce and public and/or to impose significant financial stress on the organisation.

2.2 Network Fatal Risks

The nine hazardous events that have potentially fatal outcomes and their risk ratings are detailed below (Table 4) and shown in Figure 2.

Table 4 Network Fatal Risks

BR No	Hazardous event	Risk rating	ALARP status
1.1	Exposure to unintended discharge of electricity	High	Non-ALARP
1.2	Exposure to hazardous chemicals/materials	Medium	Non-ALARP
1.3	Fall from height	High	Non-ALARP
1.4	Motor vehicle accident	High	Non-ALARP
1.5	Unintended contact with mobile plant	High	ALARP
1.6	Struck by falling or moving object	High	Non-ALARP
1.7	Incident while undertaking lifting operations	High	Non-ALARP
1.8	Uncontrolled collapse of excavation work	Medium	ALARP
1.9	Breach of controlled worksite when working near or around traffic	Medium	ALARP

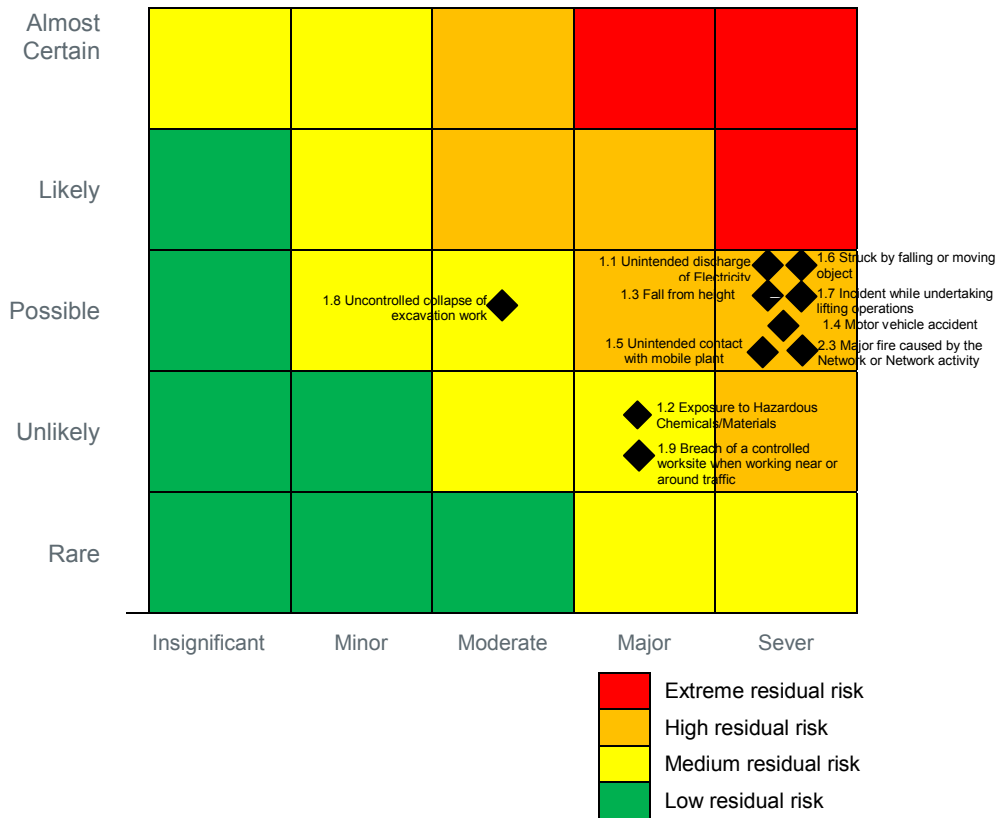
2.3 High' Non-ALARP events

A further three hazardous events have been assessed as having a 'High' Residual Risk rating with two assessed as being at 'ALARP' and one as 'Non-ALARP' as detailed below (Table 5) and shown in Figure 2.

Table 5 High' Non-ALARP hazardous events

BR No	Hazardous Event
2.3	Major fire caused by Network activity

Figure 2 Network Fatal Risks and 'High' Non-ALARP hazardous events



2.4 Key controls for 'High' Non-ALARP hazardous events

Due to the maturity of the organisation with regard to risk management, assessment of the options to eliminate the risk, or use substitution or engineering controls to manage the risk, has been undertaken. As a consequence, the organisation must rely on administrative and behavioural controls to reduce the risk associated with any Non-ALARP hazardous events. As such, there is a high reliance placed on engaging and supervising the workforce to achieve high compliance rates with policies and procedures. The key controls, that is, those that are most effective in either preventing the event or have the greatest mitigative potential are listed in Appendix A.

Transfer or financial risk via insurance policies is the principal means by which the financial impact of a hazardous event is minimised. While insurance can mitigate the financial impact of a personal injury event or a major bushfire, it cannot reduce the reputational impacts that are generated. On this basis, additional controls are required to limit the full impact of these large hazardous events. The alignment of insurance cover against the organisation's hazardous events is summarised in Appendix B.

3.0 RISK REPORTING

3.1 Reporting Framework

The 2014-15 Risk Management Plan is an active document which provides the platform for responding to changes in the risk profile and the actions of Essential Energy management in the implementation of Treatment Action Plans throughout the 2014-15 year.

Monitoring and reporting of performance on control implementation and effectiveness will be provided for noting at the respective meetings of the ELT. A summary report focused on the Strategic, Network Fatal Risks and 'High' Non-ALARP Operational risks will be presented to the Board and the Audit & Risk Committee.

Risk management performance will be measured, monitored and reported using the following metrics:

- Treatment Action Plan Implementation
- Key Risk Indicator Performance

A summary of the number of measures to be used for risk reporting is shown in Table 6.

Table 6 Risk reporting measures

BR Number	Risk Category	No. of treatment actions	No. of Key Risk Indicators
BR 1	Safety	13	49
BR 2	Network	3	19
BR 3	Finance	0	12
BR 4	Compliance	0	8
BR 5	Reputation	2	9
BR 6	Environment	1	4
BR 7	People	0	9
BR 8	Strategy	0	3
BR 9	ICT	3	5

4.0 BUSINESS RISK CATEGORY SUMMARIES

4.1 BR1 – SAFETY

The generic description of Business Risk Category Safety is fatality/serious injury to employee or member of the public. The Risk Owner is the General Manager Health, Safety & Environment.

Risk Profile Changes

There are a number changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are the result of performing detailed risk evaluations against the Network NSW bow-ties, analysis of detailed controls and the outcome of gap analysis performed.

The changes are:

- *The residual consequence of BR1.1 has been changed from Major to Severe*
- *The ALARP status of BR1.2 has been changed from ALARP to Non-ALARP, the Inherent Likelihood from Almost certain to Likely, the Residual Likelihood from Rare to Unlikely and the Residual Consequence from Severe to Major.*
- *The ALARP status of BR1.3 has been changed from ALARP to Non-ALARP, the Residual Likelihood from Likely to Possible and the Residual Consequence from Major to Severe.*
- *The Inherent Likelihood of BR1.4 changed from Almost certain to Likely, the Residual Likelihood from Likely to Possible and the Residual Consequence from Moderate to Severe.*
- *The Inherent Likelihood of BR1.5 has changed from Almost certain to Likely, and the Residual Consequence from Moderate to Severe.*
- *The Inherent Likelihood of BR1.6 has changed from Almost certain to Likely and the Residual Consequence from Moderate to Severe.*
- *The Residual Consequence of BR1.7 has moved from Major to Severe.*
- *The ALARP status of BR1.8 has been changed from ALARP to Non-ALARP, the Inherent Consequence from Minor to Major, the Residual Likelihood from Unlikely to Possible and the Residual Consequence from Minor to Moderate*
- *The Residual Likelihood of BR1.9 has moved from Possible to Unlikely and the Residual Consequence from Minor to Major.*
- *BR1.11 Exposure to hazardous manual tasks has been re-numbered BR 1.10 and the Residual Consequence changed from Moderate to Minor.*

Following a decision to focus on the Network Fatal Risks BR1.10 (Now BR1.11 and BR1.12-19 have been deleted but will be monitored at the Divisional level. Further details regarding these changes can be found in Appendix A.

2013-14 Monitoring

Risk Treatment Action Plans to reduce the non-ALARP hazardous events for BR1-Safety are defined in Appendix A, including the leading and lagging Key Risk Indicators (KRIs). Monitoring of the implementation of the 13 actions in the Treatment Action Plans, along with status monitoring of the 39 KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.2 BR2 – NETWORK

The generic description of Business Risk Category Network is significant customer service supply failure. The Risk Owner is the Chief Engineer.

Risk Profile Changes

There are no changes to the risk rating or ALARP status compared to the risk assessments undertaken for the 2013-14 Risk Management Plan.

2014-15 Monitoring

Risk Treatment Action Plans to reduce the non-ALARP hazardous events for BR2-Network are defined in Appendix A, including the leading and lagging Key Risk Indicators (KRIs).

Monitoring of the implementation of the three actions in the Treatment Action Plans, along with status monitoring of the 20 KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.3 BR3 – FINANCE

The generic description of Business Risk Category Finance is significant unbudgeted financial loss. The Risk Owner is the General Manager Finance & Compliance.

Risk Profile Changes

There are three changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are:

- *The Residual risk of BR3.1 has been reduced from High to Medium following a further review.*
- *The Inherent risk of BR3.3 has been changed from Medium to High but the residual risk remains at Medium.*
- *BR3.6 Untimely TSA delivery and transition has been deleted following the termination of the TSA.*

Further details regarding these changes can be found in Appendix A.

2014-15 Monitoring

Risk Treatment Action Plans are not required for these hazardous events, however leading and lagging Key Risk Indicators (KRIs) are defined and can be found in Appendix A.

Monitoring of the status 12 KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.4 BR4 – COMPLIANCE

The generic description of Business Risk Category Compliance is material breach of legislation or licence. The Risk Owner is the General Manager Finance & Compliance.

Risk Profile Changes

There are two changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are:

- *The Inherent risk rating for BR4.3 was increased from Medium to High following a review of incidents in the last year. The ALARP status was changed from Non-ALARP to ALARP following implementation of the Fraud & Corruption Control Plan.*

Further details regarding this change can be found in Appendix A.

2014-15 Monitoring

As all three hazardous events have been assessed as ALARP, there is no need for Treatment Action Plans for BR4-Compliance. Leading and lagging Key Risk Indicators (KRIs) for the three hazardous events are defined in Appendix A. The status monitoring of the eight KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.5 BR5 – REPUTATION

The generic description of Business Risk Category Reputation is sustained public criticism of Essential Energy. The Risk Owner is the General Manager People & Services.

Risk Profile Changes

There are two changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are:

- *BR5.3 Failure to embed National Energy Customer Framework (NECF) has been renamed Failure to deliver customer service expectations which includes the NECF requirements.*
- *The ALARP status has changed from ALARP to Non-ALARP as a result of continuing Type 1 and Type 2 Breaches.*

Further details regarding these changes can be found in Appendix A.

2014-15 Monitoring

Risk Treatment Action Plans to reduce the non-ALARP hazardous events for BR5-Reputation are defined in Appendix A, including the leading and lagging Key Risk Indicators (KRIs).

Monitoring of the implementation of the two actions in the Treatment Action Plans, along with status monitoring of the nine KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.6 BR6 – ENVIRONMENT

The generic description of Business Risk Category Environment is significant environmental incident. The Risk Owner is the General Manager Health, Safety & Environment.

Risk Profile Changes

There are six changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are:

- *The Residual risk of BR6.1 has been reduced from High to Medium.*
- *The Residual risk of BR6.2 has been reduced from High to Medium and the risk has moved to ALARP as no new treatment actions are being considered for 2014-2015.*
- *The Inherent risk of BR6.3 has been increased from Medium to High, the residual risk from Low to Medium and the ALARP status has changed from ALARP to Non-ALARP.*

The changes are due to a detailed review facilitated by Networks NSW.

Further details regarding these changes can be found in Appendix A.

2014-15 Monitoring

Risk Treatment Action Plans to reduce the non-ALARP hazardous events for BR6-Environment are defined in Appendix A, including the leading and lagging Key Risk Indicators (KRIs).

Monitoring of the implementation of the one action in the Treatment Action Plan, along with status monitoring of the four KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.7 BR7 – PEOPLE

The generic description of Business Risk Category People is the failure to deliver performance through people. The Risk Owner is the General Manager People & Services.

Risk Profile Changes

There are no changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan.

2014-15 Monitoring

As the two hazardous events have been assessed as ALARP, there is no need for Treatment Action Plans for BR7- People. Leading and lagging Key Risk Indicators (KRIs) for the two hazardous events are defined in Appendix A. The status monitoring of the nine KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

4.8 BR8 – STRATEGY

The generic description of Business Risk Category Strategy is that strategic objectives are not delivered and business opportunities are lost. The Risk Owner is the Chief Executive Officer.

Risk Profile Changes

There are no changes to the hazardous events compared to the risk assessments undertaken for the 2013-14 Risk Management Plan.

The risk ratings and ALARP status for the hazardous events remain unchanged.

2014-15 Monitoring

Risk Treatment Action Plans are not required for these hazardous events however leading and lagging Key Risk Indicators (KRIs) are defined and can be found in Appendix A.

The monitoring of the three KRIs for BR8.1 and BR8.2 will be conducted throughout 2014-15 via the Essential Energy ELT.

4.9 BR9 – ICT

The generic description of Business Risk Category Strategy is significant Information, Communication and Technology and/or Operational Technology system failure. The Risk Owner is the General Manager Information, Communication and Technology.

Risk Profile Changes

There is one change compared to the risk assessments undertaken for the 2013-14 Risk Management Plan.

The change is:

- *The ALARP status of BR9.1 has been changed from Non-ALARP to ALARP given performance over the last twelve months and the completion of treatment action plans.*

Further details regarding this change can be found in Appendix A.

2014-15 Monitoring

Risk Treatment Action Plans to reduce the non-ALARP hazardous event for BR9.2 are defined in Appendix A along with leading and lagging Key Risk Indicators (KRIs).

The implementation of the three actions contained in the Treatment Action Plans along with status monitoring of the five KRIs will be conducted throughout 2014-15 via the Essential Energy ELT.

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APPENDIX A

2014-15 Risk Management Plan

Hazardous Event Summaries

July 2014

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1.0 OVERVIEW

The appendix has been divided into nine sections, one for each of the Business Risk Categories. Within each section, there is a one-page summary of each hazardous event containing the basic information from the Bow-Tie model, details of the risk analysis rationale and the treatment action plan for the hazardous events that have been assessed as Non-ALARP.

2.0 HAZARDOUS EVENT SUMMARIES

2.1 Hazardous Event Summaries BR1 - Safety

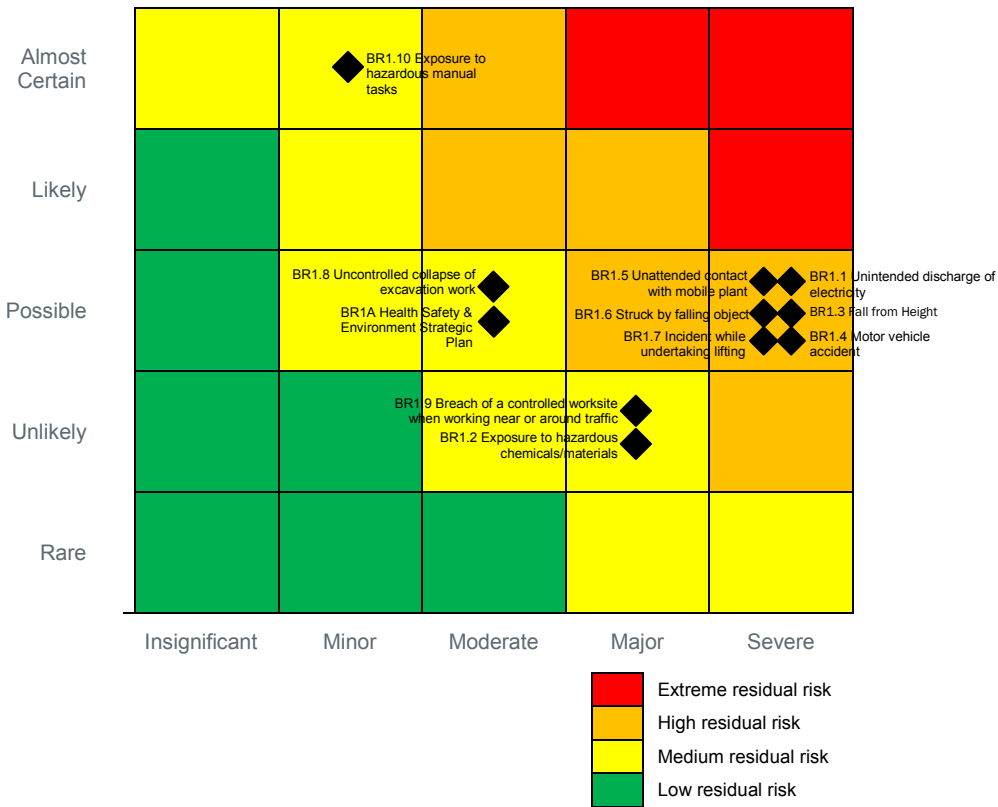
RISK SUMMARY 2014-2015 – BR1 SAFETY

Overview

Fatality or serious injury to a worker or member of the public

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
1A	Failure to deliver the Health, Safety & Environment Strategic Plan	Extreme	Medium	ALARP
NETWORK FATAL RISKS				
1.1	Exposure to unintended discharge of electricity	Extreme	High	Non-ALARP
1.2	Exposure to Hazardous Chemicals/ Materials	Extreme	Medium	Non-ALARP
1.3	Fall from height	Extreme	High	Non-ALARP
1.4	Motor Vehicle Accident	Extreme	High	Non-ALARP
1.5	Unintended contact with mobile plant	Extreme	High	ALARP
1.6	Struck by falling or moving object	Extreme	High	Non-ALARP
1.7	Incident while undertaking lifting operations	Extreme	High	Non-ALARP
1.8	Uncontrolled collapse of excavation work	High	Medium	ALARP
1.9	Breach of controlled worksite when working near or around traffic	Extreme	Medium	ALARP
OPERATIONAL RISK				
1.10	Exposure to hazardous manual tasks	Extreme	Medium	Non-ALARP

FY15 Risk Profile



Context and Changes – BR1 Safety

There are a number of changes compared to the risk assessments undertaken for the 2013-14 Risk Management Plan. The changes are:

- The residual consequence of BR1.1 has been changed from major to severe
- The ALARP status of BR1.2 has been changed from ALARP to Non-ALARP, the inherent likelihood from almost certain to likely, the residual likelihood from rare to unlikely and the residual consequence from severe to major.
- The ALARP status of BR1.3 has been changed from ALARP to Non-ALARP, the residual likelihood from likely to possible and the residual consequence from major to severe.
- The inherent likelihood of BR1.4 changed from almost certain to likely, the residual likelihood from likely to possible and the residual consequence from moderate to severe.
- The inherent likelihood of BR1.5 has changed from almost certain to likely, the residual consequence from moderate to severe.
- The inherent likelihood of BR1.6 has changed from almost certain to likely and the residual consequence from moderate to severe.
- The residual consequence of BR1.7 has moved from major to severe.
- The inherent consequence of BR1.8 has changed from minor to major, the residual likelihood from unlikely to possible and the residual consequence from minor to moderate
- The residual likelihood of BR1.9 has moved from possible to unlikely and the residual consequence from minor to major.
- BR1.11 Exposure to hazardous manual tasks has been re-numbered BR 1.10 and the residual consequence changed from moderate to minor.
- Following a decision to focus on the Network Fatal Risks BR1.10 (Now BR1.11 and BR1.12-19 have been deleted but will be monitored at the Divisional level. Further details regarding these changes can be found in Appendix A.
- The changes are the result of performing detailed risk evaluations of the risk against the Networks NSW bow-ties, analysis of detailed controls and the outcomes of gap analyses performed.

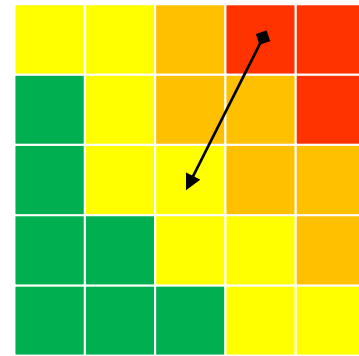
BR No.	Hazardous Event	Status
Safety 1A	Failure to deliver the Health Safety & Environment Strategic Plan	ALARP

Description
 Failure to deliver the initiatives contained in the Health, Safety & Environment Strategic Plan resulting in a failure to protect the environment or the safety of the public, our employees, our contractors and those who are influenced by our business undertakings.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, it could be expected that the majority of initiatives are only partially implemented resulting in a decline in overall safety performance measured as an increase in the number of serious safety incidents for the year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that the plan is fully implemented and that the number of additional incidents would be less serious and less than one per year.



Inherent Risk: Extreme
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Competing priorities	Effective performance management system that includes mandate letters, and appropriate priority actions and scorecards
Lack of effective leadership	Strong governance framework including Group level forums
Changing internal/external environment	Key stakeholder involvement in Strategy development
Changing shareholder requirements	Implementation of the Centre of HSE Excellence
Lack of staff capability	Partnering with key industry HSE thought leaders
Budgetary constraints	Employee relations, change management and communications strategies incorporated into implementation plans

Consequences	Key Mitigative Controls
Commitment to safety not realised	Regular monitoring and reporting on initiatives contained in the Strategic Plan
Damage to public perception	Ability to modify initiative implementation strategy should targets be at risk
Increased regulatory scrutiny/requirements	Effective issues management strategy

Overall Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Safety 1A	Failure to deliver the Health Safety & Environment Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Health, Safety & Environment Strategic Plan resulting in a failure to protect the environment or the safety of the public, our employees, our contractors and those who are influenced by our business undertakings.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Due Date
Not required given ALARP status	

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
1.Aa	Network Fatal Risk Incident Frequency Rate	Fiscal YTD Network Fatal Risk incident frequency rate (excluding near miss incidents)	Lagging
1.Ab	Group Standards for HSE	Number of milestone actions at risk or overdue in relation to Group Standards for HSE	Lagging
1.Ac	Network fatal risk mitigation program	Number of milestone actions at risk or overdue in relation to the Network fatal risk mitigation program	Lagging
1.Ad	Safety leadership competency framework	Number of milestone actions at risk or overdue in relation to the safety leadership competency framework	Lagging
1.Ae	Resource efficiency	Number of milestone actions at risk or overdue in relation to the project evaluation framework for potential resource efficiency projects	Lagging

Subject Matter Expert	GM Health, Safety and Environment
Risk Owner	Group Executive Network Strategy

BR No.	Hazardous Event	Status
Safety 1.1	Exposure to unintended discharge of electricity	Non-ALARP

Description
 An incident involving an unintended discharge of electricity on or near the network which could result in fatality or permanent injury to a worker or member of the public.

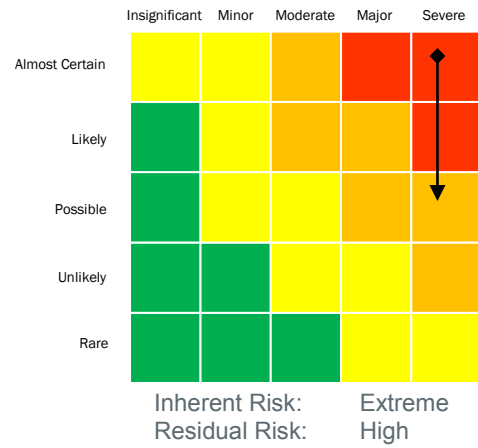
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to workers or members of the public from an uncontrolled discharge of electricity. This could occur more than 5 times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)

With controls in place, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from an uncontrolled discharge of electricity. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Human error and/or violation of work practice, including poor fitness for work	Training, Learning and Development Health & wellbeing Incident management	Plant and Equipment design excl fleet Licencing and Authorisation process Network Design Specifications
Failure of Network asset	Network Design Specifications Network Maintenance and Inspection Construction standards	Licencing and Authorisation process Communication process Community Safety Awareness
Workers or members of the public compromise approach distance	Job planning Licencing and authorisation process Communication process	Community Safety Awareness Construction standards Health and Wellbeing
Mechanical failure, loss of integrity of equipment and/or plant (exc. Network Asset)	Plant & equipment design (exc. Fleet) Communication Process Training, learning and Development Fleet Management	Incident Management Licencing and authorisation process
Third party and/or external causes (exc. Environmental circumstances)	Licencing and authorisation process Community Safety Awareness Training, Learning and Development	Fleet management Health & Wellbeing Job Planning
Failure to de-energise/re-energise appropriately	Job planning Licencing and authorisation process Network design specifications	Network Maintenance & inspection Procedural Risk Management Training, learning and development

Appendix 4

BR No.	Hazardous Event	Status
Safety 1.1	Exposure to unintended discharge of electricity	Non-ALARP

Description
 An incident involving an unintended discharge of electricity on or near the network which could result in fatality or permanent injury to a worker or member of the public.

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Community Safety Awareness Emergency response Incident Management	Network Design Specifications Training, Learning & development Worksite risk management
Injury to member/s of the public	Community Safety Awareness Emergency response Incident Management	Network Design Specifications Training, Learning & development Worksite risk management
Fatality to workers	Emergency response Incident Management Network Design Specifications	PPE Training, Learning & development Worksite risk management Health and wellbeing
Injury to worker/s	Emergency Response Health & Wellbeing Incident Management	Network design specifications PPE Training, Learning & development Worksite risk management
Injury case management costs	Audit Program Incident management Injury Management	Insurance Legal services Training, learning & Development

Non- direct HSE Impacts – considered in other business risk categories
 Third party claim costs (death, injury, property damage, other loss); Loss of productivity ; Fines/Penalties/Prosecution ; Damage to public perception; Increase regulatory scrutiny/requirements
 Network Supply Interruption

Control Environment Effectiveness	Improving
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TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.1.1	Implementation Safety Review Working Group and Safety Review Working Party recommendations	Manager Safety and Environmental Services	30 June 2015
BR1.1.2	Develop and Implement Audit & Assurance Program for NFR 1.1	Manager HSE Assurance and Improvement	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.1a	Controllable SENI	YTD number of Controllable SENI's	Lagging
BR1.1b	Uncontrollable SENI	YTD number of Uncontrollable SENI's	Lagging
BR1.1c	Near hit incidents involving exposure to unintended discharge of electricity	YTD number of near hits where an incident has occurred that did not result in an injury involving exposure to unintended discharge of electricity	Leading
BR1.1d	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – exposure to unintended discharge of electricity	YTD NFRNMFR involving exposure to unintended discharge of electricity	Leading

Subject Matter Expert	Manager Electrical Safety and Authorisation
Risk Owner	GM Health Safety and Environment

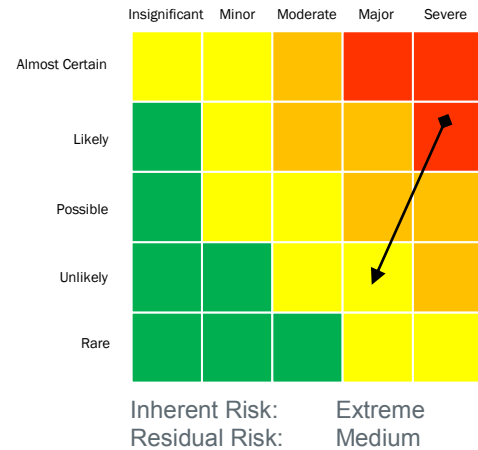
BR No.	Hazardous Event	Status
Safety 1.2	Exposure to hazardous chemicals/materials	Non-ALARP

Description
 An incident involving exposure to hazardous chemicals/materials (including but not limited to asbestos, lead, acid and other chemicals, PCB,SF6, ozone and/or contaminated soil/water in one or more forms (solid, liquid, gas and particulate) that could result in fatality or permanent injury to a worker or member of the public. The event may have resulted from an incident involving loss of control, or in normal controlled activities (e.g. storage, handling, production, transport, recycling or disposal).

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from exposure to hazardous chemicals/materials. This could occur more than once a year but no more than five times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from exposure to hazardous chemicals/materials. However the likelihood of an event of this nature is reduced to occur more than once in 25 years but no more than once in 10 years.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Disturbance of identified hazardous material/substances e.g. Known contaminated area and/or equipment, plant or assets	Worksite risk management Communication process Training, learning and Development	Environmental management Systems Hazardous Substances/materials reduction program PPE
Disturbance of unidentified hazardous material/substances e.g. Unknown contaminated land	Procedural risk management Communication process Supervision	Environmental management Systems Hazardous Substances/materials reduction program Worksite risk management
Inappropriate handling, storage and disposal of hazardous material/substances	Procedural risk management Communication process Job Planning	PPE Hazardous Substances/materials reduction program Worksite risk management
Procurement of hazardous materials/substances	Audit Program Contractor Safety management Procedural risk management	Procurement Requirements Training, learning & development Hazardous Substances/materials reduction program

BR No.	Hazardous Event	Status
Safety 1.2	Exposure to hazardous chemicals/materials	Non-ALARP

Description

An incident involving exposure to hazardous chemicals/materials (including but not limited to asbestos, lead, acid and other chemicals, PCB,SF6, ozone and/or contaminated soil/water in one or more forms (solid, liquid, gas and particulate) that could result in fatality or permanent injury to a worker or member of the public. The event may have resulted from an incident involving loss of control, or in normal controlled activities (e.g. storage, handling, production, transport, recycling or disposal)

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency response Incident management	Training, learning & development Worksite Risk Management
Injury to member/s of the public	Emergency response Incident management	Training, learning & development Worksite Risk Management
Fatality to workers	Emergency response Health & Wellbeing Incident management	Network Design Specifications PPE Training, learning & development Worksite Risk Management
Injury to worker/s	Emergency Response Health & Wellbeing Incident Management Injury management	Network Design Specifications PPE Training, learning & development Worksite Risk Management
Injury case management costs	Audit Program Incident Management Injury Management	Insurance Legal Services Training, learning & development

Non- direct HSE Impacts – considered in other business risk categories

Third party claim costs (death, injury, property damage, other loss); Loss of productivity

Fines/Penalties/Prosecution ; Damage to public perception ; Increase regulatory scrutiny/requirements

Control Environment Effectiveness

Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.2.1	Develop and implement appropriate training and awareness program for identification of hazardous material (other than asbestos)	Manager Safety and Environmental Services	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.2a	Reportable incidents (asbestos)	YTD number of incidents involving asbestos reported to WorkCover	Lagging
BR1.2b	NFR incidents involving exposure to hazardous chemical/materials (excluding asbestos incidents under 1.2a)	YTD number of Total Recordable Injuries involving exposure to hazardous chemicals/materials	Lagging
BR1.2c	Near hit incidents involving exposure to hazardous chemicals/materials	YTD number of near hits where an incident has occurred but did not result in an injury involving exposure to hazardous chemicals/materials	Leading
BR1.2d	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – exposure to hazardous chemicals/materials	YTD NFRNMFR involving exposure to hazardous chemicals/materials	Leading
BR1.2e	Incidents involving exposure to hazardous chemicals/materials	YTD number of incidents (LTIs MTIs AEWs and FAIs) involving exposure to hazardous chemicals/materials	Lagging

Subject Matter Expert

Manager Safety and Environmental Services

Risk Owner

GM Health Safety and Environment

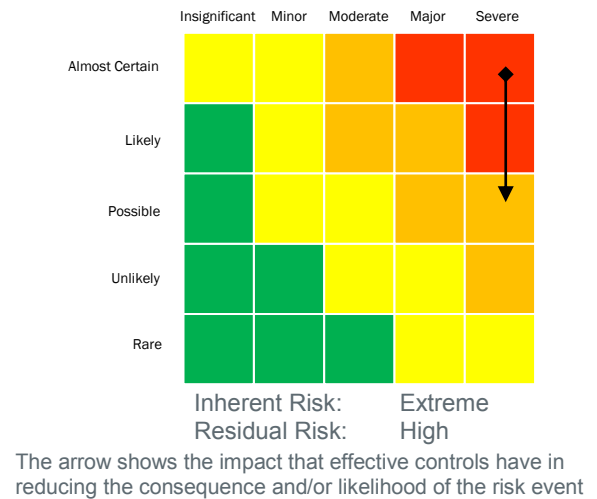
BR No.	Hazardous Event	Status
Safety 1.3	Fall From Height	Non-ALARP

Description
 An incident involving a fall from one level to another that could result in a fatality or permanent injury to a worker or member of the public.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is fatality or permanent injury to worker(s) or members of the public from a fall from height. This could occur more than 5 times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, the plausible worst case consequence is fatality or permanent injury to worker(s) or members of the public from a fall from height. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



Causes	Key Preventative Controls	
Human error and/or violation of work practice, including worker/operator not fit for work	Training, learning and development Health and Wellbeing PPE	Contractor safety management Communication process Job Planning
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Plant and equipment design excluding fleet Fleet Management Contractor safety management	Work site risk management Job planning Network maintenance and inspection
Equipment or plant not fit for purpose	Fleet Management Communication Process Worksite risk management	Job Planning Procurement Requirements Supervision
Failure of network asset	Network maintenance and inspection Communication Process Construction Standards	Plant and Equipment design excl fleet Procurement Requirements Network Design Specifications
Third party and/or external causes (exc. Environmental circumstances)	Audit program Procedural risk management Worksite risk management	Training, learning and development Job Planning Licencing & Authorisation Process

Consequences	Key Mitigative Controls	
Fatality to members of the public	Community Safety Awareness Emergency Response Incident Management	Network Design Specifications Training, Learning & Development Worksite Risk Management
Injury to members of the public	Community Safety Awareness Emergency response Incident Management	Network Design Specifications Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency response Health & Wellbeing Incident Management	Network Design Specifications Training, learning and development Worksite Risk Management PPE

Appendix 4

BR No.	Hazardous Event	Status
Safety 1.3	Fall From Height	Non-ALARP

Description
 An incident involving a fall from one level to another that could result in a fatality or permanent injury to a worker or member of the public

Consequences	Key Mitigative Controls	
Injury to worker/s	Emergency response Health & Wellbeing Incident Management	Network Design Specifications Training, Learning & Development Worksite Risk Management PPE
Injury case management costs	Audit Program Incident Management Injury management	Legal services Insurance Training, learning and development

Non- direct HSE Impacts – considered in other business risk categories
 Third party claim costs (death, injury, property damage, other loss); Loss of productivity
 Fines/Penalties/Prosecution ; Damage to public perception Increase regulatory scrutiny/requirements

Control Environment Effectiveness Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.3.1	Develop and Implement Audit & Assurance Program for NFR 1.3	Manager HSE Assurance and Improvement	30 June 2015
BR1.3.2	Review current working at heights procedure and include 'non-common' structures	Manager Safety and Environmental Services	30 June 2015
BR1.3.3	Develop and implement communications plan to focus on fall from heights	Manager HSE Management Systems and Reporting	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.3a	NFR incidents involving fall from height	YTD number of Total Recordable Injuries involving fall from height	Lagging
BR1.3b	Near hit incidents involving all from height	YTD number of near hits where an incident has occurred but did not result in an injury involving fall from height.	Leading
BR1.3c	Fall from height (Safety Interaction Working at Height improvement Opportunities)	Number of Safety Interaction Opportunities identified	Leading
BR1.3d	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – fall from height	YTD NFRNMFR involving falls from height	Leading
BR1.3e	Incidents involving falls from height	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving falls from height	Lagging

Subject Matter Expert	Manager Safety and Environmental Services
Risk Owner	GM Health Safety and Environment

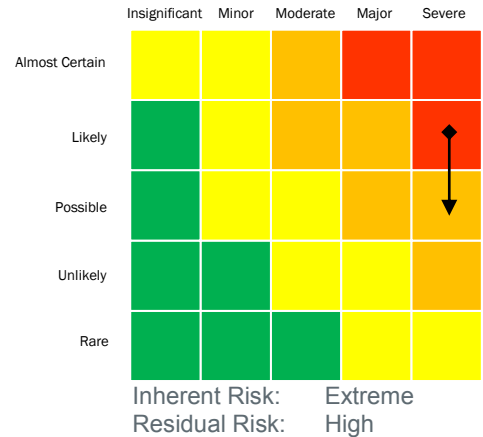
BR No.	Hazardous Event	Status
Safety 1.4	Motor Vehicle Accident	Non-ALARP

Description
 An incident involving a motor vehicle accident (in the course of work related duties) that could result in a fatality or permanent injury to a worker or member of the public. This excludes work related to mobile plant.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from a motor vehicle accident. This may occur more than once a year but no more than five times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from a motor vehicle accident. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Environmental circumstances	Health and Wellbeing Worksite risk management Procedural risk management	Fleet management Licencing & authorisation process Incident management
Equipment or plant not fit for purpose	Fleet management Procurement requirements Incident management	Work site risk management Job Planning Licencing & authorisation process
Human error and/or violation of work practice, including worker/operator not fit for work	Health and Wellbeing Contractor safety management fleet management	Worksite risk management Communication process Procedural risk management
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Fleet Management Contractor safety management Health and Wellbeing	Work site risk management Procurement requirements Procedural risk management
Third party and/or external causes (excl environmental circumstances)	Contractor safety management Fleet management Health and Wellbeing	Job Planning Procedural Risk management Worksite Risk Management

Consequences	Key Mitigative Controls	
Fatality to members of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to members of the public	Emergency response Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency response Health & Wellbeing Incident Management	Training, learning and development Worksite risk management
Injury to worker/s	Emergency response Health & Wellbeing Incident Management	Training, Learning &Development Worksite Risk Management

Appendix 4

BR No.	Hazardous Event	Status
Safety 1.4	Motor Vehicle Accident	Non-ALARP

Description

An incident involving a motor vehicle accident (in the course of work related duties) that could result in a fatality or permanent injury to a worker or member of the public. This excludes work related to mobile plant.

Consequences	Key Mitigative Controls	
Injury case management costs	Audit Program Incident Management Injury management	Legal services Insurance Training, learning and development

Non- direct HSE Impacts – considered in other business risk categories
 Company asset repair/replacement costs; Third party claim costs (death, injury, property damage, other loss)
 Fines/Penalties/Prosecution ; Damage to public perception
 Network Supply Interruption; Environmental harm

Control Environment Effectiveness	Improving
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TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.4.1	Develop and implement a Safe Driving Campaign	Manager HSE Assurance and Improvement	June 2015
BR1.4.2	Implement NFR 1.4 Audit & assurance program	Manager HSE Assurance and Improvement	June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.4a	NFR incidents involving motor vehicle accidents	YTD number of Total Recordable Injuries involving motor vehicle accidents	Lagging
BR1.4b	Near hit incidents involving motor vehicle accidents	YTD number of near hits where an incident has occurred but did not result in an injury involving motor vehicle accidents	Leading
BR1.4c	Motor vehicle claims	YTD number of motor vehicle accidents claimed under Essential Energy's insurance program	Lagging
BR1.4d	Driver infringement notices received	YTD number of driver infringement notices (excluding parking infringements)	Lagging
BR1.4e	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – motor vehicle accidents	YTD NFRNMFR involving motor vehicle accidents	Leading
BR1.4f	Incidents involving motor vehicle accidents	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving motor vehicle accidents	Lagging

Subject Matter Expert	Manager HSE Assurance and Improvement
Risk Owner	GM Health Safety and Environment

BR No.	Hazardous Event	Status
Safety 1.5	Unintended contact with mobile plant	ALARP

Description
 An incident involving unintended contact with mobile plant that could result in a fatality or permanent injury to a worker or member of the public. This includes an event where mobile plant collides/contacts with other mobile plant or a fixed object or person.

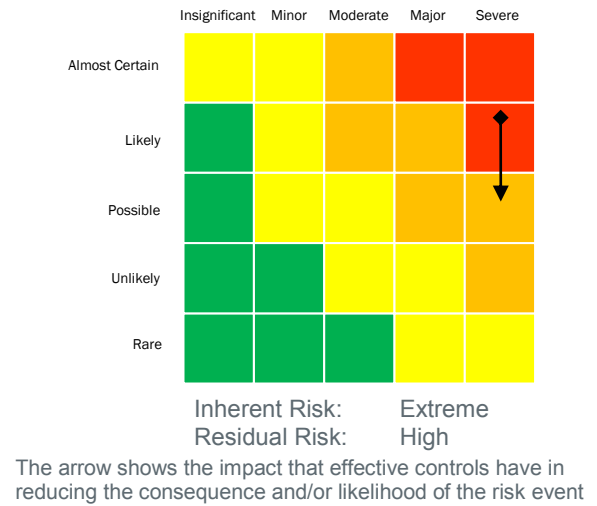
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from unintended contact with mobile plant. This may occur more than once a year but no more than five times a year.

Residual Risk Rationale (plausible worst case with organisational controls)

With controls in place, it might be expected that the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from unintended contact with mobile plant. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



Causes	Key Preventative Controls	
Human error and/or violation of work practice, including worker/operator not fit for work	Job Planning Licencing and authorisation process Communication Process	Supervision Fleet Management PPE
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Fleet Management Job Planning Licencing & Authorisation Process	Plant & Equipment Design exc. Fleet Procedural Risk Management
Third party and/or external causes (exc. Environmental circumstances)	Audit program Contractor Safety Management Fleet Management	Procedural Risk Management Job Planning Licencing & Authorisation Process

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Fleet Management Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Fleet Management Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency Response Fleet Management Incident Management Worksite Risk Management	Health & Wellbeing PPE Training, Learning & Development
Injury to worker/s	Emergency Response Fleet Management Incident Management Worksite Risk Management	Health & Wellbeing PPE Training, Learning & Development
Injury Case Management Cost	Audit Program Incident Management Injury Management Worksite Risk Management	Insurance Legal Services Training, Learning & Development

Non- direct HSE Impacts – considered in other business risk categories
 Third party claim costs (death, injury, property damage, other loss)
 Company asset repair/replacement costs ; Fines/Penalties/Prosecution
 Damage to public perception

Control Environment Effectiveness	Satisfactory
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Appendix 4

BR No.	Hazardous Event	Status
Safety 1.5	Unintended contact with mobile plant	ALARP

Description
An incident involving unintended contact with mobile plant that could result in a fatality or permanent injury to a worker or member of the public. This includes an event where mobile plant collides/contacts with other mobile plant or a fixed object or person.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.5a	NFR incidents involving unintended contact with mobile plant	YTD number of Total Recordable Injuries involving unintended contact with mobile plant	Lagging
BR1.5b	Near hit incidents involving unintended contact with mobile plant	YTD number of near hits where an incident has occurred but did not result in an injury involving unintended contact with mobile plant	Leading
BR1.5c	Network Fatal Risks Near Miss Frequency Rate (NFRNMFR) – unintended contact with mobile plant	YTD NFRNMFR involving unintended contact with mobile plant	Leading
BR1.5d	Incidents involving unintended contact with plant	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving unintended contact with mobile plant	Lagging

Subject Matter Expert	Manager Safety & Environmental Services
Risk Owner	GM Health Safety and Environment

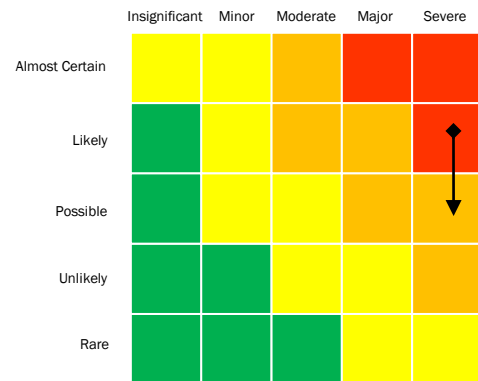
BR No.	Hazardous Event	Status
Safety 1.6	Struck by falling or moving object	Non-ALARP

Description
 An incident involving an object falling from height or moving in an uncontrolled manner that could result in a fatality or permanent injury to a worker or member of the public.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from struck by falling or moving object(s). This may occur more than once a year but no more than five times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public from struck by falling or moving object(s). However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



Inherent Risk: Extreme
 Residual Risk: High

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Failure of network asset	Procurement requirements Network maintenance and inspection Construction standards	Plant and equipment Design excl fleet Licencing & Authorisation Process Network Design Specifications
Human error and/or violation of work practice, including worker/operator not fit for work	Training, learning and development Supervision Licencing & Authorisation Process	Health & Wellbeing Job Planning Communication Process
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Procurement requirements Network design specifications Construction Standards	Fleet Management Job Planning Licencing & Authorisation Process
Third party and/or external causes (exc. Environmental circumstances)	Job Planning procedural risk management Fleet Management	Training, learning and development Job Planning Licencing & Authorisation Process
Environmental circumstances	Communication Process Incident Management Job Planning	Licencing & Authorisation Process Network Maintenance & Inspection Training, Learning & Development

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency Response Worksite Risk Management Incident Management	Health & Wellbeing PPE Training, Learning & Development
Injury to worker/s	Emergency Response Incident Management Worksite Risk Management	Health & Wellbeing PPE Training, Learning & Development

Appendix 4

BR No.	Hazardous Event	Status
Safety 1.6	Struck by falling/moving object	Non-ALARP

Description
An incident involving an object falling from height or moving in an uncontrolled manner that could result in a fatality or permanent injury to a worker or member of the public.

Consequences	Key Mitigative Controls	
Injury Case Management Cost	Audit Program Incident Management Injury Management	Insurance Legal Services Training, Learning & Development
Non- direct HSE Impacts – considered in other business risk categories Third party claim costs (death, injury, property damage, other loss) Fines/Penalties/Prosecution Damage to public perception Increase regulatory scrutiny/requirements		

Control Environment Effectiveness
Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
BR1.6.1 Develop and implement communication plan to address struck by falling or moving object	Manager HSE Management Systems and Reporting	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.6a	NFR incidents involving being struck by falling or moving objects	YTD number of incidents Total Recordable Injuries involving being struck by falling or moving objects	Lagging
BR1.6b	Near hit incidents involving being struck by falling or moving objects	YTD number of near hits where an incident has occurred but did not result in an injury involving being struck by falling or moving objects	Leading
BR1.6c	Network Fatal risk Near Miss Frequency Rate (NFRNMFR) – struck by falling or moving objects	YTD NFRNMFR involving being struck by falling or moving object	Leading
BR1.6d	Incidents involving struck by falling or moving objects (excludes mobile plant or vehicles)	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving being struck by falling or moving objects (excludes mobile plant or vehicles)	Lagging

Subject Matter Expert	Manager Safety and Environmental Services
Risk Owner	GM Health Safety and Environment

BR No.	Hazardous Event	Status
Safety 1.7	Incident while undertaking lifting operations	Non-ALARP

Description
 An incident involving mechanical lifting operations that could result in a fatality or permanent injury to a worker or member of the public.

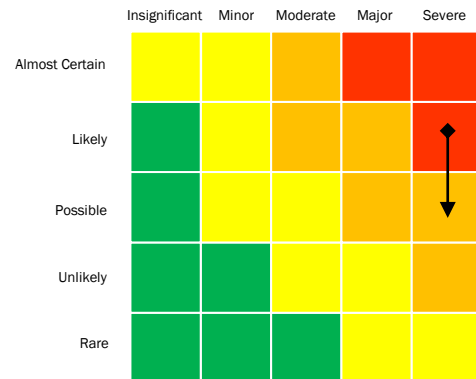
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
 (plausible worst case without organisational controls)**

In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public due to being struck by a falling or moving object. This may occur more than once a year but no more than five times a year.

**Residual Risk Rationale
 (plausible worst case with organisational controls)**

With controls in place, it might be expected that the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public due to being struck by a falling or moving object. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Environmental circumstances	Audit program Job Planning Procurement Requirements	Supervision Training, Learning & Development Worksite Risk Management
Equipment or plant not fit for purpose	Audit Program Communication Process Incident Management	Job Planning Worksite Risk Management Supervision
Human error and/or violation of work practice, including worker/operator not fit for work	Worksite Risk Management Supervision Procedural Risk Management	Licencing and authorisation process Health & Wellbeing Job Planning
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Worksite Risk Management Communication Process Fleet Management	Job Planning Licencing & Authorisation Process Fleet Management
Third party and/or external causes (exc. Environmental circumstances)	Supervision Communication Process Procurement requirements	Job Planning Licencing & Authorisation Process Network Maintenance & Inspection

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency Response Worksite Risk Management Incident Management	Health & Wellbeing PPE Training, Learning & Development
Injury to worker/s	Emergency Response Incident Management Worksite Risk Management	Health & Wellbeing PPE Training, Learning & Development

BR No.	Hazardous Event	Status
Safety 1.7	Incident while undertaking lifting Operations	Non-ALARP

Description

An incident involving mechanical lifting operations that could result in a fatality or permanent injury to a worker or member of the public.

Consequences	Key Mitigative Controls	
Injury case management	Audit program Incident management Injury management	Insurance Legal services Training, learning and development
Non- direct HSE Impacts – considered in other business risk categories Third party claim costs (death, injury, property damage, other loss) Fines/Penalties/Prosecution Damage to public perception Increase regulatory scrutiny/requirements		

Control Environment Effectiveness

Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.7.1	Review HIRAC or develop pre-listing risk assessment/checklist for lifting plant, including consideration of the 'drop zone'	Manager Safety and Environmental Services	30 June 2015
BR1.7.2	Develop and implement safe lifting communications campaign	Manager HSE Management Systems and Reporting	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.7a	NFR incidents involving lifting operations	YTD number of Total Recordable Injuries involving lifting operations	Lagging
BR1.7b	Near hit incidents involving lifting operations	YTD number of near hits where an incident has occurred but did not result in an injury involving lifting operations	Leading
BR1.7c	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – lifting operations	YTD NFRNMFR involving lifting operations	Leading
BR1.7d	Incidents relating to lifting operations	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving lifting operations	Lagging

Subject Matter Expert	Manager Safety and Environmental Services
Risk Owner	GM Health Safety and Environment

BR No.	Hazardous Event	Status
Safety 1.8	Uncontrolled collapse of excavation work	ALARP

Description
 An incident involving unintended ground/earth movement due to Company works that could result in a fatality or permanent injury to a worker or member of the public. (Note: Damage to infrastructure caused by the excavation is covered in BR3.1 and BR3.2)

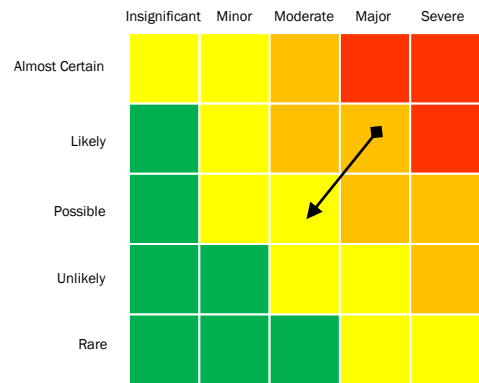
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

In the absence of controls, the plausible worst case consequence is fatality or permanent injury to workers or members of the public from uncontrolled collapse of excavation work. This may occur more than once a year but no more than five times a year.

Residual Risk Rationale (plausible worst case with organisational controls)

With controls in place, it might be expected that the plausible worst case consequence is fatality or permanent injury to workers or members of the public from uncontrolled collapse of excavation work. However the likelihood of an event of this nature is reduced to occur more than once in 10 years but no more than once a year.



Causes	Key Preventative Controls	
Environmental circumstances	Audit Program Incident Management Licencing and Authorisation Process	Procedural Risk Management Training, Learning & Development Worksite Risk Management
Human error and/or violation of work practice, including worker/operator not fit for work	Worksite Risk Management Supervision PPE	Job Planning Health & Wellbeing Licencing and Authorisation process
Inadequate shoring, battering or breaching	Worksite Risk Management Supervision Job planning	Licencing and Authorisation Network Maintenance & Inspection Plant & Equipment design exc. fleet
Proximity of plant, equipment or load	Worksite Risk Management Supervision Job planning	Licencing and Authorisation process Network Maintenance & Inspection Plant & Equipment design exc. fleet
Soil properties (sand, faults, disturbed soil)	Worksite Risk Management Supervision Job planning	Incident Management Licencing and Authorisation process Network Maintenance & Inspection
Third party and/or external causes (exc. Environmental circumstances)	Audit Program Contractor Safety management Job Planning	Licencing and Authorisation Procedural Risk Management Worksite Risk Management

BR No.	Hazardous Event	Status
Safety 1.8	Uncontrolled collapse of excavation work	ALARP

Description

An incident involving unintended ground/earth movement due to Company works that could result in a fatality or permanent injury to a worker or member of the public.
(Note: Damage to infrastructure caused by the excavation is covered in BR3.1 and BR3.2)

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency Response Worksite Risk Management Incident Management	Health & Wellbeing PPE Training, Learning & Development
Injury to worker/s	Emergency Response Incident Management Worksite Risk Management	Health & Wellbeing PPE Training, Learning & Development
Injury Case Management Cost	Audit Program Incident Management Injury Management	Insurance Legal Services Training, Learning & Development

Non- direct HSE Impacts – considered in other business risk categories
Third party claim costs (death, injury, property damage, other loss)
Fines/Penalties/Prosecution
Damage to public perception
Increase regulatory scrutiny/requirements

Control Environment Effectiveness	
	Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Responsibility	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.8a	NFR incidents involving uncontrolled collapse of excavation works	YTD number of Total Recordable Injuries involving uncontrolled collapse of excavation works	Lagging
BR 1.8b	Near hit incidents involving uncontrolled collapse of excavation works	YTD number of near hits where an incident has occurred but did not result in an injury involving uncontrolled collapse of excavation works	Leading
BR1.8c	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – uncontrolled collapse of an excavation works	YTD NFRNMFR involving uncontrolled collapse of an excavation works	Leading
BR1.8d	Incidents involving uncontrolled collapse of an excavation works	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving uncontrolled collapse of an excavation works	Lagging

Subject Matter Expert	Manager Safety and Environmental Services
Risk Owner	GM Health Safety and Environment

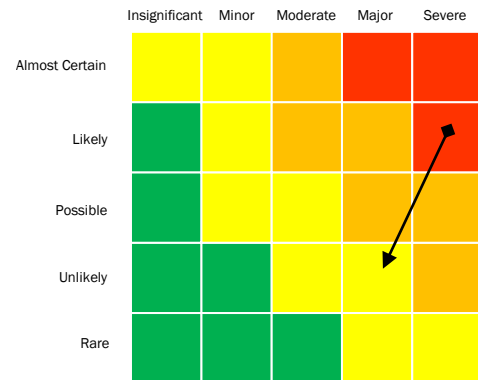
BR No.	Hazardous Event	Status
Safety 1.9	Breach of a controlled worksite when working near or around traffic	ALARP

Description
 An incident involving a breach of a controlled worksite by company vehicles or general traffic that could result in a fatality or permanent to a worker or member of the public.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is a fatality or permanent injury to worker(s) or members of the public due to a breach of a controlled worksite when working near or around traffic. This may occur more than once a year but no more than five times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that the plausible worst case consequence would be a fatality or permanent injury to worker(s) or members of the public. However the likelihood an event of this nature is reduced to occur more than once in 25 years but no more than once in 10 years.



Inherent Risk: Extreme
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Environmental circumstances	Communication Process Incident Management Procedural Risk Management	Traffic Management Training, Learning & Development Worksite Risk Management
Human error and/or violation of work practice, including worker/operator not fit for work	Worksite Risk Management Training Learning and Development Communication Process	Supervision Health & Wellbeing Job Planning
Mechanical failure, loss of integrity of equipment and/or plant (excludes network assets)	Worksite Risk Management Communication Process Traffic Management	Fleet Management Job Planning Plant & Equipment Design exc. fleet
Third party and/or external causes (exc. Environmental circumstances)	Worksite Risk Management Training, Learning and Development Communication Process	Traffic Management Job Planning Licencing & Authorisation Process

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Fatality to worker/s	Emergency Response Worksite Risk Management Incident Management Network Design Specifications	Health & Wellbeing PPE Training, Learning & Development
Injury to worker/s	Emergency Response Incident Management Worksite Risk Management Network Design Specifications	Health & Wellbeing PPE Training, Learning & Development

BR No.	Hazardous Event	Status
Safety 1.9	Breach of a controlled worksite when working near or around traffic	ALARP

Description

An incident involving a breach of a controlled worksite by company vehicles or general traffic that could result in a fatality or permanent to a worker or member of the public.

Consequences	Key Mitigative Controls	
Fatality to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury to member/s of the public	Emergency Response Incident Management	Training, Learning & Development Worksite Risk Management
Injury Case Management Cost	Audit Program Incident Management Injury Management	Insurance Legal Services Training, Learning & Development

Non- direct HSE Impacts – considered in other business risk categories

Third party claim costs (death, injury, property damage, other loss)

Fines/Penalties/Prosecution

Damage to public perception

Increase regulatory scrutiny/requirements

Control Environment Effectiveness

Satisfactory

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.9a	NFR incidents involving breach of a controlled worksite when working near or around traffic	YTD number of Total Recordable Injuries involving breach of a controlled worksite when working near or around traffic	Lagging
BR 1.9b	Near hit incidents involving breach of a controlled worksite when working near or around traffic	YTD number of near hits where an incident has occurred but did not result in an injury involving breach of a controlled worksite when working near or around traffic	Leading
BR1.9c	Network Fatal Risk Near Miss Frequency Rate (NFRNMFR) – involving breach of a controlled worksite when working near or around traffic	YTD NFRNMFR involving breach of a controlled worksite when working near or around traffic	Leading
BR1.9d	Incidents involving breach of a controlled worksite when working near or around traffic	YTD number of incidents (LTIs MTIs AWIs and FAls) involving breach of a controlled worksite when working near or around traffic	Lagging

Subject Matter Expert	Manager Safety and Environmental Services
Risk Owner	GM Health Safety and Environment

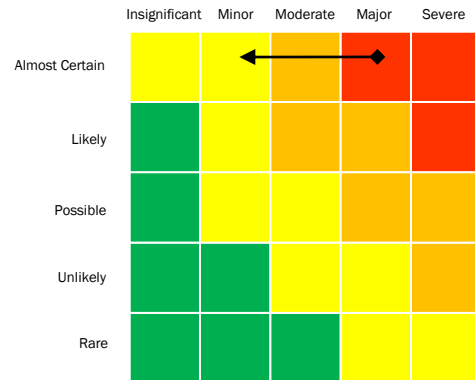
BR No.	Hazardous Event	Status
Safety 1.10	Exposure to Hazardous Manual Tasks	Non- ALARP

Description
 A worker suffers an injury either from prolonged poor posture in a work environment, repetitive movements or from an incident caused by lifting, carrying or putting down objects whilst at work.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the plausible worst case consequence is major permanent injury to a worker. This may occur more than more than 5 times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that the plausible worst case consequence is major permanent injury to a worker. However the consequence an event of this nature is reduced to minor but the likelihood is that this may still occur more than more than 5 times in one year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Prolonged poor or awkward posture	Plant and Equipment Design Manual Handling Solutions Worksite Risk Management	Health and Wellbeing Training Learning and Development Job Planning
Repetitive movement	Plant and Equipment Design Manual Handling Solutions Worksite Risk Management	Health and Wellbeing Training Learning and Development Job Planning
Incidents including lifting, carrying or putting down and application of force	PPE Incident management Training, Learning and Development	Safety Interactions program Manual Handling Solutions Plant and Equipment design Safety Interaction program
Mechanical failure, loss of integrity of equipment and or plant	PPE Incident management Training, Learning and Development	Manual Handling Solutions Plant and Equipment design Safety Interaction program
Human error	Safety Interaction program Manual Handling Solutions Training, Learning and Development	PPE Incident management Worksite Risk Management
Equipment or plant not fit for purpose	Plant and Equipment design Worksite Risk Management PPE	Safety Interaction program Manual Handling Solutions Incident Management

BR No.	Hazardous Event	Status
Safety 1.10	Exposure to hazardous manual tasks	Non- ALARP

Description
A worker suffers an injury either from prolonged poor posture in a work environment, repetitive movements or from an incident caused by lifting, carrying or putting down objects whilst at work.

Consequences	Key Mitigative Controls	
Injury to member/s of the public	Health Surveillance monitoring Workers compensation Incident management	Training, Learning and Development Worksite Risk Management Community safety Awareness program
Injury to worker/s	Emergency response Health Surveillance monitoring Workers compensation Incident management	Training, Learning and Development Worksite Risk Management PPE
Injury case management costs	Audit Program Incident management Injury management	Insurance Legal Services Training, Learning and Development

Non- direct HSE Impacts – considered in other business risk categories
Fines/Penalties/Prosecution
Damage to public perception

Control Environment Effectiveness
Improving

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan		Responsibility	Due Date
BR1.10.1	Implement FY14-15 Manual Handling Solutions program	Manager Health and Injury Management	30 June 2015
BR1.10.2	Improve Incident Analysis – active monitoring to achieve a targeted manual handling program	Manager Health and Injury Management	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR1.10a	Manual handling incidents	YTD number of Total Recordable Injuries involving manual handling tasks	Lagging
BR1.10b	Near hits involving manual handling	YTD number of near hits where an incident has occurred but did not result in an injury involving manual handling tasks	Leading
BR1.10c	Manual Handling (Safety Interaction improvement Opportunities)	Number of Safety Interaction Opportunities identified	Leading
BR1.10d	Incidents involving manual handling tasks	YTD number of incidents (LTIs MTIs AWIs and FAIs) involving manual handling tasks	Lagging

Subject Matter Expert	Manager Health and Injury Management
Risk Owner	GM Health Safety and Environment

2.2 Hazardous Event Summaries BR2 - Network

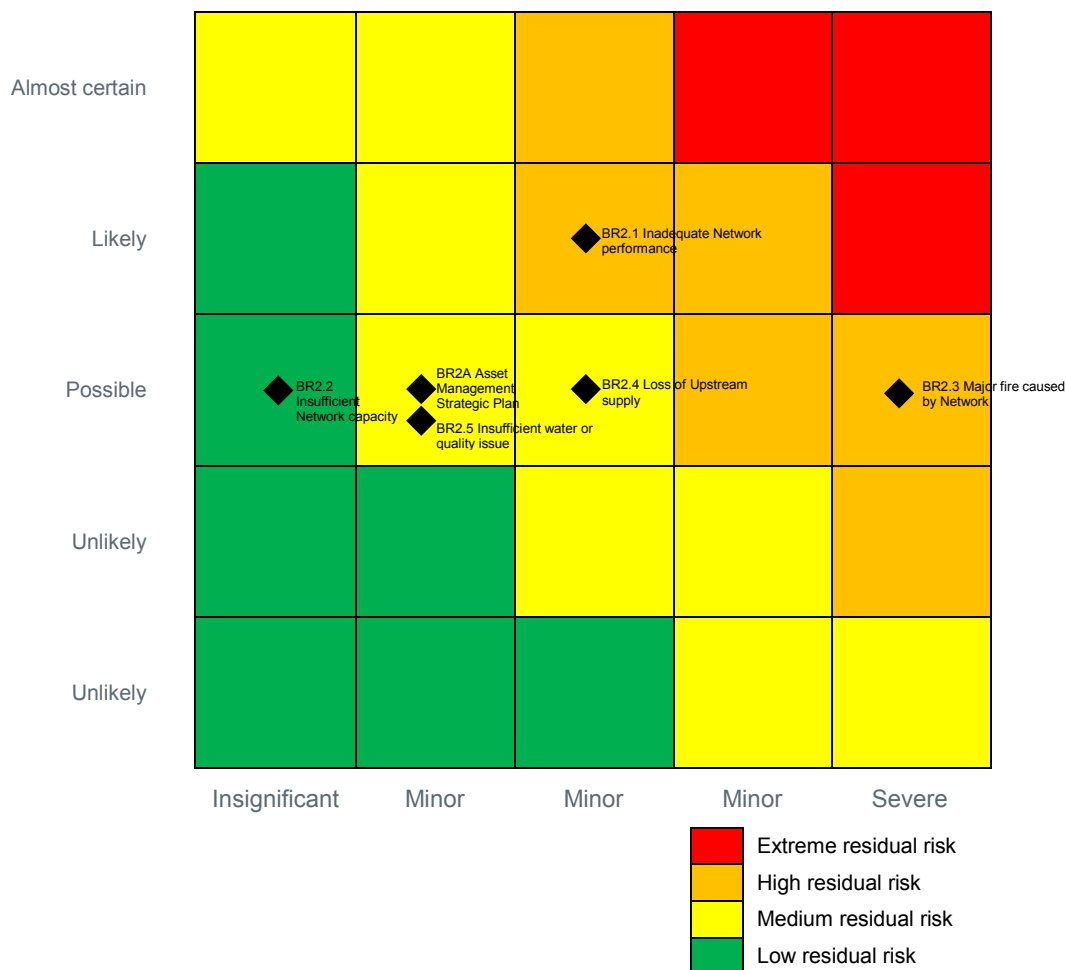
RISK SUMMARY 2014-2015 – BR2 NETWORK

Overview

Significant customer service supply failure

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
2A	Failure to deliver the Asset Management Strategic Plan	Medium	Medium	ALARP
OPERATIONAL RISKS				
2.1	Performance of the Network is inadequate to meet customers supply expectations	Extreme	High	ALARP
2.2	The Network has insufficient capacity/capability to meet the demands placed on it	Medium	Low	ALARP
2.3	Major fire caused by the Network or Network activity	Extreme	High	Non-ALARP
2.4	Loss of Upstream supply	High	Medium	ALARP
2.5	Insufficient water or quality issue	Medium	Medium	ALARP

FY15 Risk Profile



Context and Changes – BR2 Network

There have been no changes to the risk rating or ALARP status of the network risks

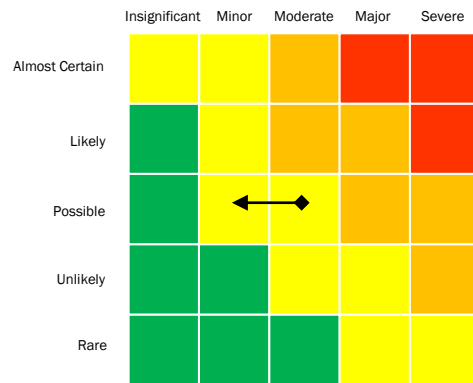
BR No.	Hazardous Event	Status
Network 2A	Failure to deliver the Asset Management Strategic Plan	ALARP

Description
 Failure to deliver the initiatives contained in the Asset Management Strategic Plan resulting in a failure to realise value through applying best practice asset management principles, including an investment governance framework and risk based prioritisation.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The failure to deliver the asset management strategic plan results in accepting higher than intended levels of network risk or inefficient investment bringing network risk lower than necessary (resulting in higher levels of investment). Without organisational controls efficiencies and cost savings related to asset management related initiatives in the order of \$300M over the next four years are at risk.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it might be expected that there may be a shortfall in the order of \$20M over the next four years.



Inherent Risk: Medium
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Competing priorities	Effective performance management system that includes mandate letters, priority actions and scorecards
Lack of effective leadership	Employee relations and change management and communications strategies incorporated into implementation plans
Industrial disputation	Strong governance framework including Group level forums
Disengaged and distracted workforce	

Consequences	Key Mitigative Controls
Reduced Network reliability	Regular monitoring and reporting on initiatives contained in the Strategic Plan
Unforeseen financial loss	Ability to modify initiative implementation strategy should targets be at risk
Damage to public perception	Effective issues management strategy
Increased regulatory scrutiny/ requirements	

Overall Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Network 2A	Failure to deliver the Asset Management Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Asset Management Strategic Plan resulting in a failure to realise value through applying best practice asset management principles, including an investment governance framework and risk based prioritisation.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Due Date
Not required given ALARP status	

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.Aa	Company Asset Management Plan alignment	Number of milestone actions at risk or overdue in relation to the development of Network company asset management plans aligned to the Asset Management Strategic Plan objectives	Lagging
BR2.Ab	Whole of life asset management awareness	Number of milestone actions at risk or overdue in relation to delivery of whole of life asset management awareness and capability project	Lagging
BR2.Ac	Delivery of Company programs of work	Number of milestone actions at risk or overdue in relation to Network companies delivering the agreed asset management program of work	Lagging
BR2.Ad	Supply Chain Demand Planning	Number of milestone actions at risk or overdue in relation to implementation of the supply chain demand planning process	Lagging

Subject Matter Expert

Col Ussher General Manager Network Development

Risk Owner

Group Executive Network Strategy

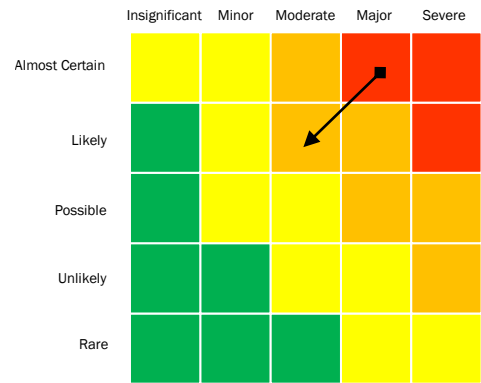
BR No.	Hazardous Event	Status
Network 2.1	Performance of the Network is inadequate to meet customers' supply expectations	ALARP

Description
 This risk covers the variety of situations where the quality of electricity supply experienced by customers does not meet their expectations. Poor quality supply may mean an absence of supply; i.e. poor reliability, or the various deviations from standard supply voltage or frequency (sags, surges, spikes, harmonics) that have a negative impact on the way in which customers are able to use electricity.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The most plausible worst case is a supply outage to greater than 1% to 5% of customers for a period less than four hours. These are usually associated with major wind storms. In the absence of controls even minor storms would trigger these events more than several times per year.

Residual Risk Rationale (plausible worst case with organisational controls)
 The residual risk is based on historical evidence that shows that a supply outage to greater than 0.5% to 1% of customers for a period less than four hours is possible. Even with controls minor storms could trigger these events several times a year.



Inherent Risk: Extreme
 Residual Risk: High

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
+Equipment Failure /Defective/Inadequate maintenance	Policies & procedures Planning	Inspections/Auditing Standards- Technical & design
Switching error	Policies & procedures Training	Planning Communication
Operational error	Policies & procedures Training	Planning Communication
Inadequate design planning/ construction. & implementation	Policies & procedures EE Standards	Industry Design Codes Training
Adverse weather	Weather forecasting Redundancy	Resource planning
Poor Network asset & performance data	Policies & procedures	Validation/verification
Load growth	Measurement Forecasting	Community/Business Consultation

Consequences	Key Mitigative Controls	
Injury/Fatality	Emergency response Incident Management Plan	Regional Emergency Response Plan Insurance & Claims management
Network disruption	Emergency response Protection & Control Equipment	Incident Management Plan Regional Emergency Response Plan
Financial – Claims, loss of revenue	Emergency response Incident Management Plan	Legal advice Insurance & Claims management
Reputation damage	Incident Management Plan Major Issues Management Plan	Communications Plan
Ministerial inquiry/scrutiny/Coronial inquest	Stakeholder consultation	Legal advice

Control Environment Effectiveness Improving

BR No.	Hazardous Event	Status
Network 2.1	Performance of the Network is inadequate to meet customers' supply expectations	ALARP

Description

This risk covers the variety of situations where the quality of electricity supply experienced by customers does not meet their expectations. Poor quality supply may mean an absence of supply; i.e. poor reliability, or the various deviations from standard supply voltage or frequency (sags, surges, spikes, harmonics) that have a negative impact on the way in which customers are able to use electricity.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.1a	Asset Management Plan	YTD % maintenance program weighted milestone compliance	Lagging
BR2.1b	Asset Management Plan	YTD % vegetation program milestone compliance	Lagging
BR2.1c	SAIDI	YTD % above(+) or below (-) SAIDI (Goal is <10%)	Lagging
BR2.1d	SAIFI	YTD % above(+) or below (-) SAIFI (Goal is <10%)	Lagging
BR2.1e	Current number of aerial defect rectification outstanding	Current aerial defects outstanding	Leading

Subject Matter Expert	Paul Brazier Manager Asset & Network Planning
Risk Owner	Chief Engineer

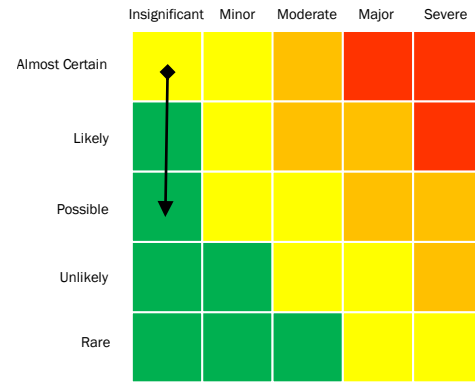
BR No.	Hazardous Event	Status
Network 2.2	The Network has insufficient capacity/capability to meet the demands placed on it	ALARP

Description
 The Network has insufficient capacity (firm rating)/capability to meet the demands placed on it. For example, a request for more power than the Network can provide based on the current infrastructure. Inability to grow the Network and keep pace with demand.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, these events could occur more than several times per year but the consequences are likely to be insignificant.

Residual Risk Rationale (plausible worst case with organisational controls)
 The probability of this risk arising is considered to be more than one in 10 years but no more than once a year. The most plausible worst case is an inability to supply a mine site within a year.



Inherent Risk: Medium
 Residual Risk: Low

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Failure of critical part of Network	Industry Design Codes EE Design Standards	Construction Standards & Audits End of life cycle Refurb/Replace.
Major unplanned loss of a zone/feeder	Alternate feed Mobile generation	Demand Management Strategies
Major heatwave/cold spell	Climate change forecasts Mobile generation	Demand Management Strategies
Deliberate act/human error	Code of Conduct Network Security	Police & Security Firm patrols
Incorrect design	Industry Design Codes EE Design Standards	Commissioning procedures Auditing
Failure to monitor growth/expansion	Planning load studies Monitoring of Network loads	Business case for line / equipment upgrades

Consequences	Key Mitigative Controls	
Interruption to supply	Regional Emergency Response Plan Electricity Networks Escalation & Recovery Plan	Community consultation/ communication Insurance & Claims management
Customer & political backlash	Regional Emergency Response Plan Major Issues Management Plan	Community consultation/ communication
Financial loss	Revised budgeting and forecasting	Insurance & Claims management
Reputation damage	Regional Emergency Response Plan	Incident Management Plan Major Issues Management Plan

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Network 2.2	The Network has insufficient capacity/capability to meet the demands placed on it	ALARP

Description

The network has insufficient capacity (firm rating)/capability to meet the demands placed on it. For example, a request for more power than the Network can provide based on the current infrastructure. Inability to grow the Network and keep pace with demand.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.2a	Major project milestones	YTD% major projects weighted milestone compliance	Leading
BR2.2b	Demand Management Program works items commissioned	YTD number of demand management works items commissioned	Lagging

Subject Matter Expert	Paul Brazier Manager Asset & Network Planning
Risk Owner	Chief Engineer

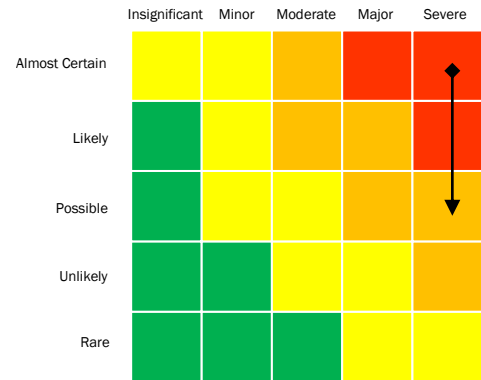
BR No.	Hazardous Event	Status
Network 2.3	Major fire caused by Network or Network activity	Non-ALARP

Description
 A major fire caused by our Network or Network activity resulting in injury or loss of life, damage to the environment, negative impact on the organisation's reputation or detraction of resources from our Capex and/or Maintenance Plan.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls the worst case scenario is a fatal injury to one or more persons or severe property damage and such events could occur more than several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 The Residual Consequence is assessed as Severe, due to the potential for fatalities or property damage. The likelihood of such an event is assessed as more than one in ten years but no more than one a year.



Inherent Risk: Extreme High
 Residual Risk: High

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Equipment failure/defective	Asset Management Plan Construction Standards	Routine Asset Inspection Program Aerial Patrol Analysis
Environmental factors including tree contact	Asset Management Plan Vegetation Management	Routine Asset Inspection Program Aerial Patrol Analysis
Vehicle operations	Fit for use vehicles Maintenance program	RFS training for field workers Total Fire Ban Day Awareness
Field activities	Qualified & experienced workers HIRAC Process	RFS training for field workers Total Fire Ban Day Awareness
Incorrect design/construction	Construction Standards Quality Audit Process	Routine Asset Inspection Program Commissioning Process

Consequences	Key Mitigative Controls	
Fatality/serious injury	Work crew observation Emergency Services response Incident Management Plan	Major Issues Management Plan Insurance & Claims management
Environmental damage	Clean up Emergency Services response	Incident Management Plan Major Issues Management Plan Insurance & Claims management
Loss/damage – 3 rd part assets	Emergency Services response Incident Management Plan	Major Issues Management Plan Insurance & Claims management
Loss/damage – EE assets	Emergency Services response Control Room Management	Insurance & Claims management
Loss of supply/service	Field response Network configuration	Incident Management Plan Major Issues Management Plan
Ministerial enquiry/Coronial Inquest	Major Issues Management Plan Insurance & Claims management	Legal advice Stakeholder consultation
Reputation damage	Major Issues Management Plan Insurance & Claims management	Communications – Internal/External

Control Environment Effectiveness Improving

BR No.	Hazardous Event	Status
Network 2.3	Major fire caused by Network or Network activity	Non-ALARP

Description

A major fire caused by our Network or Network activity resulting in injury or loss of life, damage to the environment, negative impact on the organisation's reputation or detraction of resources from our Capex and/or Maintenance Plan.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date	
BR2.3.1	Complete Vegetation Management information Systems Project rollout	Pat Kelleher Manager Vegetation programs	30 Apr 2015
BR2.3.2	Determine the practical application of the Phoenix RapidFire modelling for the Essential Energy franchise area	Ken Stonestreet Chief Engineer	30 June 2015
BR2.3.3	Review and analyse actual and potential fire start data to identify opportunities to reduce the number of fire starts	Brian Glawson Manager Primary Systems	31 Oct 2014

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.3a	Bushfire inspections	YTD% Actual v planned summer bushfire inspections	Leading
BR2.3b	Number of Network related fires areas across the Network	YTD Number of Network related fires across the Network	Lagging
BR2.3c	Emergency or urgent bushfire defects	Number of outstanding emergency or urgent bushfire defects	Lagging

Subject Matter Expert	Brian Glawson Manager Primary Systems
Risk Owner	Chief Engineer

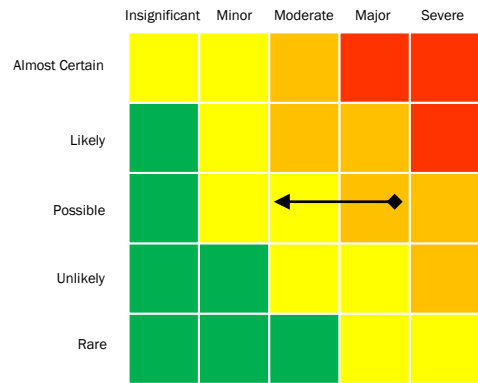
BR No.	Hazardous Event	Status
Network 2.4	Loss of Upstream supply	ALARP

Description
 Interruption to incoming electricity supply to the Essential Energy Network resulting in an interruption to continuous electricity supply to Essential Energy Network connected customers. The risk also covers interconnected transmission instability leading to the national transmission network interrupting customers.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The most plausible worst case scenario is storm damage to a TransGrid line servicing one of Essential Energy’s main feeders. Such an event could occur more than once every ten years but not more than once a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 The residual risk mainly arises from a lack of ability by the Essential Energy system to respond adequately to events where there is a storm or other event that takes down part of a TranGrid line such as occurred near Broken Hill which impacted on the Perilya mine. Existing controls to manage the risk are likely to limit the consequences to a moderate reliability impact. Such events have occurred 2-3 times in the last 10 years



Inherent Risk: High
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Upstream failure	Joint consultation with TransGrid, AEMO, Ausgrid & Endeavour Annual workshop with TransGrid, AEMO, Ausgrid & Endeavour	System load shedding and restart procedure
Incident at EE Terranora Zone Sub (Tweed Heads)	Load monitoring on critical feeders Network Control Operating policies & procedures	Joint planning process Networks Asset Management Plan
Major bushfire or storm event	Communications process with TransGrid, AEMO, Ausgrid & Endeavour	
Upstream sabotage	Joint consultation with TransGrid, AEMO, Ausgrid & Endeavour Annual workshop with TransGrid, AEMO, Ausgrid & Endeavour	System load shedding and restart procedure

Consequences	Key Mitigative Controls	
Interruption to service	System restart Mobile generation	Regional Emergency Response Plans
Fatality/serious injury	Emergency Services response First Aid	Incident Management Plan Insurance & Claims management
Reputation damage	Incident Management Plan Major Issues Management Plan	Communications – Internal/external
Liability claims	Workplace Investigations Procedure	Insurance & Claims management Legal advice

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Network 2.4	Loss of Upstream supply	ALARP

Description
Interruption to incoming electricity supply to the Essential Energy Network resulting in an interruption to continuous electricity supply to Essential Energy Network connected customers. The risk also covers interconnected transmission instability leading to the national transmission network interrupting customers.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.4a	Review Operational Network Plan	Number of constraints (in Operational Network Plan) identified for rectification	Leading
BR2.4b	Consultation with TransGrid/Powerlink/Powercor/Ergon	YTD number of planning meetings held (target = at least 2 meetings with TransGrid and 1 with the others)	Lagging

Subject Matter Expert	Brian Glawson Manager Primary Systems
Risk Owner	Chief Engineer

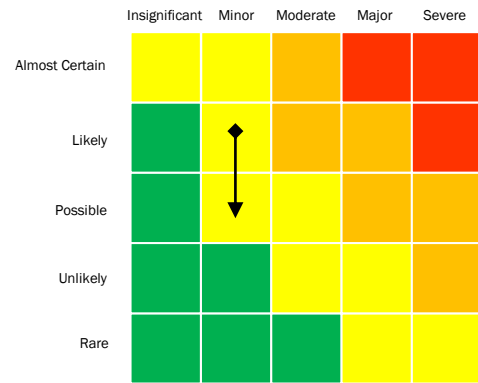
BR No.	Hazardous Event	Status
Network 2.5	Insufficient water or quality issue	ALARP

Description
 Inability to supply water of sufficient quantity or quality to Broken Hill and environs.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The plausible worst case consequence is the failure to supply potable water as the result of a drought. In the absence of controls this would attract increased media attention and heightened concern from the community.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place the consequences are unchanged but the likelihood falls to more than once in 10 years but no more than once a year.



Inherent Risk: Medium
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Insufficient water in specific reservoirs	Dam Safety Emergency Plans Drought Management Plan	Pumping from Darling River
Pumping station failure	Pump & pipeline redundancy and repairs Preventative maintenance	Backup generation for electrical failure
Raw water pipeline failure	Alternative sources In-house repair capability	Preventative maintenance
Water treatment failure	In-house repair capability Preventative maintenance	Drought Management Plan
No bulk water available from darling River	Drought Management Plan Liaison with Lakes Management	State & Federal Disaster Plans
Raw water untreatable	Augment Treatment – reverse Osmosis	Drought Management Plan

Consequences	Key Mitigative Controls	
Unable to supply potable drinking water	Drought Management Plan Incident Management Plan	State & Federal Disaster plans Insurance & Claims management
Disruption to industry	Drought Management Plan Incident Management Plan	Provide raw water for processing
Lack of firefighting water	Drought Management Plan Incident Management plan	Provide raw water
Environmental damage	Drought Management Plan Incident Management plan	Clean up Insurance & Claims management

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Network 2.5	Insufficient water or quality issue	ALARP

Description
Inability to supply water of sufficient quantity or quality to Broken Hill and environs.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR2.6a	NSW State Water	< 18 months' supply	Leading
BR2.6b	Australian Drinking Water Guidelines	YTD number of breaches (target = 0)	Lagging
BR2.6c	Fluoride requirements	YTD number of breaches (target = 0)	Lagging

Subject Matter Expert	Guy Chick Manager Far West and Water Operations
Risk Owner	Chief Engineer

2.3 Hazardous Event Summaries BR3 -Finance

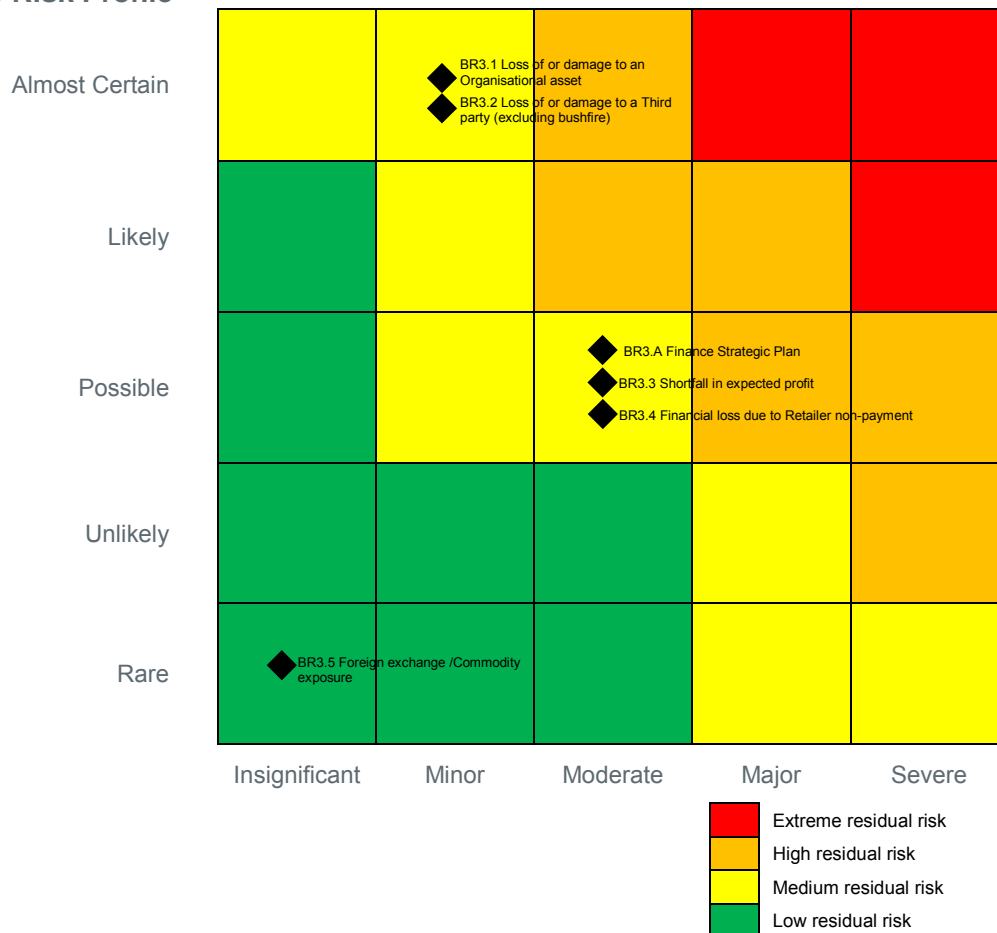
RISK SUMMARY 2014-2015 – BR3 FINANCE

Overview

Significant unbudgeted financial loss

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
3A	Failure to deliver the Finance Strategic Plan	High	Medium	ALARP
OPERATIONAL RISKS				
3.1	Loss of or damage to a physical organizational asset	High	Medium	ALARP
3.2	Claim for personal injury, death or property damage or other loss to a Third Party (excluding bushfire)	Extreme	Medium	ALARP
3.3	Shortfall in expected profit	High	Medium	ALARP
3.4	Financial loss due to Retailer non-payment	High	Medium	ALARP
3.5	Material adverse movement relating to significant foreign exchange and commodity prices exposure	Low	Low	ALARP

FY15 Risk Profile



Context and Changes – BR3 Finance

The following changes have been made the risk ratings

BR3.1 Loss of or damage to an organizational asset. The residual consequence rating has been amended from Moderate to Minor with the residual risk dropping from High to Medium.

BR3.3 Shortfall in expected profit due to unfavorable changes in revenue and/or costs. The Inherent Consequence has moved from Moderate to Severe. The residual consequence rating has been amended from Minor to Moderate with the overall rating remaining at Medium.

BR3.4 Financial loss due to Retailer non-payment. The inherent consequence has been amended from Severe to Major with the inherent risk rating remaining at High.

BR No.	Hazardous Event	Status
Finance 3A	Failure to deliver the Finance Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Finance Strategic Plan resulting in the failure to manage the financial health of the three NSW distribution networks in a manner that protects financial value and delivers balanced outcomes for both customers and the shareholder.

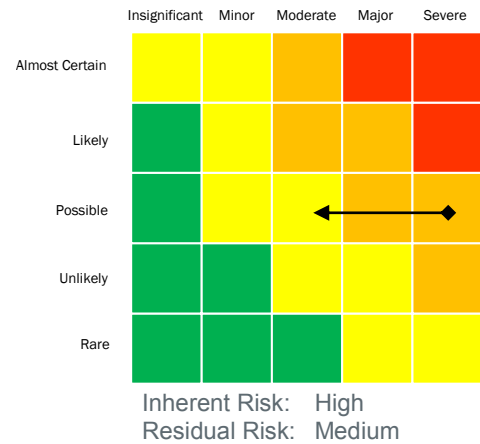
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

The failure to deliver productivity reforms and cost savings targeted at more than \$5B over the five years (FY12-16) together with a heavily discounted AER determination (low WACC and significant reductions to expenditure programs). In the absence of controls it might be expected there be a shortfall delivering productivity reforms and cost savings in the order of 30% or \$900M for the remaining periods (average \$400M per year). In addition, the impact of a discounted WACC and reduced expenditure allowances could exceed \$1B of budgeted revenue over the regulatory five year period FY15-19 (average \$200M per year).

Residual Risk Rationale (plausible worst case with organisational controls)

With controls in place, there is still uncertainty regarding the markets ability to deliver the estimated procurement savings and FTE reductions embedded in the productivity reforms. The effect could be in the order of \$75M - \$150M in costs per year. It remains possible for the AER to deliver a lower WACC and expenditure allowances than sought, however additional cost savings and other strategies have been developed to ensure budgeted outcomes are substantially achieved. The net difference is expected to be in the order of \$20M-\$100M.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Competing management priorities	Key stakeholder involvement in Strategy development
Lack of effective leadership	Effective performance management system that includes mandate letters, priority actions and scorecards
Industrial disputation	Employee relations, change management and communications strategies incorporated into cost saving implementation plans
Disengaged and distracted workforce	Strong governance framework for development and approval of AER submission Continued engagement with AER and Treasury
Severe AER determination (low WACC)	

Consequences	Key Mitigative Controls
Unforeseen financial loss	Regular monitoring of the development of the AER submission and Network Reform Program and other cost saving initiatives
Damage to public perception	Ability to modify initiative implementation strategy should targets be at risk
Increased regulatory scrutiny/requirements	Strong budgeting & cost control
	Effective issues management strategy

Overall Control Environment Effectiveness	Satisfactory
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BR No.	Hazardous Event	Status
Finance 3A	Failure to deliver the Finance Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Finance Strategic Plan resulting in the failure to manage the financial health of the three NSW distribution networks in a manner that protects financial value and delivers balanced outcomes for both customers and the shareholder.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR3.Aa	AER2 submission	Number of milestone actions at risk or overdue in relation to the AER2 submission	Lagging
BR3.Ab	Network Reform Program (NRP)	Number of milestone actions at risk or overdue in relation to the implementation of Operating models	Lagging
BR3.Ac	Cost to Serve program	Number of milestone actions at risk or overdue in relation to Cost to Serve initiatives	Lagging
BR3.Ad	Profit Improvement Plan	Number of milestone actions at risk or overdue in relation to development of a Profit Improvement Plan	Lagging

Subject Matter Expert	Andrew Sinclair GM Finance & Compliance
Risk Owner	Group Chief Financial Officer

BR No.	Hazardous Event	Status
Finance 3.1	Loss of or damage to an physical organisational asset	ALARP

Description
An unforeseen event causing the loss of or damage to a physical organisational asset.

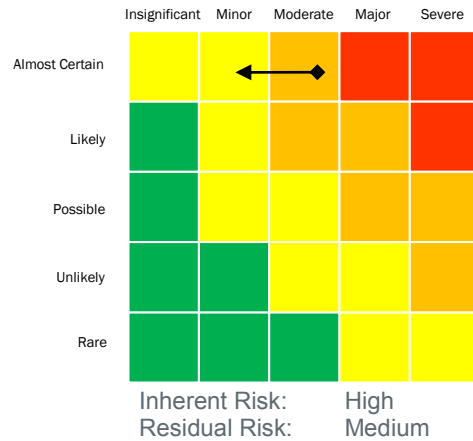
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
(plausible worst case without organisational controls)**

Most likely cause of loss of a corporate asset is a fire, flood or storm that impacts on the poles and wires. The largest loss suffered to date has been approximately \$12m. Events giving rise to losses occur several times a year but for relatively minor amounts.

**Residual Risk Rationale
(plausible worst case with organisational controls)**

While Essential Energy has insurance on many assets including zone sub-stations it does not insure poles and wires due to the cost of such insurance compared to the benefit. While the most plausible worst case scenario is a loss to poles and wires as a result of a fire, storm or flood the likelihood is the same but recent experience has the consequences in the minor range.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Fire	Architectural standards Network design standards	Annual fire inspections
Adverse weather impacts	Storm tracker Network design standards	BCP Policies & procedures
Natural disasters	Network design standards	BCP Policies & procedures
Theft /Terrorism	Public Electrical Safety Awareness Plan Security contractor patrols	Network design standards Critical Infrastructure Protection Program
Loss of motor vehicle/plant	Administration of Company Vehicle and Plant Security at depots	Plant & equipment training Policies & procedures
Network asset mismanagement	Network demand management Load shedding	Load transfers Strategic network Maintenance Program
Data integrity/record keeping	IT Policy DR & BCP	Internal audit

Consequences	Key Mitigative Controls	
Loss of life or injury	EE Incident Management Plan	Insurance & Claims management
Financial loss	EE Incident Management Plan	Insurance & Claims management
Legal liability	EE Incident Management Plan	Insurance & Claims management
Loss of Network assets	EE Incident Management Plan	Insurance & Claims management
Reputation loss	EE Incident Management Plan	Stakeholder and Issues Management Plan
Interruption to service	Network demand management Load shedding	Load transfers Mobile generation/sub-stations

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Finance 3.1	Loss of or damage to a physical organisational asset	ALARP

Description

An unforeseen event causing the loss of or damage to a physical organisational asset.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR3.1a	Insurance policy renewal (non-GLIS)	No. of non-GLIS insurance policies not renewed prior to expiry	Leading

Subject Matter Expert	Peter Johnson Manager Governance Risk and Compliance
Risk Owner	GM Finance and Compliance

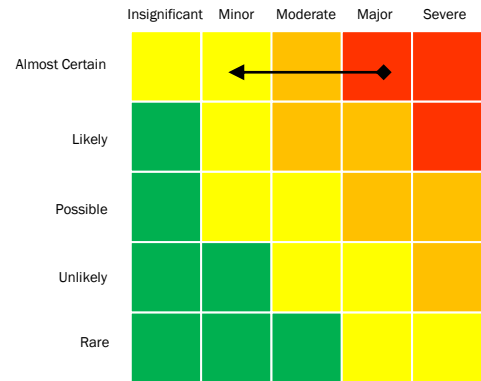
BR No.	Hazardous Event	Status
Finance 3.2	Claim for personal injury, death or property damage or other loss to a Third Party (excluding bushfire)	ALARP

Description
 A claim for compensation as a result of personal injury, death, property damage or other loss to a third party following an event attributable to the company (excluding bushfire but including consequential impacts).

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Permanent injury to a member/s of the public requiring long term medical care as a result of negligence on behalf of the Company. If multiple people were involved, the financial liability would be expected to be in excess of \$5M but less than \$50M for each event. In the absence of controls, there could be more than several of these events per year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Public liability insurance limits the financial liability for these events to the extent that liability per year has not exceeded \$1M. Based on past experience several claims a year are likely.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Fire	Architectural standards Network design standards	Annual fire inspections
Adverse weather impacts	Storm tracker Network design standards	BCP Policies & procedures
Natural disasters	Network design standards	BCP Policies & procedures
Accident involving EE motor vehicle /equipment	Administration of Company Vehicle and Plant	Plant & equipment training Policies & procedures
Terrorism/Theft	Public Electrical Safety Awareness Plan Security contractor patrols	Network design standards Critical Infrastructure Protection Program
Network asset mismanagement	Network demand management Load shedding	Load transfers Strategic network Maintenance Program

Consequences	Key Mitigative Controls	
Loss of life or injury	EE Incident Management Plan	Insurance & Claims management
Financial loss	EE Incident Management Plan	Insurance & Claims management
Legal liability	EE Incident Management Plan	Insurance & Claims management
Loss of network assets	EE Incident Management Plan	Insurance & Claims management
Reputation loss	EE Incident Management Plan	Stakeholder and Issues Management Plan
Interruption to service	Network demand management Load shedding	Load transfers Mobile generation/sub-stations

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Finance 3.2	Claim for personal injury, death or property damage or other loss to a Third Party (excluding that due to bushfire)	ALARP

Description
A claim for compensation as a result of personal injury, death, property damage or other loss to a third party following an event attributable to the company (excluding bushfire but including consequential impacts).

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR3.2a	Insurance policy renewal	No. of insurance policies not renewed prior to expiry	Leading
BR3.2b	Third party Claims	Difference in the number of liability claims paid YTD compared to prior year	Lagging

Subject Matter Expert	Peter Johnson Manager Governance Risk and Compliance
Risk Owner	GM Finance and Compliance

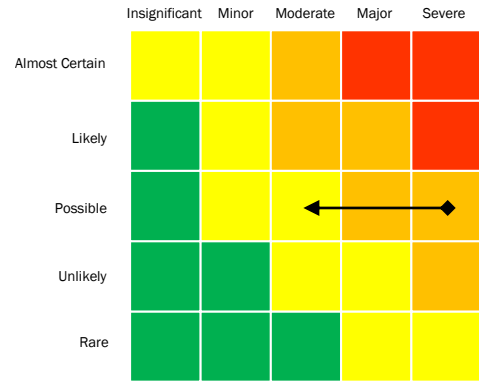
BR No.	Hazardous Event	Status
Finance 3.3	Shortfall in expected profit	ALARP

Description
 Unfavourable changes in revenue and/or costs result in the inability to operate a sustainable business as a result of unexpected impacts.

RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
 (plausible worst case without organisational controls)**
 In the context of the F14 year the plausible worst case scenario is severe with likelihood of an event occurring being more than once every 10 years but no more than once a year. In subsequent years it is likely that the risk will be much higher.

**Residual Risk Rationale
 (plausible worst case with organisational controls)**
 In the context of the F15 year the likelihood of an event occurring does not change but the consequence reduces to moderate.



Inherent Risk: High
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Commodity prices	Treasury Risk Management Policy	Forward Contracts Natural hedge
EE cost structure	Management lead initiatives Networks NSW initiatives	Human Resource Strategy
Regional Network peak demand	Demand management Planning reports	Pricing signals Demand management
Aging Network assets	Network Asset Management Plans	Planning reports
Natural growth of Network	Network Asset Management Plans	
Legacy Public Policy decisions	Major Issues Management Plan	

Consequences	Key Mitigative Controls	
Inability to meet dividend expectations	Dividend reductions	Budget cutting to match reduced cash flow
Financial loss – Reduced revenue	Dividend reductions	Budget cutting to match reduced cash flow
Liquidity issues	Dividend reductions Representations to Treasury	Budget cutting to match reduced cash flow
Reputation loss - Shareholder	Stakeholder & Issues Management Plan	

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Finance 3.3	Shortfall in expected profit	ALARP

Description
Unfavourable changes in revenue and/or costs result in the inability to operate a sustainable business as a result of unexpected impacts.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator – Name	Description	Lagging / Leading
BR3.3a	Budget performance	YTD actual vs. budget	Lagging

Subject Matter Expert	Kate Vadoros Financial Controller
Risk Owner	GM Finance and Compliance

BR No.	Hazardous Event	Status
Finance 3.4	Financial loss due to Retailer non-payment	ALARP

Description
Retailers' inability to pay the NUOS and associated charges resulting in higher credit risk to Essential Energy.

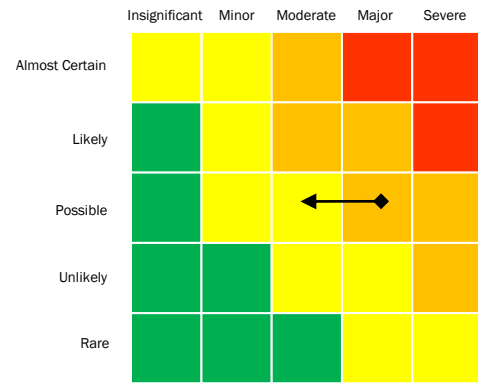
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
(plausible worst case without organisational controls)**

In the absence of controls, the potential exists for the Company to be exposed to losses of more than \$25M but less than \$50M should a retailer fail. This is expected to occur less than once per year but more than once every ten years.

**Residual Risk Rationale
(plausible worst case with organisational controls)**

Even with controls, the potential exists for the Company to be exposed to losses of more than \$5M but less than \$25M should a retailer fail. This is expected to occur less than once per year but more than once every ten years.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Financial Stress of Retailers	Retailer Credit Assessments Network Credit Procedure	Credit support Monitoring of financial health of Retailers
Billing ICT System/ Business Process Errors/ Inadequacies	Billing BCP Exception reporting	Continuous monitoring
Banking System Failure	Daily, weekly, monthly cash flow monitoring	Treasury Policy
Deteriorating Relationship with retailers	Relationship management Network Credit Procedure	Reconciliation process for NUOS bills
NECF changes	Compliance monitoring	

Consequences	Key Mitigative Controls	
Financial loss – Cash Flows	Debt Recovering Process	Overdraft facilities TCorp loans
Reputation loss – Media	Shareholder Management (e.g. Regulator, Industry, Investment, EWON)	Ministerial and Shareholder Consultation
Reputation loss – Regulator/Shareholder	Shareholder Management (e.g. Regulator, Industry, Investment, EWON)	Ministerial and Shareholder Consultation
Reputation loss – Suppliers/ASPs	Management of Suppliers	Communications
Reputation loss - Employees	Ministerial and Shareholder Consultation	

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Finance 3.4	Financial loss due to Retailer non-payment	ALARP

Description
Retailers' inability to pay the NUOS and associated charges resulting in higher credit risk to Essential Energy.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR3.4a	Debt outstanding that is overdue	Dollar amount of debt outstanding that is overdue	Leading
BR3.4b	Outstanding debt greater than 60 days	Dollar amount of debt greater than 60 days	Leading
BR3.4c	DSO– NUOS charges	Number of days	Lagging

Subject Matter Expert	Ed McHue Manager Finance Transactions and Services
Risk Owner	GM Finance and Compliance

BR No.	Hazardous Event	Status
Finance 3.5	Material adverse movement relating to significant foreign exchange and commodity prices exposure	ALARP

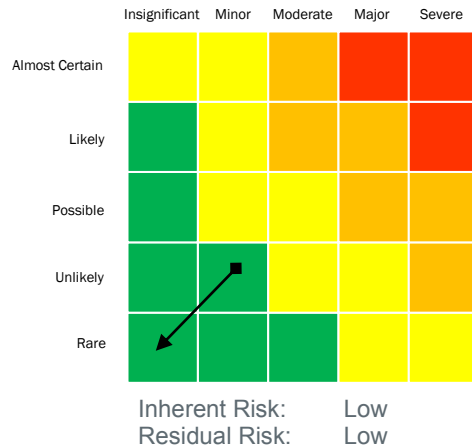
Description

The organisation purchases goods and services, materials and capital equipment, which is sometimes denominated in a foreign currency (FX). The risk is an event where changes and fluctuations in FX and commodity prices give rise to favourable or unfavourable consequences affecting capital acquisition costs and losses (gains) on hedging instruments. Given the strong linkage between the A\$ and commodity prices, these fluctuations tend to counter each other e.g. a rise in the steel price is accompanied by a strengthening of the A\$ thus partially mitigating the impact of the rise.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Based on experience the company's exposure without controls is unlikely to exceed \$5M.

Residual Risk Rationale (plausible worst case with organisational controls)
 The main control employed by Essential Energy is that any FX exposure over \$50k must be covered by a forward contract. Accordingly the most plausible exposure is expected to be less than \$250k and that such an event will occur less than once every 25 years.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Commodity price movements	Treasury Risk Management Policy Procurement Manual	Natural Hedge
Exchange rate movements	Treasury Risk Management Policy Procurement Manual	Natural Hedge
Treasury not advised of FX/Commodity exposures arising from procurement activities	Treasury Risk Management Policy	Escalation reporting
Unauthorised/ inappropriate FX/Commodity transactions	Treasury Risk Management Policy	Fair & Just Culture Internal and External Audit
Variations in Capital Project Requirements and forecast procurement	Procurement Manual	

Consequences	Key Mitigative Controls	
Financial loss	Treasury Risk Management Policy	Legal remedies available under procurement contracts
Financial loss – Opportunity Cost of Hedging	Treasury Risk Management Policy	Escalation reporting
Supplier / Vendor failure to deliver	Legal remedies available under procurement contracts	
Reputation loss – Customer/Media/Shareholder	Stakeholder & Issues Management Plan	
Financial loss	Treasury Risk Management Policy	Legal remedies available under procurement contracts

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Finance 3.5	Material adverse movement relating to significant foreign exchange and commodity prices exposure	ALARP

Description

The organisation purchases goods and services, materials and capital equipment, which is sometimes denominated in a foreign currency (FX). The risk is an event where changes and fluctuations in FX and commodity prices give rise to favourable or unfavourable consequences affecting capital acquisition costs and losses (gains) on hedging instruments. Given the strong linkage between the A\$ and commodity prices, these fluctuations tend to counter each other e.g. a rise in the steel price is accompanied by a strengthening of the A\$ thus partially mitigating the impact of the rise.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR3.5a	Non-compliance with Treasury Policy	YTD Number of breaches of Treasury Policy in respect of FX cover	Lagging

Subject Matter Expert	Kate Vadoros Financial Controller
Risk Owner	GM Finance and Compliance

2.4 Hazardous Event Summaries BR4 -Compliance

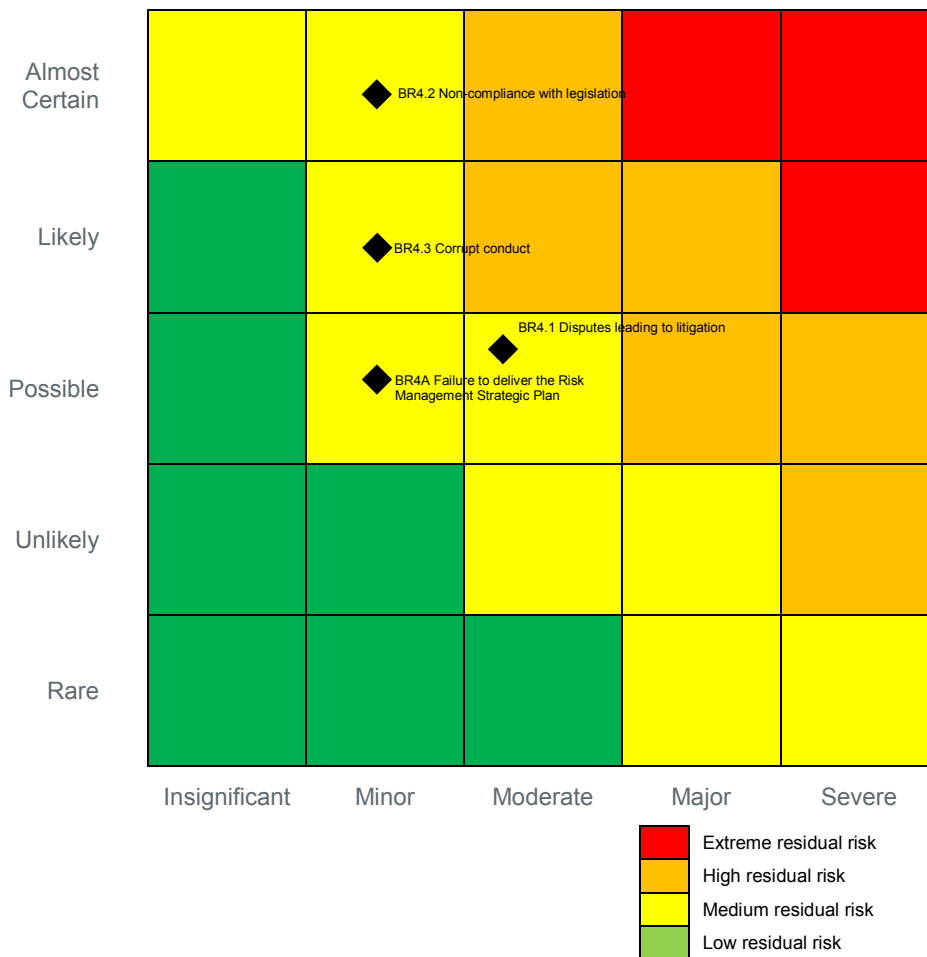
RISK SUMMARY 2014-2015 – BR4 COMPLIANCE

Overview

Material breach of legislation or license.

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
4A	Failure to deliver the Risk Management Strategic Plan	Medium	Low	ALARP
OPERATIONAL RISKS				
4.1	Disputes leading to litigation	High	Medium	ALARP
4.2	Non-compliance with legislation or licence conditions	Extreme	Medium	ALARP
4.3	Corrupt conduct by an employee, consultant or contractor	Medium	Medium	ALARP

FY15 Risk Profile



Context and Changes – BR4 Compliance

The risk rating of BR4.2 Non-compliance with legislation has been amended as follows;

2013-2014 Inherent risk - Likelihood – Almost certain ,Consequence – Severe, Rating – Extreme Residual Risk – Likelihood – Possible, Consequence – Moderate, rating – Medium

2014-2015 Inherent Risk – Likelihood – Almost Certain, Consequence – Major, Rating Extreme Residual Risk – Likelihood – Possible, Consequence – Minor, Rating – Medium

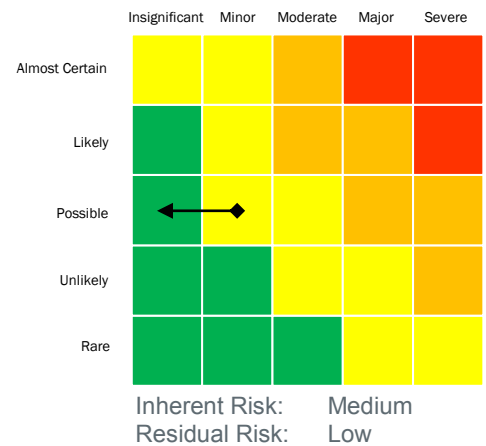
The change is based on new management having a better understanding of the risks and consequences than last year. Following the completion of risk treatment plans for BR4.3 Corrupt conduct by an employee, consultant or contractor, this risk is rated as ALARP

BR No.	Hazardous Event	Status
Compliance 4A	Failure to deliver the Risk Management Strategic Plan	ALARP

Description
 Failure to deliver the initiatives contained in the Risk Management Strategic Plan resulting in the failure to embed a common Risk Management Framework across the Network Businesses based on promoting a positive risk culture through targeted initiatives to ensure delivery of the Networks NSW key outcomes of safety, reliability and tariffs within CPI.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
Significantly reduced productivity resulting in additional costs of \$1M-\$5M per year.
Residual Risk Rationale (plausible worst case with organisational controls)
Marginally reduced productivity resulting in additional costs of less than \$250K per year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Competing priorities	Effective performance management system that includes mandate letters, priority actions and scorecards
Lack of effective leadership	Employee relations, change management and communications strategies incorporated into implementation plans
	Strong governance framework including Group level working groups

Consequences	Key Mitigative Controls
Commitment to safety not realised	Regular monitoring and reporting on initiatives contained in Strategic Plans
Reduced Network reliability	Ability to modify the initiative implementation strategy should targets be at risk
Unforeseen financial loss	Effective issues management strategy
Cost of missed opportunities	
Damage to public perception	
Increased regulatory scrutiny/ requirements	
Loss of productivity	

Overall Control Environment Effectiveness	Satisfactory
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BR No.	Hazardous Event	Status
Compliance 4A	Failure to deliver the Risk Management Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Risk Management Strategic Plan resulting in the failure to embed a common Risk Management Framework across the Network Businesses based on promoting a positive risk culture through targeted initiatives to ensure delivery of the Networks NSW key outcomes of safety, reliability and tariffs within CPI.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR4.Aa	Risk Culture Strategy	Number of milestone actions at risk or overdue in relation to the implementation of the Risk Culture Strategy	Lagging
BR4.Ab	Corporate Risk Management Plans	Number of milestone actions at risk or overdue in relation to development of the FY16 Corporate Risk Management Plans	Lagging

Subject Matter Expert	Andrew Sinclair GM Finance & Compliance
Risk Owner	Group Executive People & Services

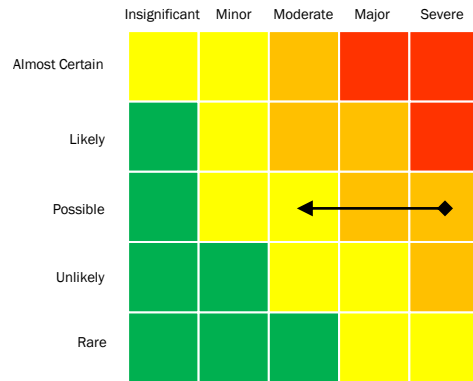
BR No.	Hazardous Event	Status
Compliance 4.1	Disputes leading to litigation	ALARP

Description
 The risk of a conflict escalating into a dispute requiring a determination, based on the facts and the law, by an independent decision-maker.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The plausible worst case outcome without controls is significant financial penalties, extensive litigation, loss of operational licence and potential jail term for individuals. In the absence of controls, such a scenario is seen as occurring once in ten years but no more than once a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 The plausible worst case scenario is litigation related to a major capital project. Given the reduced number and scope of capital projects and the current controls in place both the consequence and likelihood of this event is expected to reduce further in coming years. The worst case outcome is medium financial penalties and medium duration litigation. This could occur more than once every ten years, but no more than once a year.



Inherent Risk: High
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Negligent action (by an employee or contractor)	Risk Management Board Policy
Property-based infringements (e.g. easements disputes and unauthorised use of a supplier’s intellectual property)	Legal services management
Contractual breach	Legal advice policies and procedures
Statutory violation (e.g. a failure to comply with a legislative requirement for work place safety)	Legal knowledge

Consequences	Key Mitigative Controls
Third party claim costs (death, injury, property damage, other loss), including legal costs	Targeted legal advice
Loss of productivity	Insurance and claims management
Fines/ Penalties/ Prosecution	Litigation risk management reporting
Damage to public perception	Issues management implementation
Increased regulatory scrutiny/ requirements	Internal communication and stakeholder management

Control Environment Effectiveness Satisfactory

Appendix 4

BR No.	Hazardous Event	Status
Compliance 4.1	Disputes leading to litigation	ALARP

Description
The risk of a conflict escalating into a dispute requiring a determination, based on the facts and the law, by an independent decision-maker.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment plan required as ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR4.1a	New litigated claims	YTD number of new litigated claims received as a % of all new legal matters opened	Leading
BR4.1b	External fee expenditure on litigated claims	YTD % of total legal fee expenditure on litigated claims	Lagging

Subject Matter Expert	James Lonsdale General Counsel
Risk Owner	GM Finance and Compliance

BR No.	Hazardous Event	Status
Compliance 4.2	Non-compliance with legislation or licence conditions	ALARP

Description
 Unconscious or deliberate acts by the organisation or organisation participants which results in the Company (or its officers or employees) receiving a penalty or breach notice.

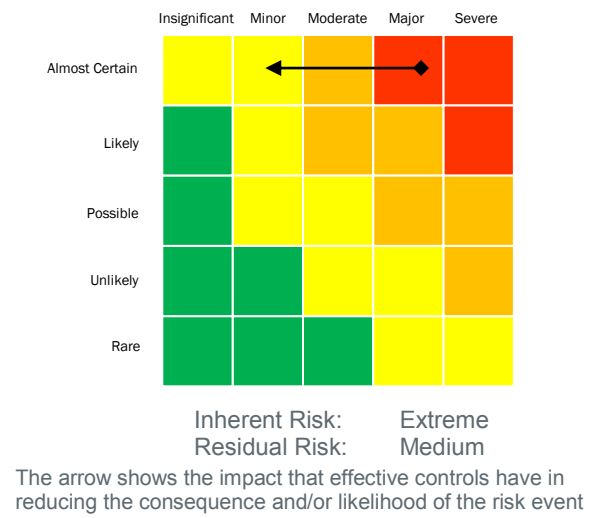
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

In the absence of controls, a negligent act in the area of health and safety management could result in a major injury to a worker or member of the public as well as lengthy litigation. In the absence of controls, this could occur several times per year.

Residual Risk Rationale (plausible worst case with organisational controls)

Based on past experience the maximum expected level of harm of a non-compliance with legislation incident is a minor level fine, moderate duration litigation or non-permanent injuries to a worker or member of the public. Events of this nature could occur several times a year.



Causes	Key Preventative Controls	
Company gap in compliance requirement	NSW Treasury/Audit Office-Advice of Legislative Change Legislative Register	Internal & external audit regime Incident Investigation Policy
Individual gap in compliance requirement	Legislative Register New Employee Induction	Corporate Memberships of Industry Associations
Employee intentional decision not to comply	Code of Conduct New Employee Induction	Internal and External Audit Regime Disciplinary Procedure
Company intentional decision not to comply	Licence Compliance Reporting Risk management Policy	One step removed verification plan
Company is unable to comply	Formal application for compliance exemption Industry exemption contained within Electrical Safety Rules	Industry application for exemption submission

Consequences	Key Mitigative Controls	
Fines / Penalties for the company or individuals	Incident Management	Regulator inspections and reviews
Reduced productivity	Regulator feedback on Compliance Reporting	Internal and External Audit Regime
Reduced reputation with suppliers / customers / shareholder	Stakeholder and Issues Management Plan	
Imprisonment	Legal advice	

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Compliance 4.2	Non-compliance with legislation or licence conditions	ALARP
Description		
Unconscious or deliberate acts by the organisation or organisation participants which results in the Company (or its officers or employees) receiving a penalty or breach notice		

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date	
No treatment plan required as ALARP			
KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR4.2a	Management Representation Letter	Percentage of positive responses compared to corresponding 6 month period in prior year (+ higher, - lower)	Leading
BR4.2b	Externally reported incidents	Number of non-compliances compared to corresponding quarterly period in prior year (+ higher, - lower)	Lagging
Subject Matter Expert	James Lonsdale General Counsel		
Risk Owner	GM Finance and Compliance		

BR No.	Hazardous Event	Status
Compliance 4.3	Corrupt conduct by an employee, consultant or contractor	ALARP

Description
 Consistent with the Independent Commission Against Corruption Act 1988 (NSW), conduct is corrupt when it involves deliberate or intentional wrongdoing, not negligence or mistake. Examples include fraud, breach of trust, bribery, blackmail, obtaining or offering secret commissions, theft, embezzlement, tax evasion or forgery.

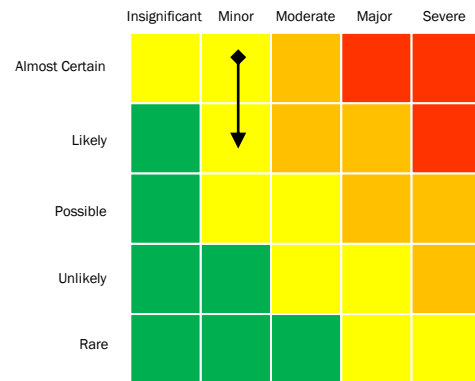
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

The plausible worst case consequence is estimated at significant stakeholder and shareholder attention over a period of a couple of days as a consequence of an act of fraud and or corrupt conduct and a financial loss of between \$0.25M and \$5M. In the absence of controls an event of this magnitude may occur several times per year.

Residual Risk Rationale (plausible worst case with organisational controls)

The residual risk has been assessed on the basis of experience. The highest rated risk obtained a minor consequence and had a likelihood of more than once a year, but no more than five times every year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Opportunity exists for corrupt conduct to go undetected	Recruitment and Selection Segregation of duties	System Controls Procedural controls
Sufficient motivation or incentive is present for persons to engage in corrupt conduct	Fraud and Corruption Control Plan	Procedural Controls
Employees, consultants or contractors are able to rationalise corrupt actions in their own minds	Segregation of Duties	Continuous Monitoring
	Risk Management	Internal and External Audit Regime
	Employee Pulse Survey	

Consequences	Key Mitigative Controls	
Direct financial loss and/or loss of an asset	Fidelity Guarantee Insurance Policy	Stakeholder and Issues Management Plan
Reduced productivity	Internal Audit Employee Pulse Survey	
Reduced reputation with suppliers / customers / shareholder / current and future employees / ICAC	Corruption Reporting and Investigation	
Inquiry and investigation support costs	Insurance program	

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Compliance 4.3	Corrupt conduct by an employee, consultant or contractor	ALARP

Description

Consistent with the Independent Commission Against Corruption Act 1988 (NSW), conduct is corrupt when it involves deliberate or intentional wrongdoing, not negligence or mistake. Examples include fraud, breach of trust, bribery, blackmail, obtaining or offering secret commissions, theft, embezzlement, tax evasion or forgery.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No action required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR4.3a	Status of fraud risk treatment action plans	Number of fraud risk treatment actions at risk / overdue	Leading
BR4.3b	Number of substantiated ICAC notifications	YTD number of substantiated ICAC notifications (FY12 = 6)	Lagging

Subject Matter Expert	Peter Johnson Manager Governance, Risk and Compliance
Risk Owner	GM Finance and Compliance

2.5 Hazardous Event Summaries BR5 -Reputation

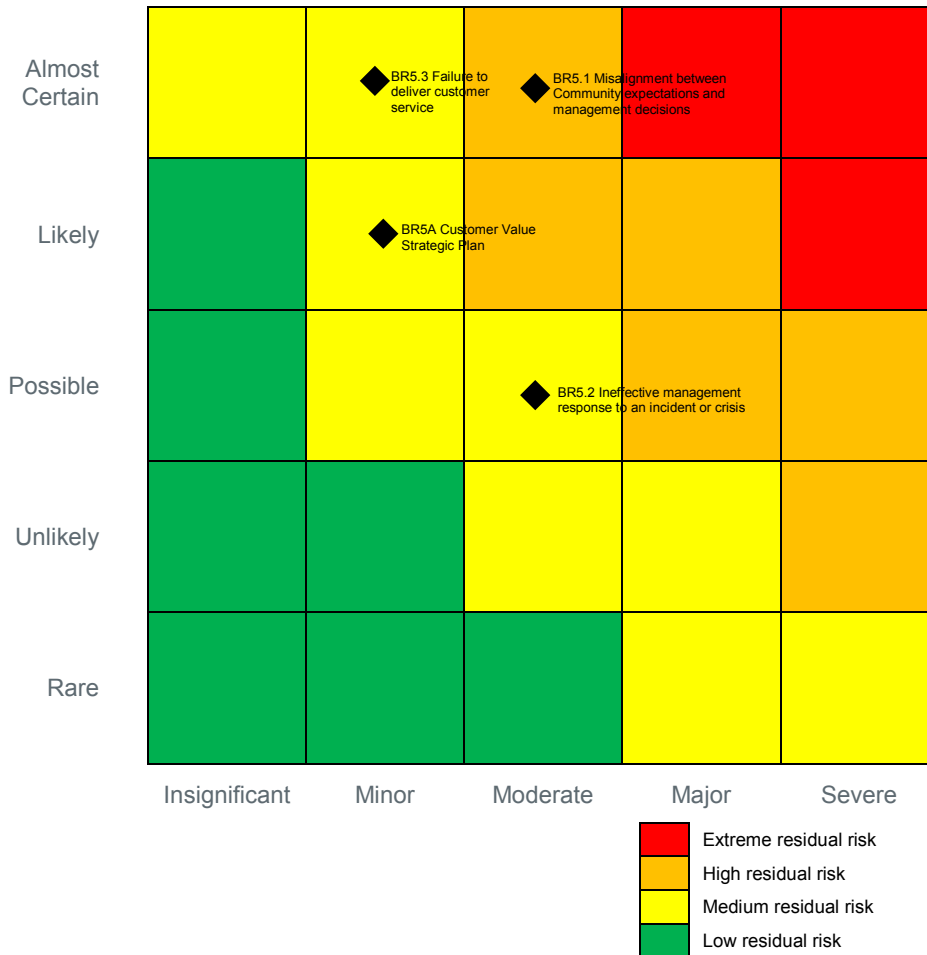
RISK SUMMARY 2014-2015 – BR5 REPUTATION

Overview

Sustained public criticism of the Essential Energy brand.

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
5A	Failure to deliver the Customer Value Strategic Plan	High	Medium	ALARP
OPERATIONAL RISKS				
5.1	Misalignment between Community expectations and management decisions	Extreme	High	ALARP
5.2	Ineffective management response to an incident/crisis	Extreme	Medium	ALARP
5.3	Failure to deliver minimum customer service expectations	Extreme	Medium	Non-ALARP

FY15 Risk Profile



Context and Changes – BR5 Reputation

The Residual Risk of BR5.2 Ineffective Management Response to an incident/crisis has been re-rated from possible to Likely and from Moderate to Minor but the Risk rating remains as Medium. The change is based on experience over the last twelve months.

BR5.4 9 Previously Failure to embed National Energy Customer Framework (NECF) requirements has been renamed Failure to deliver minimum customer service expectations and re-rated. The risk has been rated as Non-ALARP as a result of continuing NECF breaches.

BR No.	Hazardous Event	Status
Reputation 5A	Failure to deliver the Customer Value Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Customer Strategic Plan resulting in the failure to set the Networks NSW vision for our future engagement with customers.

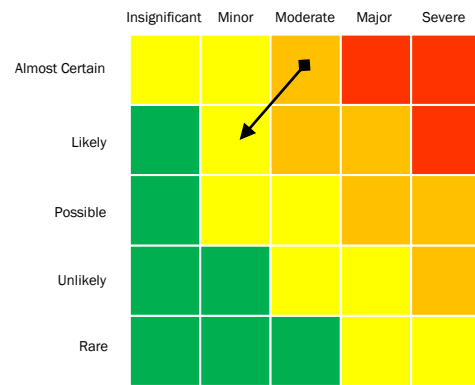
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
(plausible worst case without organisational controls)**

In the absence of controls, the initiatives in the plan will not be fully realised resulting in degraded relationship with retailers/customers manifesting as adverse national media/public/stakeholder attention over 1-2 weeks that could occur more than 5 times in a year.

**Residual Risk Rationale
(plausible worst case with organisational controls)**

With controls in place, it is less likely that the relationship with retailers will deteriorate leading to financial impacts. It is expected that the majority of initiatives will be successfully implemented with a worst case of media attention and criticism related to customer service for 1-2 days more than once a year but no more than 5 times per year.



Inherent Risk: High
Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Competing priorities	Effective performance management system that includes mandate letters, priority actions and scorecards
Lack of effective leadership	Employee relations, change management and communications strategies incorporated into implementation plans
Disengaged and distracted workforce	Strong governance framework including Group level working groups
Industrial disputation	Regular reporting on progress via the Group Exec People & Services report
Failure to allocate resources to project teams	

Consequences	Key Mitigative Controls
Unforeseen financial loss	Regular monitoring and reporting on initiatives contained in Strategic Plan
Damage to public perception	Ability to modify initiative implementation strategy should targets be at risk
Increased regulatory scrutiny/ requirements	Issues management processes to deal with reputational issues

Overall Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Reputation 5A	Failure to deliver the Customer Value Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Customer Strategic Plan resulting in the failure to set the Networks NSW vision for our future engagement with customers to ensure best value for money for the services we provide.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No action required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR5.Aa	Customer Centric Culture	Number of milestones at risk or overdue in relation to the Customer Centric Culture project	Lagging
BR5.Ab	Customer Self-Service Program	Number of milestone actions at risk or overdue in relation to the Customer Self-Service Program	Lagging
BR5.Ac	Retailer engagement	YTD actual vs. planned meetings with Retailers as per engagement schedule	Lagging
BR5.Ad	Customer satisfaction	Latest customer satisfaction survey result	Lagging

Subject Matter Expert	Luke Jenner GM People & Services
Risk Owner	Group Executive People & Services

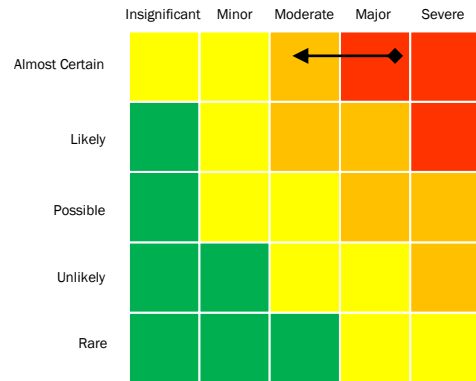
BR No.	Hazardous Event	Status
Reputation 5.1	Misalignment between Community expectations and management decisions	ALARP

Description
 Business initiatives and strategies are devised and delivered without an adequate understanding of emerging trends, the community and its expectations and needs. This risk is a failure to understand how the community views Essential Energy and its operational impacts.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Following a major incident involving members of the public, or through poor performance/perceived lack of action, the Minister loses confidence in Essential Energy. In the absence of controls, this could occur several times per year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Given the controls in place the maximum expected impact from a loss of positive community relations is defined as significant negative publicity sustained over one to two weeks. In light of the reform process currently underway events of this nature are estimated to occur several times a year.



Inherent Risk: Extreme
 Residual Risk: High

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Inadequate consultation with stakeholders	Stakeholder & Community Engagement Briefing to State & Local Government	Regional Advisory Groups AER consultation
Gaps in understanding of external context	Stakeholder & Community Engagement Briefing to State & Local Government	AER consultation
Gaps in understanding of internal context	Stakeholder & Community Engagement Briefing to State & Local Government	Internal communication tools Performance monitoring
Values misalignment – Essential Energy and stakeholders	Stakeholder & Community Engagement Briefing to State & Local Government	Essential Energy Strategy Statement Statement of Corporate Intent SOC Act
Conflicting Stakeholder expectations	Stakeholder & Community Engagement Briefing to State & Local Government	Statement of Corporate Intent SOC Act

Consequences	Key Mitigative Controls	
Loss of reputational – Community	Stakeholder & Community Engagement Briefing to State & Local Government	Media – Incident Guidelines Regional Advisory Groups Major Issues Management
Loss of reputational – Media	Stakeholder & Community Engagement Briefing to State & Local Government	Media Monitoring Media – Incident Guidelines
Loss of reputational – Shareholder	Stakeholder & Community Engagement Briefing to State & Local Government	Media – Incident Guidelines Major Issues Management SCI Process
Loss of reputational – Local Member	Stakeholder & Community Engagement Briefing to State & Local Government	Media – Incident Guidelines Major Issues Management
Legal dispute leading to litigation	Request for legal advice Insurance claims management	Litigation Reporting and Monitoring

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Reputation 5.1	Misalignment between Community expectations and management decisions	ALARP

Description
Business initiatives and strategies are devised and delivered without an adequate understanding of emerging trends, the community and its expectations and needs. This risk is a failure to understand how the community views Essential Energy and its operational impacts.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR5.1a	Customer Satisfaction	Dashboard target	Lagging

Subject Matter Expert	Roger Marshall Manager Corporate Affairs
Risk Owner	GM People and Services

BR No.	Hazardous Event	Status
Reputation 5.2	Ineffective management response to an incident/crisis	ALARP

Description
 Essential Energy’s response to an incident or crisis is not relative to the scale of the incident; poorly timed; or communicated ineffectively. Overall, the response is generally considered ineffective in the court of public opinion and may attract criticism and intervention of regulators.

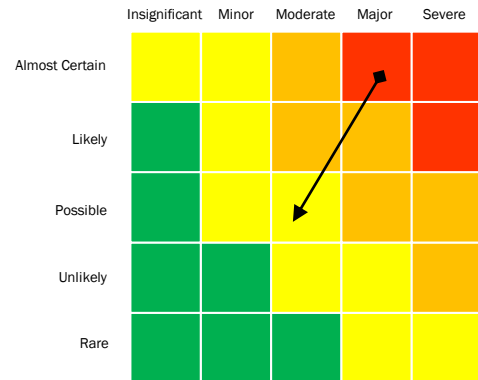
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

Assessment is based on the reputational impact of a poorly managed major incident. Management assess the maximum foreseeable impact as loss of confidence by the Minister in the Essential Energy management. In the absence of controls, this could occur several times per year.

Residual Risk Rationale (plausible worst case with organisational controls)

Based on the existing controls that Essential Energy has in place, the maximum expected level of impact would be adverse national attention sustained over one to two weeks. Events of this nature have occurred no more than once per year but more than once every 10 years.



Inherent Risk: Extreme
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Lack of understanding of roles and responsibilities during an incident	Testing Incident response training	Multiple capable incident coordinators Incident checklists & agendas
Failure to adequately and effectively communicate with the State Government, emergency services agencies, customers and suppliers	Stakeholder & Community Engagement Medium Incident Guidelines	Major Issues Management Communications: External
Conflicting stakeholders expectations	Stakeholder & Community Engagement Briefing to State & Local Government	Regional Advisory Groups Customer Communications

Consequences	Key Mitigative Controls	
Loss of reputation – customers, stakeholders, media	Stakeholder & Community Engagement Briefing to State & Local Government	Media Incident Guidelines Major Issues Management
Stakeholders complain publicly	Stakeholder & Community Engagement Briefing to State & Local Government	Media – Incident Guidelines Major Issues Management

Control Environment Effectiveness	Satisfactory
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Appendix 4

BR No.	Hazardous Event	Status
Reputation 5.2	Ineffective management response to an incident/crisis	ALARP

Description
Essential Energy's response to an incident or crisis is not relative to the scale of the incident; poorly timed; or communicated ineffectively. Overall, the response is generally considered ineffective in the court of public opinion and may attract criticism and intervention of regulators.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR5.2a	Corporate Media Score	Net Media Score	Lagging
BR5.2b	Complaints	YTD number of ombudsman matters	Lagging

Subject Matter Expert	Roger Marshall Manager Corporate Affairs
Risk Owner	GM People and Services

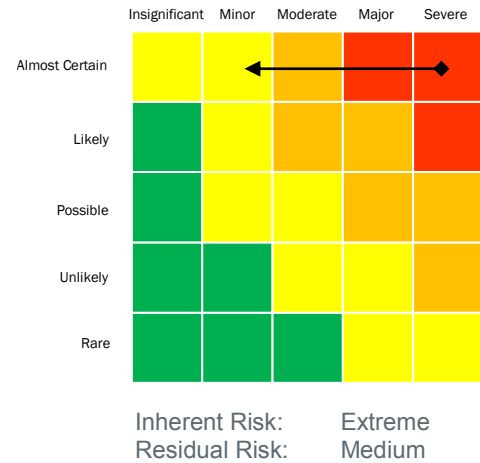
BR No.	Hazardous Event	Status
Reputation 5.3	Failure to deliver minimum customer service expectations	NON ALARP

Description
 Failure to deliver minimum levels of customer service, including those defined under the National Energy Customer Framework (NECF).

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls to ensure compliance with the NECF requirements, there could be breaches that could result in a fatality of a member of the public and the circumstances that gave rise to this possibility could occur several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Based on the existing controls that Essential Energy has in place, Type 1 breaches under NECF are still expected to occur several times a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
De-energisation of incorrect customer	Training Compliant Policies & Procedures	System control Daily report monitoring
Planned outage without adequate notice	Compliant Policies & Procedures Daily life support report monitoring	Tough books and printed WI
De-energisation and re-energisation breaches	Training Compliant Policies & Procedures	Daily reports that monitor breaches in Energy
Failure to advise cancellation of planned outage	Training	Resource planning
Supply interruptions	Network Asset Management Plan Policies & Procedures	EE Standards
Timely resolution of claims	Experienced claims staff Claims Policy	Litigation reporting and monitoring Customer Support Report monitoring

Consequences	Key Mitigative Controls	
Type 1,2 & 3 NECF breaches	Breach reporting system	Incident Management Plan Regional Emergency Response plans
Adverse impact on service delivery	Manual work arounds Emergency response	BCP/DR
Reliability & duration breaches AER	Major Issues Management Plan	Litigation reporting and monitoring
EWON complaints	Major Issues Management Plan	
Reputation damage	Major Issues Management Plan Incident Management Plan	
Liability claims	Insurance & Claims management	

Control Environment Effectiveness Improving

BR No.	Hazardous Event	Status
Reputation 5.3	Failure to deliver minimum customer service expectations	Non-ALARP

Description

Failure to deliver minimum levels of customer service, including those defined under the national Energy Customer Framework (NECF).

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

KRI Ref.	Treatment Action Plan	Responsibility	Due Date
BR5.4.1	Implement Ernst & Young Audit recommendations	Deb Ryan NECF Optimisation Project Manager	Dec 2014
BR5.4.2	Implement NECF Post Implementation Committee recommended actions	Deb Ryan NECF Optimisation Project Manager	Dec 2014

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR5.4a	NECF Type 1 & 2 Breaches	YTD number of breaches	Lagging
BR5.4b	NECF Civil penalties	YTD number of penalties	Lagging

Subject Matter Expert	Belinda Kallmier Manager Customer Operations
Risk Owner	GM People and Services

2.6 Hazardous Event Summaries BR6 -Environment

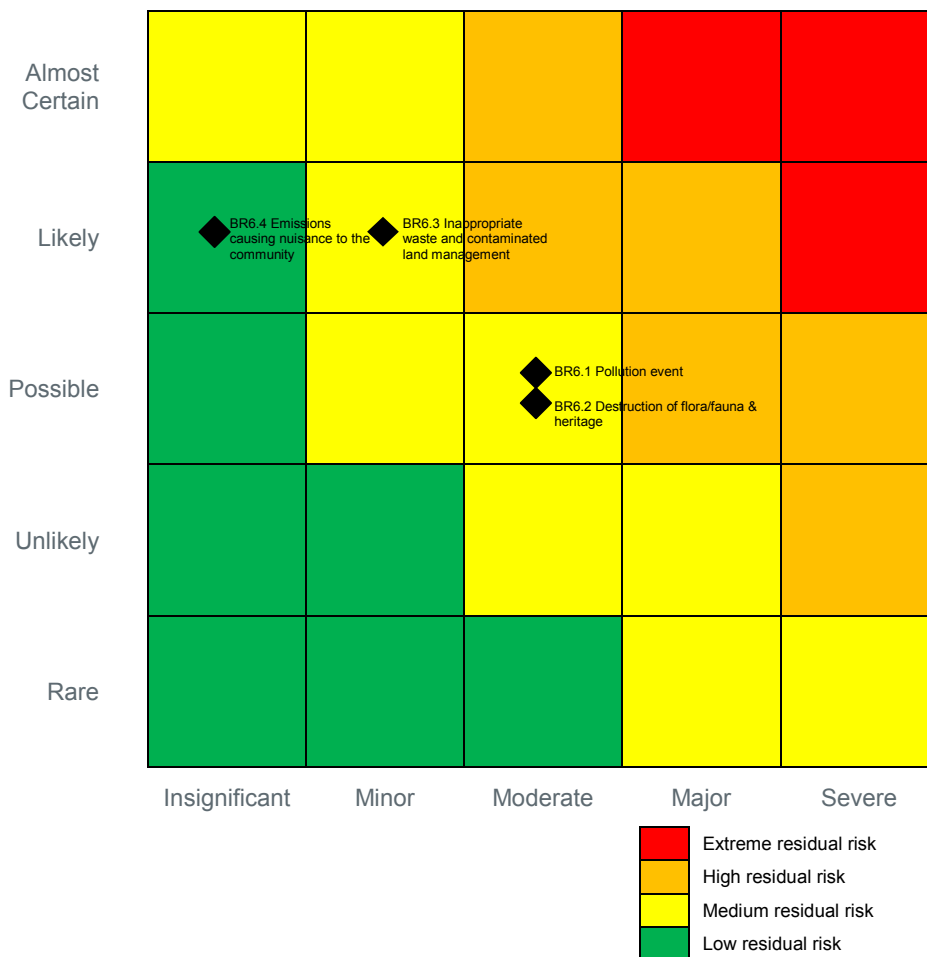
RISK SUMMARY 2014-2015 – BR6 ENVIRONMENT

Overview

Significant environmental incident.

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
OPERATIONAL RISK				
6.1	Polluting the environment	High	Medium	ALARP
6.2	Unauthorized development or damage to Flora/Fauna or Heritage	High	Medium	ALARP
6.3	Inappropriate management of waste and contaminated materials	High	Medium	Non-ALARP
6.4	Emissions causing nuisance to the community	Medium	Low	ALARP

FY15 Risk Profile



Context and Changes – BR6 Environment

BR6.1 Polluting the environment – Residual Likelihood has been changed from Likely to Possible
 BR6.2 Unauthorised development or damage to Flora/Fauna and Heritage – Residual Likelihood has been changed from Likely to Possible
 BR6.3 Inappropriate management of waste and contaminated materials – the Inherent risk rating has been changed from Insignificant/Likely – Low to Moderate/Likely – High and the Residual risk rating from Insignificant/Possible – Low to Minor/Likely – Medium
 BR6.4 Emissions causing nuisance to the community – The Inherent Consequence has moved from Insignificant to Minor and the Residual Likelihood from Possible to Likely

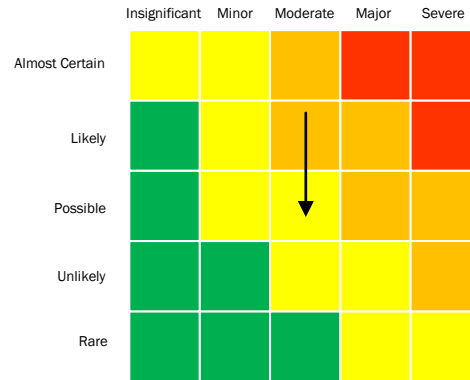
BR No.	Hazardous Event	Status
Environment 6.1	Polluting the environment	ALARP

Description
 Leak, spill or discharge of a contaminating substance (such as sediment, oil, fuels, contaminated water) into the environment.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Moderate damage over a large area or affecting ecosystem or heritage item requiring moderate remediation. This would be expected to occur several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Even with controls in place moderate damage is still possible. Past experience has shown that smaller and less significant pollution events occur frequently during a year. However, events resulting in moderate damage occur more than once every ten years but no more than once a year.



Inherent Risk: High
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Construction/maintenance activities	Job planning Work site risk management	Environmental advice Auditing
Depot activities	Signage & warnings Work site risk management	Design standards Environmental advice
Material transport	Plant equipment and design Procurement controls	Contractor performance management
Third party and/or external causes	Network design standards Plant equipment and design	Site specific controls Signage & warnings
Contractor activities	Procurement controls Work site risk management	Contractor performance management
Failure of Network asset	Network design standards Site specific controls	Maintenance & controls Signage & warnings
Environmental circumstances	Network design standards Site specific controls	Maintenance & controls
Construction/maintenance activities	Job planning Work site risk management	Environmental advice Auditing
Depot activities	Signage & warnings Work site risk management	Design standards Environmental advice

Consequences	Key Mitigative Controls	
Legal/financial/compensation	Incident investigation & management Legal advice & insurance	Stakeholder management
Environmental harm	Containment/Clean up devices Incident investigation & manage.	Site specific controls
Human health	PPE Incident investigation & manage	Environmental advice
Changes to practices/sustainability/efficiency	Incident investigation & manage.	Stakeholder management Stakeholder management

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Environment 6.1	Polluting the environment	ALARP

Description
 Leak, spill or discharge of a contaminating substance (such as sediment, oil, fuels, contaminated water) into the environment.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR6.1a	Reportable Pollution Events	YTD number of reportable pollution events	Lagging

Subject Matter Expert	Mike Lloyd Environmental Operations Manager
Risk Owner	GM Health Safety and Environment

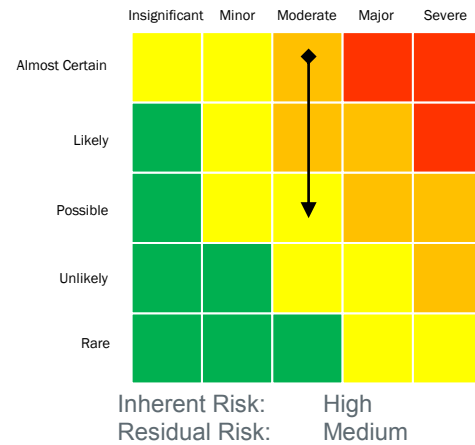
BR No.	Hazardous Event	Status
Environment 6.2	Unauthorized development or damage to Flora/Fauna and Heritage	ALARP

Description
 Failure to adequately prepare or comply with an environmental assessment/internal guidelines thereby breaching requirements or damaging flora, fauna or heritage without authorisation.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Moderate damage over a large area or affecting ecosystem or heritage item requiring moderate remediation. In the absence of controls, an event of this magnitude could be expected to occur several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Adherence to the policies and procedures reduces the likelihood of a serious environmental incident but moderate damage is still likely to occur. Such an event is expected to occur more than once in ten years but no more than once a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Construction/maintenance activities	Job planning Work site risk management	Environmental advice Auditing
Vegetation management	Job planning Customer consultation	Site specific controls Auditing
Changes to Regulatory Environment/inconsistencies	Learning & development Environmental advice	Incident investigation Legal advice
Contractor activities	Procurement controls Work site risk management	Contractor performance management

Consequences	Key Mitigative Controls	
Legal/finance/compensation	Incident investigation & management Legal advice & insurance	Stakeholder management
Environmental harm	Containment/Clean up devices Incident investigation & manage.	Site specific controls
Reputation damage	Incident investigation & manage. Stakeholder management	Customer consultation

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Environment 6.2	Unauthorized development or damage to Flora/Fauna and Heritage	ALARP

Description
Failure to adequately prepare or comply with an environmental assessment/internal guidelines thereby breaching requirements or damaging flora, fauna or heritage without authorisation.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR6.2a	Reportable flora/fauna/heritage incidents	YTD number of reportable flora/fauna/heritage incidents	Lagging

Subject Matter Expert	Mike Lloyd Environmental Operations Manager
Risk Owner	GM Health Safety and Environment

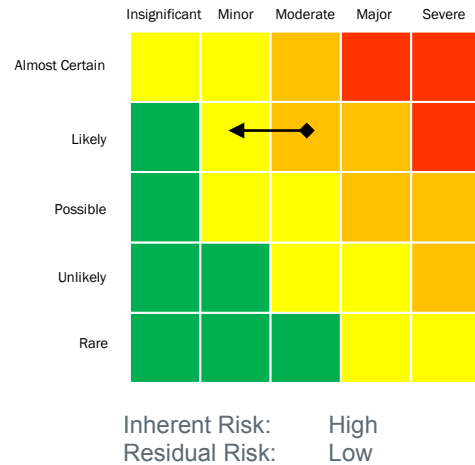
BR No.	Hazardous Event	Status
Environment 6.3	Inappropriate management of waste and contaminated materials	Non-ALARP

Description
 Failure to appropriately manage wastes, contaminated land, PCB's or pesticides, thereby breaching requirements.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 Moderate damage over a large area or affecting ecosystem. In the absence of controls, an event of this magnitude could be expected to occur several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)
 Adherence to the policies and procedures reduces the consequence to minor but the likelihood remains at Likely.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Construction/maintenance activities	Job planning Work site risk management	Environmental advice Auditing
Depot/operational site activities	Signage & warnings Work site risk management	Design standards Environmental advice
Use of contaminating/hazardous materials	Network design standards Job planning	Signage & warnings Regulatory controls
Changes to Regulatory Environment/inconsistencies	Learning & development Environmental advice	Incident investigation Legal advice
Contractor activities	Procurement controls Work site risk management	Contractor performance management
Non -operational site management	Procedural risk management Site specific controls	Audit program Environmental advice

Consequences	Key Mitigative Controls	
Legal/finance/compensation	Incident investigation & manage Legal advice & insurance	Stakeholder management
Environmental harm	Containment/Clean up devices Incident investigation & manage.	Site specific controls
Reputation damage	Incident investigation & manage. Stakeholder management	Customer consultation

Control Environment Effectiveness Unsatisfactory

BR No.	Hazardous Event	Status
Environment 6.3	Inappropriate management of waste and contaminated materials	Non-ALARP

Description

Failure to appropriately manage wastes, contaminated land, PCB's or pesticides, thereby breaching requirements.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

KRI Ref.	Treatment Action Plan	Responsibility	Due Date
BR6.3.1	Establish working group to review control gaps and implement program to resolve	David Nardi Acting GM Health, Safety & Environment	30 June 2015

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR6.3a	Reportable waste or contamination incidents	YTD number of reportable waste or contamination incidents	Lagging

Subject Matter Expert	Mike Lloyd Environmental Operations Manager
Risk Owner	GM Health Safety and Environment

BR No.	Hazardous Event	Status
Environment 6.4	Emissions causing nuisance to the community	ALARP

Description
 Emissions such as noise, dust/fumes breaching requirements in excess of levels acceptable to the community excluding electro-magnetic fields (EMF) The risk associated with community exposure to EMF is covered at an operational level..

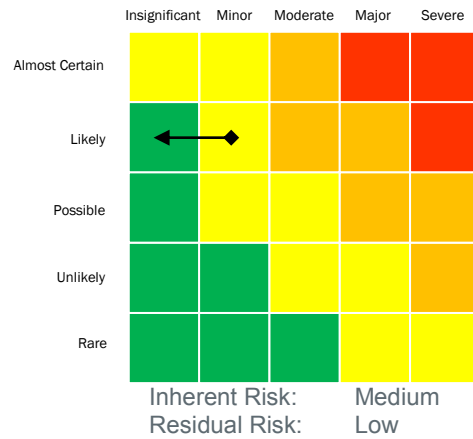
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

Non-permanent injuries/work related illnesses requiring medical treatment events. In the absence of controls, an event of this magnitude could be expected to occur several times a year.

Residual Risk Rationale (plausible worst case with organisational controls)

Adherence to the policies and procedures the consequences to insignificant damage. Such an event is still possible to occur several times a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Construction/maintenance activities	Job planning Work site risk management	Environmental advice Auditing
Depot activities	Signage & warnings Work site risk management	Design standards Environmental advice
Network asset in service	Network design standards Site specific controls	Maintenance & inspection Signage & warnings

Consequences	Key Mitigative Controls	
Legal/finance/compensation	Incident investigation & manage Legal advice & insurance	Stakeholder management
Human health	PPE Incident investigation & manage	Environmental advice
Changes to practices/sustainability/efficiency	Incident investigation & manage.	

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
Environment 6.4	Emissions causing nuisance to the community	ALARP

Description

Emissions such as noise, dust/fumes breaching requirements in excess of levels acceptable to the community excluding electro-magnetic fields (EMF) The risk associated with community exposure to EMF is covered at an operational level..

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR6.4a	Reportable emissions incidents	YTD number of reportable emissions incidents	Lagging

Subject Matter Expert	Mike Lloyd Environmental Operations Manager
Risk Owner	GM Health Safety and Environment

2.7 Hazardous Event Summaries BR7 - People

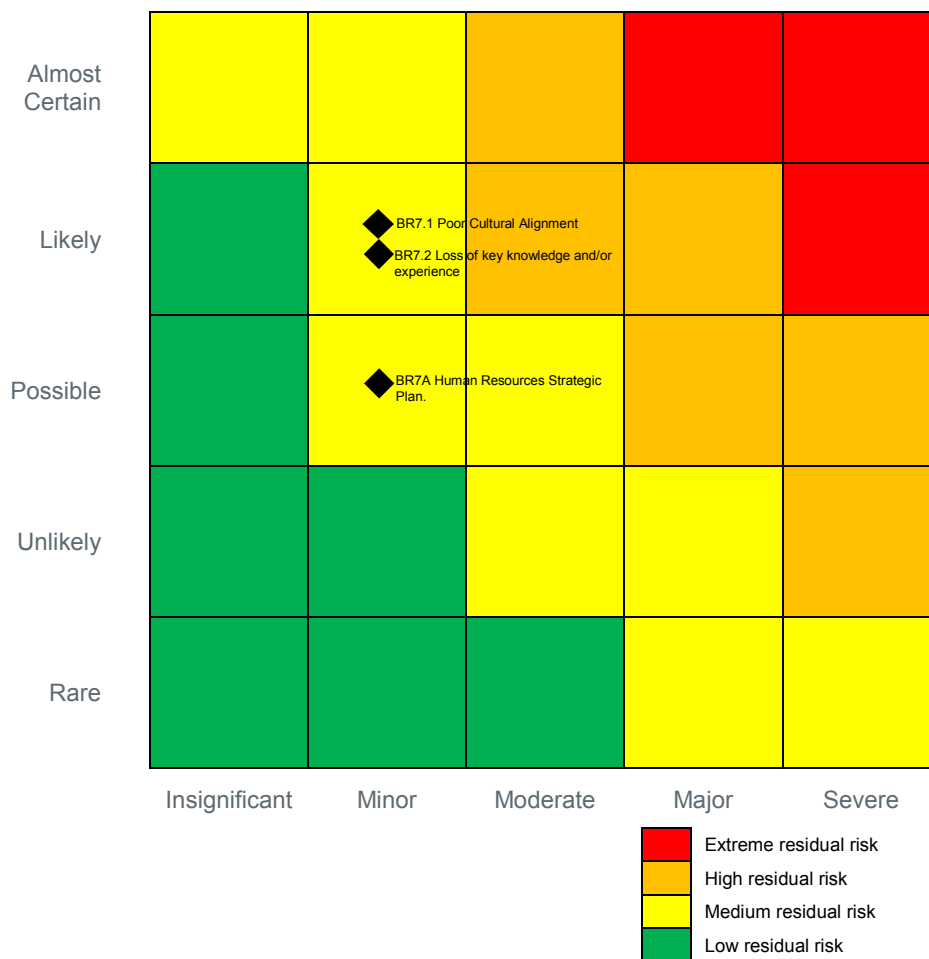
RISK SUMMARY 2014-2015 – BR7 PEOPLE

Overview

Failure to deliver performance through people.

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
BR7A	Failure to deliver the Human Resources Strategic Plan	Medium	Medium	ALARP
OPERATIONAL RISKS				
BR7.1	Poor Cultural Alignment	High	Medium	ALARP
BR7.2	Loss of key knowledge and/or experience	High	Medium	ALARP

FY15 Risk Profile



Context and Changes – BR7 People

No change.

BR No.	Hazardous Event	Status
People 7A	Failure to deliver the Human Resources Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Human Resources Strategic Plan resulting in the failure to develop the leadership, culture and organisational capability required to execute strategy; provide effective and efficient end to end people services; and to facilitate implementation of workplace change and structural reform required to achieve business outcomes.

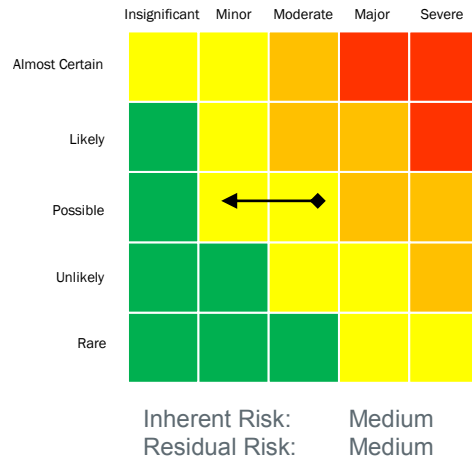
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
(plausible worst case without organisational controls)**

In the absence of controls, the initiatives in the plan will not be fully realised resulting in degraded relationship with employees and unions and an inability for the business to effectively operate during periods of rapid change. As a consequence it is expected that delays in implementing reform initiatives will result in financial shortfalls in the order of \$20M - \$100M across the Group per year.

**Residual Risk Rationale
(plausible worst case with organisational controls)**

With controls in place, it is expected that the majority of initiatives will be successfully implemented with a worst case financial shortfall would be in the order of \$1M - \$20M across the Group per year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Lack of effective leadership	Leadership Development Programs
Competing priorities	Effective performance management system that includes mandate letters, leadership competencies, priority actions and scorecards
Industrial disputation	Employee relations, change management and communications strategies incorporated into implementation plans
Disengaged and distracted workforce	Strong governance framework including Group level working groups

Consequences	Key Mitigative Controls
Unforeseen financial loss	Regular monitoring and reporting on initiatives contained in Strategic Plans
Damage to public perception	Ability to modify initiative implementation strategy should targets be at risk
Increased regulatory scrutiny/ requirements	Effective issues management strategy
Loss of productivity	

Overall Control Environment Effectiveness	Satisfactory
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BR No.	Hazardous Event	Status
People 7A	Failure to deliver the Human Resources Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Human Resources Strategic Plan resulting in the failure to develop the leadership, culture and organisational capability required to execute strategy; provide effective and efficient end to end people services; and to facilitate implementation of workplace change and structural reform required to achieve business outcomes.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR7.Aa	Leadership Development Programs	Number of milestone actions at risk or overdue in relation to the implementation of the Leadership Development Programs	Lagging
BR7.Ab	Fair & Just Culture initiatives	Number of milestone actions at risk or overdue in relation to the implementation of Fair & Just Culture initiatives	Lagging
BR7.Ac	Reform programs	Number of milestone actions at risk or overdue in relation to the implementation of Network Reform Program (NRP), Profit Improvement Plan and other Group initiated reforms	Lagging
BR7.Ad	Fair Work Australia case outcomes	YTD % judgements in favour for Fair Work Australia cases	Lagging

Subject Matter Expert	Group Manager Human Resources
Risk Owner	Group Executive People & Services

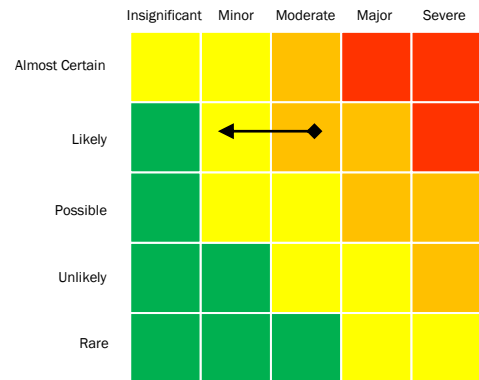
BR No.	Hazardous Event	Status
People 7.1	Reduced employee engagement following significant organizational change	ALARP

Description
 Failure to adequately identify, plan and implement initiatives associated with organisational change including major restructures, market testing or reforms such as those associated with an Enterprise Agreement. This may result in reduced productivity and/or staff engagement negatively impacting service delivery.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 The failure to align culture with Network NSW reform could give rise to an adverse financial impact in the \$5M to \$25M range. The reforms also present a risk to the Company’s reputation as the potential for industrial action is almost certain in the pursuit of the reforms. In the absence of controls, a loss of this size could occur more than once a year but no more than five times year.

Residual Risk Rationale (plausible worst case with organisational controls)
 The maximum expected outcome based on the existing controls is a productivity loss in the order of \$0.25 to \$5M. The likelihood of this consequence occurring based on the effectiveness of the existing controls remains as more than once a year but no more than five times a year.



Inherent Risk: High
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Poor development and delivery of Employee Relations Strategy	NNSW HR Strategy Plan Senior management Issues Survey	eView
Management competency	Leadership Capability Framework Leadership Development Performance Management	Individual Development Plans Talent Management System
Management proficiency in change management	Org. Change Management Framework	Communications: Internal
Industrial obligations	Enterprise Agreement Consultation Clauses	Fair Work Act
Company culture	Code of Conduct eView	Leadership Capability Framework Talent Management System
Inappropriate productivity targets/plans	AER Process Budget & Forecasting Process	Talent Management System Dashboard/Business Plans

Consequences	Key Mitigative Controls	
Loss of customer value – productivity losses	Performance Management & Recovery Workforce Planning	Senior Managers Issues Survey Leave Policies
Loss of reputation – shareholder and customers	Stakeholder & Shareholder Engagement Customer Information System	
Loss of customer value – industrial action	Fair Work Act	Enterprise Agreement Dispute Resolution Procedure
Shareholder intervention	Stakeholder & Shareholder Engagement	

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
People 7.1	Reduced employee engagement following significant organizational change	ALARP

Description

Failure to adequately identify, plan and implement initiatives associated with organisational change including major restructures, market testing or reforms such as those associated with an Enterprise Agreement. This may result in reduced productivity and/or staff engagement negatively impacting service delivery.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator – Name	Description	Lagging / Leading
BR7.1a	eView survey (6 monthly)	Target 65%	Lagging
BR7.1b	Performance Management Process	Percentage of employees participating in the performance management cycle	Lagging
BR7.1c	Grievances	No of disputes and grievances lodged	Lagging

Subject Matter Expert	Justin Poppleton Manager Human Resources
Risk Owner	GM People and Services

BR No.	Hazardous Event	Status
People 7.2	Loss of key knowledge and/or experience	ALARP

Description
 .Reduced ability to operate as expected due to loss of and/or restricted access to key employees/management.

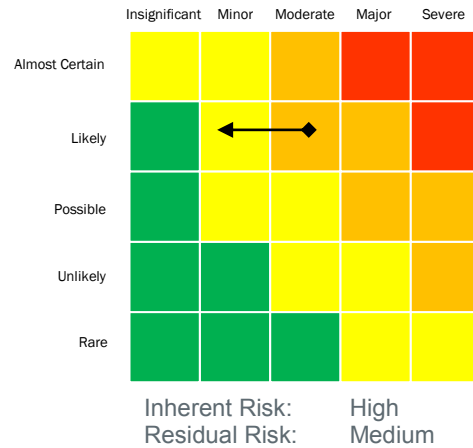
RISK ASSESSMENT SUMMARY

**Inherent Risk Rationale
 (plausible worst case without organisational controls)**

The Network NSW reform process could see the departure of critical people which could give rise to an adverse financial impact in the \$5M to \$25M range. The reforms also present a risk to the Company's reputation as the potential for industrial action is almost certain in the pursuit of the reforms. In the absence of controls, a loss of this size could occur more than once a year but no more than five times year.

**Residual Risk Rationale
 (plausible worst case with organisational controls)**

The maximum expected outcome based on the existing controls is a financial loss in the order of \$0.25M to \$5M. The likelihood of this consequence occurring based on the effectiveness of the existing controls remains as more than once a year but no more than five times a year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Loss of critical people	Succession Planning Talent Management System	Workforce Planning
Lack of understanding of employee skills	Performance Management Talent Management System	Individual Development Plan Learning Management System
Poor engagement	eView Talent Management System	Performance Management
Poor change management	eView Leadership Capability framework	Performance Management
	Org. Change Management Framework	Communications: Internal

Consequences	Key Mitigative Controls	
High turnover	Workforce Plan Succession Plan	Leadership Competencies EView
Productivity losses	Workforce Plan Succession Plan	Leadership Competencies Budget & Forecasting
Financial losses – make good	Workforce Plan Succession Plan	Workforce Plan Succession Plan

Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
People 7.2	Loss of key knowledge and/or experience	ALARP

Description
Reduced ability to operate as expected due to loss of and/or restricted access to key employees/management.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator – Name	Description	Lagging / Leading
BR7.2a	Attrition Rate (excluding VR)	YTD attrition rate excluding redundancy	Lagging

Subject Matter Expert	Justin Poppleton Manager Human Resources
Risk Owner	GM People and Services

2.8 Hazardous Event Summaries BR8 –Strategy

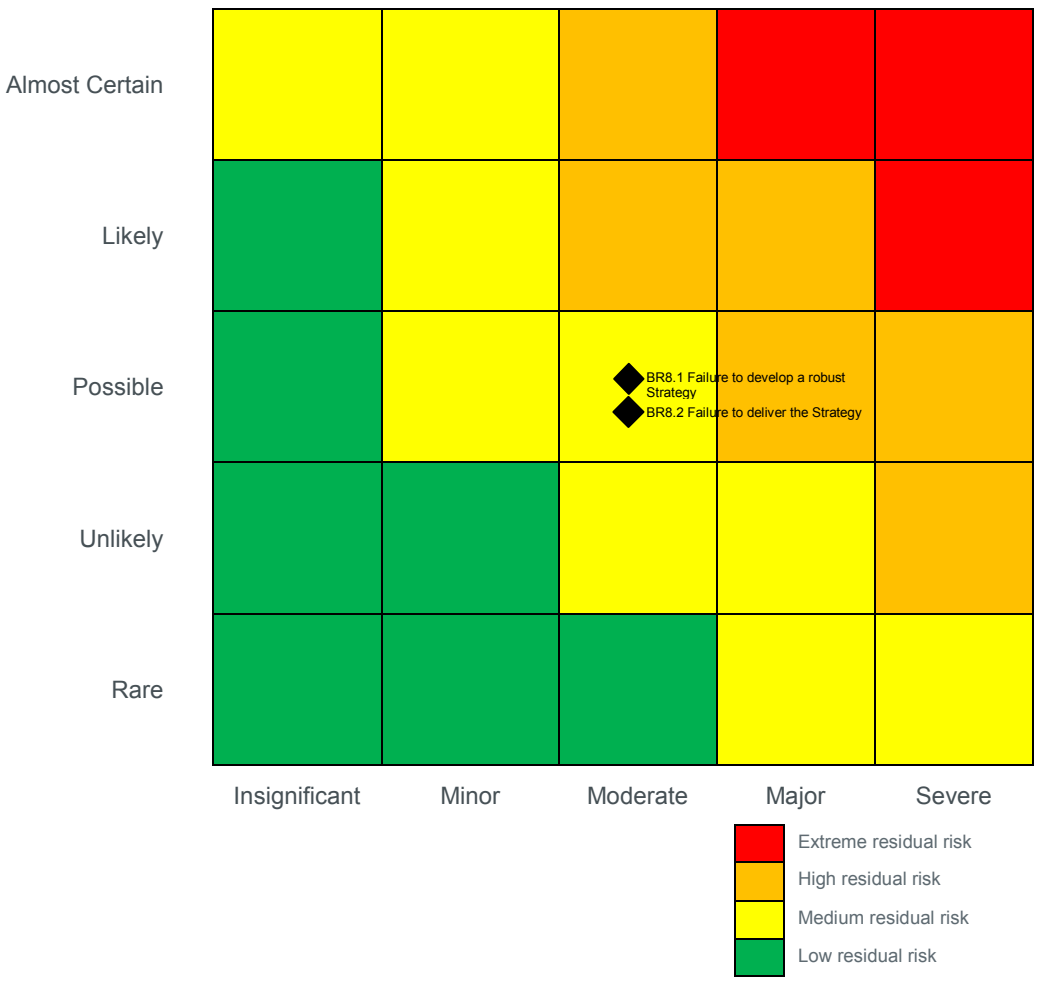
RISK SUMMARY 2014-2015 – BR8 Strategy

Overview

Strategic objectives are not delivered and business opportunities are lost.

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
GROUP OPERATIONAL RISK				
8.1	Failure to develop a robust Strategy	High	Medium	ALARP
8.2	Failure to deliver Strategy	High	Medium	ALARP

FY15 Risk Profile



Context and Changes – BR8 Strategy

The risks for this category were identified and assessed in the context of:

- The progressive implementation of revised governance arrangements and operating models in the Network businesses.

BR No.	Hazardous Event	Status
Strategy 8.1	Failure to develop a robust strategy	ALARP

Description

Focuses on the Corporate Strategy and the development process and whether the process is robust enough to consider both internal and external stakeholder requirements.

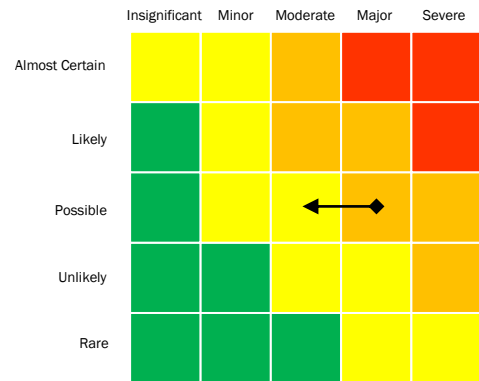
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

The developed plan does not address how the organisation will deliver the Group Strategic Plan objective or those contained in the SCI, particularly those related to our commitment to achieving best practice safety outcomes. The worst case consequence would be reputational damage and the directive to amend our practice and/or strategy by the regulator or shareholder no more than once per year.

Residual Risk Rationale (plausible worst case with organisational controls)

The maximum expected level of impact based on the development of a flawed strategy is a reputational impact resulting in a negative stakeholder attention for 1-2 weeks. Based on the existing controls surround the strategic planning process, this may occur more than once in 25 years but no more than once every 10 years unless significant unforeseen events occur.



Inherent Risk: High
Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Ineffective governance of strategic planning	Process based on existing Operating Company procedures
Strategic planning process is not robust/poorly timed	Strategic planning calendar
Failure to recognise the changing internal or external environment	Board & Executive planning days
Lack of suitably qualified resources	3-5 year Strategy updated and approved annually
Lack of customer focus	Clear approval and review points
Poor development or implementation of the issues management strategy	Regular ELG/Board assessment
	Industry benchmarking
	Customer Consultative Committees
	Effective scanning of external environment
	Effective selection and succession planning for appointments
	Well defined position descriptions
	Diverse and industry relevant Board members
	Regular communication with Government Shareholders at various levels
	Regulatory update and contact program

Appendix 4

BR No.	Hazardous Event	Status
Strategy 8.1	Failure to develop a robust strategy	ALARP

Description
Focuses on the Corporate Strategy and the development process and whether the process is robust enough to consider both internal and external stakeholder requirements.

Consequences	Key Mitigative Controls
Commitment to safety not realised	Effective governance of strategic planning processes
Reduced Network reliability	Requirement for robust diagnostic and scenario assessments
Unforeseen financial loss	Effective issues management strategy
Cost of missed opportunities	Agility – capability to assess and respond to changing external and internal environments
Damage to public perception	Group Liability Insurance Scheme (Directors & Officers cover)
Increased regulatory scrutiny/ requirements	
Loss of productivity	

Overall Control Environment Effectiveness	Improving
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TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR8.1a	Strategic Plan milestones	Number of strategic planning process milestones at risk or overdue	Lagging

Subject Matter Expert	Group Manager Strategy and Performance
Risk Owner	Chief Executive Officer

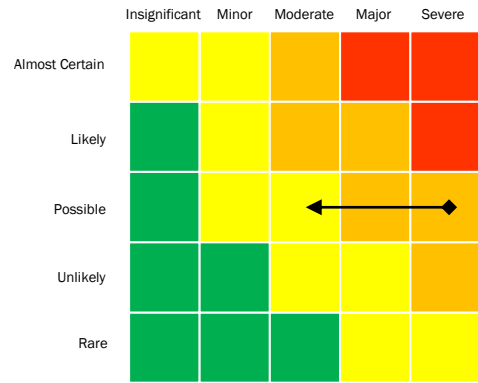
BR No.	Hazardous Event	Status
Strategy 8.2	Failure to deliver the Strategy	ALARP

Description
Failure to deliver the initiatives contained in the Group Strategic Plan.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
In the absence of controls it might be expected there be a shortfall delivering productivity reforms and cost savings in the order of 30% or \$900M for the remaining periods (average \$400M per year). In addition, the impact of a discounted WACC and reduced expenditure allowances could exceed \$1B of budgeted revenue over the regulatory five year period FY15-19 (average \$200M per year).

Residual Risk Rationale (plausible worst case with organisational controls)
With controls in place, there is still uncertainty regarding the markets ability to deliver the estimated procurement savings and FTE reductions embedded in the productivity reforms. The effect could be in the order of \$75M - \$150M in costs per year. It remains possible for the AER to deliver a lower WACC and expenditure allowances than sought; however additional cost savings and other strategies have been developed to ensure budgeted outcomes are substantially achieved. The net difference is expected to be in the order of \$20M-\$100M.



Inherent Risk: High
Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Competing priorities	Effective performance management system that includes mandate letters, priority actions and scorecards
Lack of effective leadership	Employee relations and change management and communications strategies incorporated into implementation plans
Severe AER determination	Strong governance framework for development and approval of AER submission
Inability of external parties to deliver savings	Continued engagement with AER
Industrial disputation	Continued market engagement
Disengaged and distracted workforce	

Consequences	Key Mitigative Controls
Commitment to safety not realised	Regular monitoring of the development of the AER submission and Network Reform Program
Reduced Network reliability	Ability to modify initiative implementation strategy should targets be at risk
Unforeseen financial loss	Effective issues management strategy
Cost of missed opportunities	Group Liability Insurance Scheme (Directors & Officers cover)
Damage to public perception	
Increased regulatory scrutiny/ requirements	
Loss of productivity	

Overall Control Environment Effectiveness	Satisfactory
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Appendix 4

BR No.	Hazardous Event	Status
Strategy 8.2	Failure to deliver the Strategy	ALARP

Description
Failure to deliver the initiatives contained in the Group Strategic Plan.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR8.2a	Corporate Scorecard	Number of corporate scorecard items at risk or behind target (monthly reporting)	Lagging
BR8.2b	Corporate Priority Actions	Number of priority actions at risk or overdue (quarterly reporting)	Lagging

Subject Matter Expert	Group Chief Financial Officer
Risk Owner	Chief Executive Officer

2.9 Hazardous Event Summaries BR9 – ICT

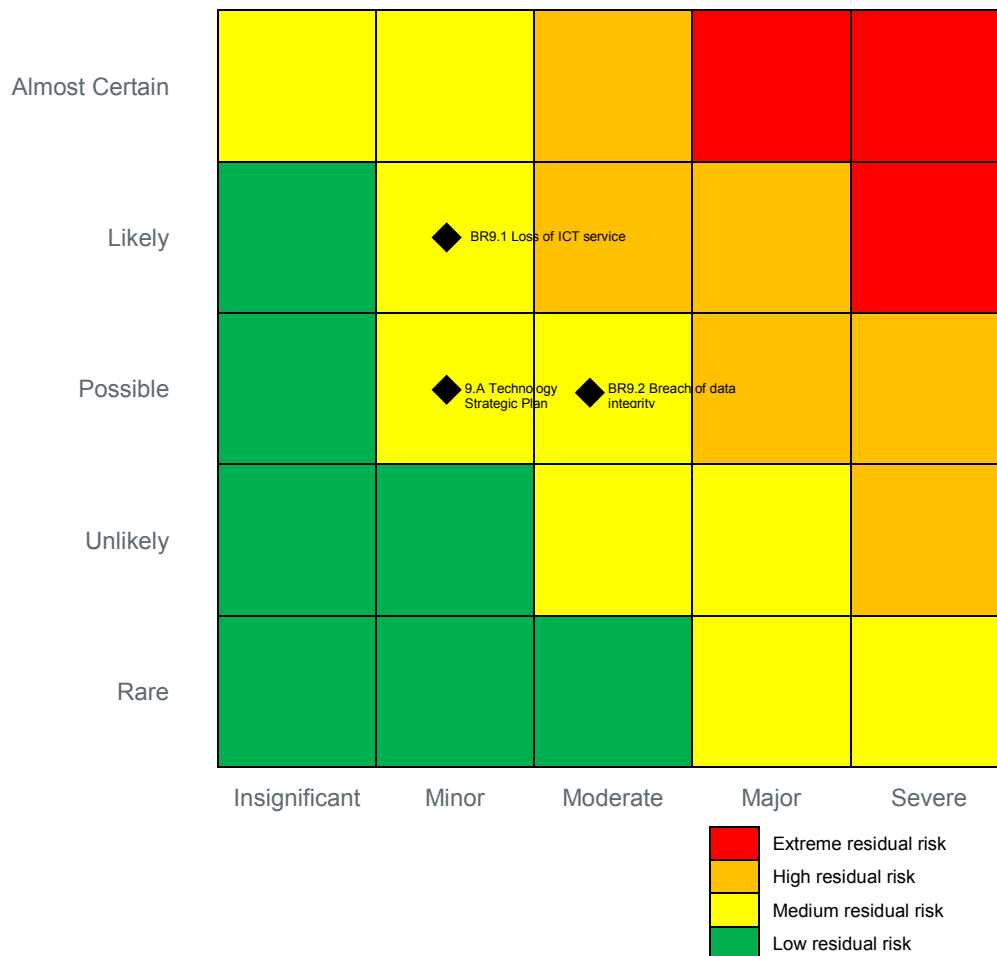
RISK SUMMARY 2014-2015 – BR9 ICT

Overview

Significant Information, Communication and Technology system failure

BR No.	Hazardous Event	Inherent Risk	Residual Risk	ALARP Status
STRATEGIC RISK				
9A	Failure to deliver the Technology Strategic Plan	Medium	Medium	ALARP
OPERATIONAL RISKS				
9.1	Loss of ICT & OT Service	Extreme	Medium	ALARP
9.2	Breach of data integrity and/or security	Extreme	Medium	Non-ALARP

FY15 Risk Profile



Context and Changes – BR9 ICT

BR9.1 previously rated as Non-ALARP has now been rated ALARP given its performance over the last 12 months and the anticipated completion of all treatment action plans for F14.

BR9.2's Residual Risk Rating has been amended as follows: The Consequence has been changed from Minor to Moderate. The change is based on the continuing level of NECF breaches but does not change the residual rating from Medium.

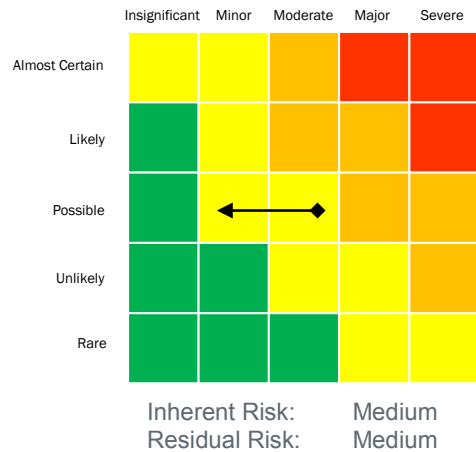
BR No.	Hazardous Event	Status
ICT 9A	Failure to deliver the Technology Strategic Plan	ALARP

Description
 Failure to deliver the initiatives contained in the Technology Strategic Plan resulting in a failure to leverage technology and investment to support Networks NSW business processes and in doing so, enable productivity and contain and reduce the technology cost base.

RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)
 In the absence of controls, the initiatives in the plan will not be fully realised resulting in a failure to realise the predicted efficiencies associated with use of common services and solutions and more frequent losses of an assured IT business platform. As a consequence it is expected that delays in implementing reform initiatives will result in financial shortfalls in the order of \$20M - \$100M across the Group per year.

Residual Risk Rationale (plausible worst case with organisational controls)
 With controls in place, it is expected that the majority of initiatives will be successfully implemented with a worst case financial shortfall would be in the order of \$1M - \$20M across the Group per year.



The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls
Changing shareholder requirements	Key stakeholder involvement in Strategy development
Competing priorities	Effective performance management system that includes mandate letters, priority actions and scorecards
Lack of effective leadership	Employee relations, change management and communications strategies incorporated into implementation plans
Disengaged and distracted workforce	Strong governance framework including Group level working groups
Industrial disputation	Monitor market activity
Failure to major service provider or equipment vendor	

Consequences	Key Mitigative Controls
Unforeseen financial loss	Regular monitoring and reporting on initiatives contained in Strategic Plans
Damage to public perception	Ability to modify initiative implementation strategy should targets be at risk
Increased regulatory scrutiny/ requirements	Effective issues management strategy
Loss of productivity	

Overall Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
ICT 9A	Failure to deliver the Technology Strategic Plan	ALARP

Description

Failure to deliver the initiatives contained in the Technology Strategic Plan resulting in a failure to leverage technology and investment to support Networks NSW business processes and in doing so, enable productivity and contain and reduce the technology cost base.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
Not required given ALARP status		

KRI Ref.	Key Risk Indicator - Name	Description	Lagging / Leading
BR9.Aa	Contact centre technology strategy	Number of milestone actions at risk or overdue in relation to the development of the contact centre technology strategy	Lagging
BR9.Ab	Common telecommunications strategy	Number of milestone actions at risk or overdue in relation to the development of the common telecommunications strategy	Lagging
BR9.Ac	NNSW distribution management system strategy	Number of milestone actions at risk or overdue in relation to the development of the NNSW distribution management system strategy	Lagging

Subject Matter Expert	Caroline Hungerford GM Information, Communication and Technology
Risk Owner	Group Executive People & Services

BR No.	Hazardous Event	Status
ICT 9.1	Loss of ICT & OT Service	ALARP

Description
 Loss of hardware or software systems that results in the loss of ICT & OT Service to Essential Energy staff.

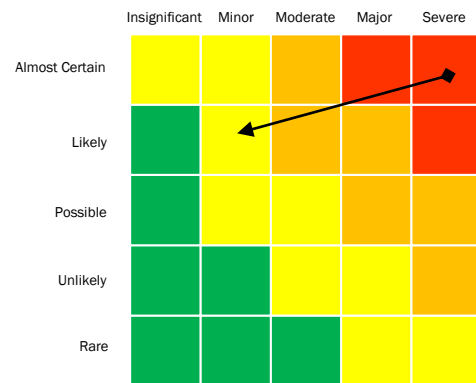
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

Outage and time required to recover all business systems could give rise to a safety issue that could see the death of an employee or member of the public. The associated financial impact could exceed \$50 million, particularly if billing systems are impacted. In the absence of controls, this event could occur more than five times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)

Based on events in recent years the worst case financial impact based around productivity is estimated to be in the range of \$250k - \$5m. With the existing controls, this event is not expected to occur more than several times a year more than several times a year.



Inherent Risk: Extreme
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Systems and/or services failure	Monitoring/Alerts/Reporting Maintenance	Redundancy Design & support
Incorrect data	Auditing/data integrity checks Data governance	Operational procedures Training & education
Loss of data	ITIL (Service management framework)	Penetration Testing Auditing/data integrity checks
Human factors/malicious attack	Information Security Management System	Code of Conduct Monitoring/Alerts/Reporting
Lack of or failure of governance	Data governance Operational procedures	ITIL (Service management framework) Auditing/data integrity checks
ICT environmental failure/ineffective management	Physical security Background checks	Threat surveillance/intelligence Penetration testing

Consequences	Key Mitigation Controls	
Fatality/injury	ICT Incident management/Security EE Incident Management Plan	HSE Incident Management Plan Major Issues Management Plan
Compliance failure	Breach reporting ICT Incident Management Plan	BCP/DR
Inability to support business processes	Verification Data Controls BCP/DR	Cancellation of work scheduling PIR
Financial impact	Insurance & Claims Management BCP/ICT	Re-budgeting
Reputation loss	EE Incident Management Plan Major Issues Management Plan	BCP/DR PIR
Personal liability (OH&S Act)	Legal advice	
Misuse of customer information	ICT Incident Management Plan Insurance & Claims management	Legal advice

Overall Control Environment Effectiveness Satisfactory

BR No.	Hazardous Event	Status
ICT 9.1	Loss of ICT & OT Service	ALARP

Description
Loss of hardware or software systems that results in the loss of ICT & OT Service to Essential Energy staff.

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date
No treatment action plan required as ALARP		

KRI Ref.	Key Risk Indicator – Name	Description	Lagging / Leading
BR9.1a	SLA System Availability Report	Compliance or breach of SLA availability target of 97%	Lagging

Subject Matter Expert	Linda Elbourne Manager Service Management
Risk Owner	GM Information, Communication and Technology

BR No.	Hazardous Event	Status
ICT 9.2	Breach of Data Integrity and/or Security	Non-ALARP

Description
 Breach of data confidentiality, integrity and/or security of any Essential Energy ICT or OT Systems or Databases

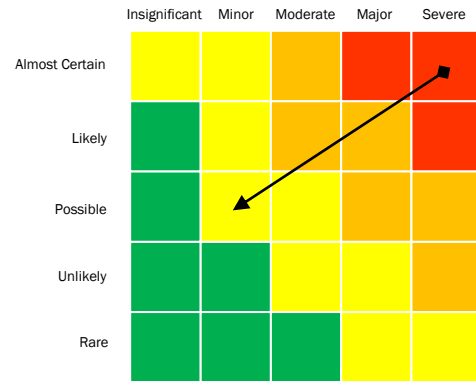
RISK ASSESSMENT SUMMARY

Inherent Risk Rationale (plausible worst case without organisational controls)

A worst case security or confidentiality breach could give rise to a safety issue that could see the death of an employee or member of the public. The associated financial impact could exceed \$50 million, particularly if billing systems are impacted. In the absence of controls, this event could occur more than five times in one year.

Residual Risk Rationale (plausible worst case with organisational controls)

Based on events in the past year the worst case financial impact is estimated to be in excess of \$5m (in total) based on NECF non-compliance and flow on productivity impacts. With the existing controls, this cumulative event is unlikely to occur more than once a year.



Inherent Risk: Extreme
 Residual Risk: Medium

The arrow shows the impact that effective controls have in reducing the consequence and/or likelihood of the risk event

Causes	Key Preventative Controls	
Data centre physical security breach	Data centre physical security Data systems building alarms	User access reviews Staff & contractor exit procedures
Internal security breach	User training/awareness Pass word protection	User access control for administration & separation of duties
External security breach	User passwords for IT systems Intrusion prevention systems	Anti-virus software Firewalls
Fraud & corruption	Data governance Code of conduct	Fraud & Corruption Control Plan
Malicious damage/vandalism	Code of Conduct Background checks	Monitoring/Alerts/reporting Intrusion testing
System failure or fault	Monitoring/Alerts/reporting Auditing/Data integrity checks	Maintenance Redundancy

Consequences	Key Mitigation Controls	
SCADA system breach	Network segregation Operator feedback	Customer feedback Desktop Endpoint security software
Fatality/injury	EE Incident Management Plan IT BCP/DR	Customer feedback Network segregation
Reputation loss	EE Incident Management Plan IT BCP/DR	IT Incident Management Plan Major Issues Management Plan
Financial loss	Billing BCP Receivables BCP	Legal advice Insurance & Claims Management

Overall Control Environment Effectiveness Unsatisfactory

BR No.	Hazardous Event	Status
ICT 9.2	Breach of Data Integrity and/or Security	Non-ALARP

Description

Breach of data confidentiality, Integrity and/or security of any Essential Energy ICT or OT Systems or Databases

TREATMENT ACTION PLAN AND KEY RISK INDICATORS

Treatment Action Plan	Responsibility	Due Date	
BR9.2.1	Implementation of Security Management System tracking to approved schedule	Laurie Byrne Manager Governance Strategy & Sourcing	June 2015
BR9.2.2	Implementation of Data Management Program tracking to approved schedule	Andrew Neate Manager Business & Support Systems	June 2015
BR9.2.3	Monthly Enterprise Data Steering Committee meetings and follow-up	Caroline Hungerford GM Information, Communication and Technology	June 2015

KRI Ref.	Key Risk Indicator – Name	Description	Lagging / Leading
BR9.2a	Security Incident Events	No of security incidents logged (Target = Zero open. i.e.; all closed / resolved)	Leading

Subject Matter Expert	Linda Elbourne Manager Service Management
Risk Owner	GM Information, Communication and Technology

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APPENDIX B

2014-15 Risk Management Plan

Alignment between insurance cover and hazardous events

July 2014



CONTENTS

1.0 INSURANCE COVER BY HAZARDOUS EVENT

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3.0 INSURANCE COVER BY HAZARDOUS EVENT

The maintenance of comprehensive insurance policies is an effective treatment action that transfers the financial risk associated with a hazardous event to the insurer.

Essential Energy holds insurances that, in full or in part, limit the financial impact of each of our 36 operational hazardous events.

Table B1 below details the insurance cover held to minimise the financial impact of the operational risks.

Table B1: Alignment between insurance cover and hazardous events

BR Number	Hazardous Event	Residual Risk Rating	SIR Limit	Mitigating Insurance
BR1 SAFETY				
1.1	Uncontrolled Discharge or contact with Electricity	High	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.2	Exposure to hazardous materials	Medium	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) – sudden & accidental Pollution aspects Contractor Insurance
1.3	Fall from height	High	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.4	Motor vehicle accident	High	Zero \$100k Aggregate \$1.85M Excess \$2k N/A N/A	Workers Compensation – EML GLIS (Liability) Third party property damage Motor Vehicle Comprehensive Policy Contractor Insurance CTP Insurance
1.5	Unintended contact with powered mobile plant	High	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.6	Struck by falling or moving object	High	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.7	Incident while undertaking lifting operations	Medium	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.8	Uncontrolled collapse of excavation work	Low	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.9	Breach of a controlled worksite when working in or around traffic	Medium	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance
1.10	Exposure to hazardous manual tasks	Medium	Zero \$100k N/A	Workers Compensation – EML GLIS (Liability) Contractor Insurance

Appendix 4

BR Number	Hazardous Event	Residual Risk Rating	SIR Limit	Mitigating Insurance
BR2 NETWORK				
2.1	Performance of the network is inadequate to meet customers' supply expectations	Extreme	\$100k \$100k	GLIS (Liability) – failure to supply GLIS (D&O) – wrongful act
2.2	The network has insufficient capacity/capability to meet the demands placed on it	Medium	\$100k	GLIS (Liability) GLIS (D&O) – wrongful act
2.3	Major fire caused by Network or Network activity	Extreme	\$10m \$100k \$100k \$250k \$50k	GLIS (Bushfire) GLIS (Liability) GLIS (D&O) wrongful act ISR – Substations ISR – Other Essential Property – Dwellings, Offices, Depots
2.4	Loss of upstream supply	High	\$100k	ISR – Public Utilities Extension Section 2 sub-limit \$10M
2.5	Insufficient water or quality issue	Medium	\$100k	GLIS (Liability) GLIS (D&O) – wrongful act
BR3 FINANCE				
3.1	Loss of or damage to a physical organisational asset	High	\$50k \$100k \$250k Aggregate \$1.85M Excess \$2k Excess \$50k or \$100k Sub-limit \$750k	<i>ISR Dwellings, Offices, Depots and Sundry Assets</i> <i>ISR – Essential Energy insured perils not related to Dwellings, Offices, Depots</i> <i>ISR – Essential Energy Insured perils relating to substations and other assets</i> <i>Motor vehicle Comprehensive</i> <i>In transit, other goods including tools</i> <i>Note: Essential Energy has chosen not to cover the cost of replacement of “poles and wires” given the inability to obtain cost effective insurance for such events and the spread and separation of the risks</i>
3.2	Claim for loss of or damage to a Third Party (excluding bushfires)	Medium	\$100k	GLIS (Liability)
3.3	Shortfall in expected profit due to unfavourable changes in revenue and/or costs	Medium	N/A	Uninsured business risk
3.4	Financial loss due to Retailer non-payment	High	N/A	Uninsured business risk
3.5	Foreign exchange/ Commodity exposure	Low	N/A	Uninsured business risk

Appendix 4

BR Number	Hazardous Event	Residual Risk Rating	SIR Limit	Mitigating Insurance
BR4 COMPLIANCE				
4.1	Disputes leading to litigation	Medium	\$100k \$100k	GLIS (Liability) GLIS (D&O)
4.2	Non-compliance with legislation	Medium	\$100k \$100k	GLIS (Liability) GLIS (D&O)
4.3	Corrupt conduct by an employee, consultant or contractor	Medium	\$100k	Crime Policy (limit \$10m)
BR5 REPUTATION				
5.1	Misalignment between Community expectations and management decisions	High	\$100k	GLIS (D&O) (Wrongful act)
5.2	Ineffective management response to an incident/crisis	Medium	N/A	Uninsured Business Risk
5.3	Failure to deliver customer service expectations	Medium	N/A	Uninsured business risk
BR6 ENVIRONMENT				
6.1	Polluting the environment	High	\$100k	GLIS (Liability) – sudden & accidental Pollution aspects
6.2	Unauthorised development or damage to flora, fauna or heritage	High	\$100k	GLIS (liability)
6.3	Inappropriate management of waste and contaminated materials	Low	\$100k	GLIS (Liability) – sudden & accidental Pollution aspects
6.4	Emissions causing nuisance to the community	Low	N/A	Uninsured business risk
BR7 PEOPLE				
7.1	Poor cultural alignment	Medium	N/A	Uninsured Business Risk
7.2	Loss of key knowledge and/or experience	Medium	N/A	Uninsured Business Risk
BR8 STRATEGY				
8.1	Failure to develop a robust Strategy	Medium	\$100k	GLIS (D&O) – Wrongful act
8.2	Failure to deliver Strategy	Medium	\$100k	GLIS (D&O) - wrongful act
BR9 ICT				
9.1	Loss of ICT services	Medium	\$50k \$100k	ISR policy GLIS (Liability)
9.2	Breach of data integrity	Medium	\$50k \$100k	ISR policy GLIS (Liability)

Electrical Safety Rules

8 October 2012

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CEOP8030

PREPARED BY: POLICY DEVELOPMENT & IMPLEMENTATION MANAGER

AUTHORISED BY: CHIEF ELECTRICAL SAFETY OFFICER

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The Electrical Safety Rules are definitive and govern our work practices to ensure all employees or persons, including visitors and contractors, comply with Essential Energy's safety policies and procedures.

It is imperative that we all respect these rules and appreciate their importance in what we do every day.

The inherent dangers of our industry mean safety must always be our highest priority, and our leading principle is that we are an organisation where no person commits an unsafe act.

I ask that you adopt a simple three-step approach that puts the focus directly on safety:

- 1. Always put safety first***
- 2. Always test***
- 3. Always control your worksite.***

Safety is demanding – it requires you to be committed to it, to apply your experience and knowledge, to adhere to policies and procedures that help keep you and your workmates safe. So don't participate in any unsafe act or concede unsafe conditions, because if unsafe acts or conditions are allowed to exist, accidents can and will happen.

Commit to no unsafe acts and abide by Essential Energy's Electrical Safety Rules – you owe it to yourself, your family and your workmates to always put safety first.

***Gary Humphreys
Chief Operating Officer***

1 INTRODUCTION

These Electrical Safety Rules provide a uniform set of safe work requirements which persons must comply with when involved with work on or near electrical apparatus.

These rules apply to all persons (Employees, Contractors and Accredited Service Providers) working on or near high voltage and low voltage electrical apparatus associated with Essential Energy's system.

For Essential Energy employees working on other electrical networks, these rules apply in the absence of adequate Electrical Safety Rules.

These rules deal only with electrical safety and are not the definitive rules for all work and therefore must be read in conjunction with all other relevant Codes of Practice, Procedures, Guides and Standards.

They do not apply to:

- I** Electrical apparatus operating at extra low voltage
- II** Electrical apparatus that has been disconnected and removed from its normal operating location, for the purpose of dismantling or maintenance
- III** Direct current traction systems
- IV** Low voltage electrical apparatus not owned or operated by Essential Energy. Note that service mains, service equipment, metering, street lighting and associated connections owned and operated by Essential Energy are covered by these Rules
- V** Essential Energy owned or occupied premises that are not part of the electricity distribution system.

In all cases above the low voltage electrical work must be carried out in compliance with *Safe Work Australia Code of Practice – Managing Electrical Risks In The Workplace July 2012*.

2 KEY TERMS AND DEFINITIONS

Access Permit: a form of authorisation which allows access to work on, or near, or to test electrical apparatus.

Access Permit Earths: approved earthing and short-circuiting equipment applied to conductors, as a requirement for the issue of an Access Permit, to ensure the conductors are earthed.

Accredited Service Provider: an individual or entity accredited in accordance with the Electricity Supply (General) Regulation 2001.

Active Observation: to provide dedicated attention to the activity being carried out. This includes the clarification of any intended movement of plant with the safety observer prior to such movement taking place.

Alive (see also live): connected to a source of electrical supply, or subject to hazardous induced or capacitive voltages.

Approved: having appropriate organisational endorsement for a specific function.

Attended: that a competent assistant is ready at hand and keeps watch.

Authorised person: person with technical knowledge or sufficient experience who has demonstrated competency and has been approved, in writing, by Essential Energy to carry out specific duties associated with the supply or use of electricity.

Broad Supervision: the qualified employee shall maintain regular visual & audible contact with the unqualified employee to inspect and assess the tasks/work that is being performed. The intent of regular contact is to provide the unqualified employee necessary instruction & direction with appropriate checks being made.

Cable: an insulated conductor, or two or more such conductors laid together with or without fittings, reinforcements or protective coverings. Cable, in these Rules, also means low voltage and high voltage aerial bundled cable (ABC).

Clearance Area: an area in which Access Permits may be issued. The clearance area is defined by the Access Permit earths, or the low voltage isolation points, or a combination of both.

Competent Assistant: a person who has, every 12 months (6 months in Queensland), demonstrated the capabilities to rescue and resuscitate a person appropriate to the type of work being performed.

Confined Space: an enclosed area that is, or could become, contaminated or deficient of oxygen in that it will not support life in accordance with the Work Health and Safety Regulation 2011.

Conductive: a material that will conduct or is capable of conducting sufficient electricity to cause a risk to life in accordance with AS 60479 Part 1 2002.

Conductor: any wire, cable, bar, tube or object that forms part of an electric circuit.

Control Measures: policies, standards, procedures or actions to eliminate, avoid or minimise risks.

Danger Tag: an approved tag that has the words 'Danger - Do Not Operate' clearly printed on it and can be affixed to a device as an instruction against the operation of the device.

De- Energised: not connected to any source of electrical energy but not necessarily isolated.

Directly Supervised: the qualified employee shall be in direct visual & audible contact with the unqualified employee whilst the tasks/work is being performed.

Disconnected: the electrical apparatus cannot be energised by any operating work, because of the absence of electrical connections to all sources of supply.

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Dry Foliage: not wet (refer to Wet Foliage definition).

Earthed: connected to the general mass of earth by a conductor to ensure and maintain the effective dissipation of electrical energy.

Earthed Situation: is a work location where an exposed (bare) earthed conductor or conductive material is within 500 mm of any part of the person's body.

Electrical Apparatus: any electrical equipment (including overhead lines) associated with the supply of electricity at high or low voltage, the conductors of which are live or can be made live.

Electrical Station: any enclosed substation or switching station whether of the indoor, outdoor or underground type.

Electrically Qualified: a person who is trained and competent in an electrical trade or profession such as a Power Line Worker, Electrical Fitter or Mechanic, Electrical Engineer or Cable Joints.

Emergency: a situation that is assessed to require immediate attention because of the imminent risk of death or injury to persons or substantial damage to property, network assets, plant or the environment. Loss of supply in itself does not constitute an emergency.

Emergency First Aid: procedures include releasing a person from live conductors, rescuing a person from a pole, structure, electrical panel, pit/pillar or from an EWP and undertaking resuscitation.

Employee: a person in the employment of Essential Energy (whether under a contract of employment or apprenticeship) and includes a contractor, and a person employed by a contractor, and a person employed under a group apprenticeship scheme who carries out work for Essential Energy.

Enclosed space: an enclosed area that is not intended or designed primarily as a place of work.

Energised: connected to any source of electrical supply.

Exposed Conductor: any electrical conductor, approach to which is not protected/guarded by a barrier of rigid material or covered by insulation adequate under a relevant Australian Standard specification for the voltage concerned and which is in sound condition.

Extra Low Voltage: a nominal voltage not exceeding 50 Volts alternating current or 120 Volts direct current.

Hand Excavation: using shovels, picks, mattock, crow bars, etc. that must be used very carefully when close to live cables.

High Voltage: a nominal voltage exceeding 1000 Volts alternating current or 1500 Volts direct current.

Immediately Available: the item is located within a few metres of the work and is available without any delay such as the time taken to open doors, remove straps, etc.

Instructed Person: a person adequately advised or supervised by an authorised person to enable them to avoid the dangers electricity may create.

Insulated Elevated Work Platform: an elevated work platform (EWP) suitable for live work at the voltage concerned and complying with all statutory requirements and AS1418 Part 10.

Insulated: separated from adjacent conducting material by a non-conducting substance or airspace permanently providing resistance to the passage of current, or to disruptive discharges through or over the surface of the substance or space, to obviate danger of shock or injurious leakage current.

Insulating Barriers: A mat, tube or barrier of insulating material specifically designed, approved and tested for use as a line cover, insulator cover, switch cover, crossarm insulating barrier, or as an insulating barrier for similar equipment.

Isolated: separated from all known sources of electrical energy by means which prevent unintentional energisation of the conductors and which is assessed as a suitable step in the process of making safe for access purposes.

Issuer: a person authorised to issue an Access Permit to a recipient.

Known Permanent Earth: an earthing point that is tested periodically to ensure satisfactory resistance to the general mass of earth.

Live (also see Alive): energised or subject to hazardous induced or capacitive voltages.

Live Line Work: the use of approved equipment and approved working methods to allow work to be safely carried out on live high voltage exposed conductors. Any work that can be correctly done with one insulated stick is not considered live line work.

Live Work: all work performed on components of low voltage conductors that have not been identified, isolated and proved de-energised.

Low Voltage: a nominal voltage exceeding 50 volts alternating current or 120 volts direct current, but not exceeding 1000 volts alternating current or 1500 volts direct current.

Mobile Plant: cranes, elevating work platforms, tip trucks or similar plant, any equipment fitted with a jib or boom and any device capable of raising or lowering a load.

Near: when there is a reasonable possibility of a person's body or any movable object that the person might be wearing, touching or carrying which is not designed for safe use on live conductors of the same or higher voltage, coming closer to a live exposed conductor than the minimum safe approach distances.

Network Operator: is an authorised person responsible for the operation of all or a designated part of the system.

Operating Agreement: a written agreement on which an undertaking is given by an authorised person, that the electrical apparatus specified will remain isolated until the written agreement has been cancelled.

Operating Work: work involving the operation of switches, the opening or closing of links, or fuses, or other connections intended for ready removal or replacement, proving electrical apparatus de-energised, earthing or short circuiting, enabling or disabling protection equipment and voltage regulation equipment locking and or tagging of electrical apparatus and erection of barriers and or signs.

Ordinary Person: a person without sufficient training or experience to enable them to avoid the dangers which electrical apparatus may create.

Overhead Line: an aerial conductor or aerial conductors, together with associated insulators, hardware and other fittings used for the supply of electricity, but not including poles or supporting structures or anything in an enclosed electrical station.

Personal Locator Beacons: self-contained radio transmitters with an encoded GPS location designed for emergency use where there is a threat of grave or imminent danger.

Personal Protective Equipment: clothing, equipment or substance, which when correctly used, protect parts or all of the body from foreseeable risk of injury or disease at work.

Phasing: a test using approved devices to determine whether energised conductors, may be satisfactorily connected together.

Qualified: a person who is trained and competent to use appropriate skills to complete a given task.

Recipient: a person authorised to receive an Access Permit.

Safety Observer: a person deemed competent to observe the task and specifically assigned the duty of actively observing (see *active observation*) and warning against unsafe approach to live exposed conductors or other unsafe conditions (refer to CEOP2354 - *Role of a Safety Observer*).

Shall or Must: is to be interpreted as 'mandatory'.

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Should: is to be interpreted as 'advisory or discretionary'.

Substation: a switch yard, terminal station or place at which high voltage supply is switched, converted or transformed.

Switch: a device designed and used for the making and breaking of an electric circuit.

System: all of the electrical apparatus used in the supply of electricity. The terminology adopted to describe the various elements of the system includes:

- Transmission/Sub-Transmission System – from bulk supply point to and including all electrical apparatus within zone substations
- High Voltage System – feeders emanating from zone substations
- Low Voltage System – all electrical apparatus operating at nominal AC voltages between extra low voltage and 1000 volts including service fuse, service neutral link & associated metering apparatus.

Tape Barrier: an approved marker used in conjunction with an Access Permit to delineate between areas having live conductors and the electrical apparatus on which it is safe to perform work. This barrier shall be yellow.

Temporarily insulated: temporarily covered with insulating material which complies with the *CEOP8051 - Tools and Equipment: Testing and Inspection*.

Vegetation Control Personnel: a person approved and authorised to undertake specific vegetation control activities on or near Essential Energy's system.

Wet Foliage: foliage that has become moistened, or dampened by rain (beyond intermittent spotting), mist, fog, snow or sleet.

Work Area: an area in the immediate vicinity of where work is to be undertaken on the electrical apparatus that has been made safe for work under the provisions of this operational procedural .

Working Earths: approved earthing and short-circuiting equipment applied to conductors, additional to Access Permit earths, following the issue of an Access Permit.

3 SAFE APPROACH DISTANCES – PERSONNEL & EQUIPMENT

3.1 Ordinary Persons Not Working on our System

Ordinary persons not working on our system refer to WorkCover Code of Practice, Work Near Overhead Power Lines or Work Near Underground Assets: Guide.

3.2 Approach Distances and Tables

An electrical leakage test in accordance with *CEOP2422 - Assess Overhead Electrical Apparatus*, or an industry approved standard, must be carried out prior to working on any pole.

3.2.1 Safe approach distances to live exposed conductors

Except when performing:

- I** Live work; or
- II** Live line work; or
- III** Work under the conditions for absolute limit of approach to live exposed conductors.

No part of a person's body and no material or equipment that the person is holding, carrying or is supported by, which is not insulated for the voltage concerned, must come any closer to any live exposed conductor than the safe approach distances shown in Table A.

**TABLE A:
SAFE APPROACH DISTANCES FROM LIVE EXPOSED CONDUCTORS**

NOMINAL VOLTAGE (volts)	Authorised or Instructed Person (millimetres)	Ordinary persons
Up to 1,000 Uninsulated conditions	500	3,000
Up to 1,000 Insulated conditions	Authorised person contact allowable	3,000
	Instructed person 500	
11,000/6,350	700	3,000
22,000/12,700	700	3,000
33,000/19,100	700	3,000
66,000	1,000	3,000
132,000	1,200	3,000
220,000	1,800	6,000
330,000	3,000	6,000
500,000	3,900	8,000

Note: Covered conductors including Covered Conductor Thick (CCT) are not insulated for the voltage concerned and the safe approach distances of Table A must be observed.

3.2.2 Absolute limits of approach to live exposed conductors

The conditions under which safe approach distances, can be reduced to the absolute limits of approach to live exposed conductors shown in Table B are:

- I** A written task specific risk analysis must be completed prior to the training and authorisation of the work team, (See *CEOF3022 – Absolute Limits of Approach When Applying Earths*); and
- II** All members of the work team must be qualified and trained to safely do the work; and
- III** The work to be done must be specific, well defined and involve a limited number of steps; and
- IV** The absolute limit of approach to be observed must be specified; and
- V** The persons doing the work must be attended by a competent assistant who constantly observes the progress of the work to ensure the clearances are not compromised and the work proceeds according to the plan.

**TABLE B:
ABSOLUTE LIMITS OF APPROACH TO LIVE EXPOSED CONDUCTORS**

NOMINAL SYSTEM VOLTAGE	ABSOLUTE LIMIT OF APPROACH (millimetres)
High Voltage up to and including 33kV	400*
66kV	700

* For operating work only on equipment designed for the purpose using an insulated operating stick or approved earthing equipment, this distance may be reduced to 300mm for nominal voltages up to and including 22kV.

NOTE: Under no circumstances may anyone come closer to live exposed conductors than the distances in Table B unless approved live work techniques or approved live line work techniques are used.

3.2.3 Safe approach distances – mobile plant and loads

A safety observer must be appointed at any time the crane plant or load is in motion, in close proximity to live exposed conductors and is likely to move within the distances provided in Table C.

The safe approach distances in Table C do not apply to live high voltage line work. The relevant safe approach distances for live work are detailed in the *CEOM7040 – High Voltage Live Work*.

No one shall remain in contact with any part of a crane, load or plant and the ground or other earthed situation while the crane or plant is being operated within the safe approach distances listed for ordinary persons in Table C, unless:

- I** The operator stands on an equipotential conductive mat which is electrically connected to all metalwork associated with the controls; or
- II** The crane, load or plant is not being moved; or
- III** They are handling a non conductive tail rope.

**TABLE C:
MINIMUM APPROACH DISTANCES FOR CRANES, MOBILE PLANT AND LOADS TO LIVE
EXPOSED CONDUCTORS**

Nominal voltage	Minimum Approach Distance (millimetres)				Ordinary Persons
	For Instructed or authorised persons with a Safety Observer		For Instructed or authorised persons without a Safety Observer		
	Uninsulated portions	Insulated portions	Uninsulated portions	Insulated portions	
Up to 1,000V	1,000	Contact allowable*	2,000	1,000	3,000
11,000V	1,200	700	2,400	1,400	3,000
22,000V	1,200	700	2,400	2,000	3,000
33,000V	1,200	700	2,400	2,000	3,000
66,000V	1,400	1,000	2,800	2,000	3,000
132,000V	1,800	1,800	3,000	3,000	3,000
220,000V	2,400	2,400	4,800	4,800	6,000
330,000V	3,700	3,700	6,000	6,000	6,000
500,000V	4,600	4,600	8,000	8,000	8,000

* Fibreglass insulation components of Elevated Work Platforms EWP's are not designed for sustained contact and movement against conductors, as these components are easily damaged by the abrasive nature of the conductors.

3.2.4 Minimum fixed clearances for conductors – isolation points

High voltage isolation points must provide the minimum fixed clearances detailed in Table D.

**TABLE D:
MINIMUM FIXED CLEARANCES**

NOMINAL VOLTAGE	FIXED CLEARANCE DISTANCES (millimetres)
Up to and including 11,000 Volts	*320
Above 11,000 Volts and up to and including 33,000 Volts	320
Above 33,000 Volts and up to and including 66,000 Volts	630
Above 66,000 Volts and up to and including 132,000 Volts	1,100

*** For voltages up to and including 11,000 volts it is permissible to reduce the minimum fixed clearance to 160 mm where there is no risk of the presence of birds, rodents, etc., which could cause a hazard.**

This rule does not apply to commercially manufactured switchgear complying with National or International Standards.

3.2.5 Safe approach distances to live exposed conductors for authorised vegetation control personnel

Authorised vegetation control personnel who are not electrically qualified shall not allow any part of their body and no material or equipment that the person is holding, carrying or is supported by which is not insulated for the voltage concerned to come any closer to any live exposed conductor than the safe approach distances shown in Table E.

**TABLE E:
SAFE APPROACH DISTANCES FOR AUTHORISED VEGETATION CONTROL PERSONNEL,
PLANT AND EQUIPMENT FROM LIVE EXPOSED CONDUCTORS**

Nominal Voltage	Minimum Safe Approach Distance (millimetres) with a Safety Observer					Minimum Safe Approach Distance without a Safety Observer
	For Authorised and Instructed Vegetation Control Personnel	For uninsulated cranes and mobile plant operated by Authorised and Instructed Vegetation Control Personnel	For insulated and tested portions of EWPS operated by Authorised and Instructed Vegetation Control Personnel	Minimum Vegetation Clearances to Live Mains and Apparatus for Trimming Within the Tree and Tree Felling Methods	Minimum Vegetation Clearances to Live Mains and Apparatus for CII ESI Vegetation Control Authorised and Instructed Personnel	
Up to 1,000V	1,000	1,000	No contact allowable	Wet Foliage – 500 Dry Foliage - No Contact allowable	Contact	2,000
Above 1,000V but not exceeding 11,000 volts	1,200	1,200	700	700	*700	3,000
Above 11,000V but not exceeding 66,000V	1,500	1,500	1,000	1,000	*1,000	3,000
Above 66,000V but not exceeding 132,000V	2,000	2,000	1,800	1,800	*1,800	3,000

*** Control of vegetation which are within these clearances, may only be performed by Essential Energy CATT Authorised persons in accordance with CEOP2021 - Removing Vegetation Near Overhead Powerlines.**

4 GENERAL SAFE ELECTRICAL WORK ON OR NEAR CONDUCTORS

4.1 Work Close to Existing Exposed Conductors

In relation to high voltage this clause must be read in conjunction with Section 7 and in relation to low voltage Section 6.

Where electrical apparatus is to be worked on, or erected in the vicinity of, or on the same structures as existing live exposed conductors, precautions must be taken to:

- I** Prevent the electrical apparatus being worked on from becoming energised; and
- II** Safeguard persons if the electrical apparatus being worked on, does become energised.

Satisfactory precautions are provided by preventing the electrical apparatus being worked on from coming within the minimum safe working distances detailed in Table A from any exposed conductors.

If there is a reasonable possibility that those distances cannot be maintained, the existing exposed conductors must either be:

- III** Temporarily insulated; or
- IV** Physically restrained; or
- V** Isolated, and Access Permit conditions applied.

4.2 Worksite Hazard Identification, Risk Assessment & Control (HIRAC)

In accordance with *CECM1000.02 – Risk Management, and/or the Work Health and Safety Regulation 2011* before commencing any work to which these rules apply, a risk assessment shall be conducted:

- I** The hazards must be identified; and
- II** The risks must be assessed; and
- III** Hazards eliminated or control measures determined and actioned; and
- IV** The effectiveness of the control measures must be monitored and reviewed as the work progresses; and
- V** A written record of this assessment shall be made on a HIRAC, or similar type form.

4.3 Training, Assessment and Authorisation

4.3.1 General

Where there may be an exposure to risk from electrical apparatus a person undertaking work shall be appropriately qualified, trained and assessed as competent and authorised to carry out the work.

4.3.2 Qualifications for work on electrical apparatus

A person must not carry out work to which these rules apply and the person must not be permitted or required to carry out such work, unless:

- I** The person has received training which is appropriate for the type of work concerned and is assessed as competent; and
- II** The person is physically fit to safely perform the work required to be undertaken; and

- III** Every 12 months (6 months for work in Queensland), the person successfully completes a training and assessment program aligned to the following Essential Energy requirements and CIII Electricity Supply Industry (ESI) - Distribution National Training Package Refresher Units of Competency (or equivalent) appropriate to the work to be performed:
- a Demonstration (to the satisfaction of Essential Energy), of adequate knowledge of the provisions of Essential Energy's Electrical Safety Rules appropriate to the type of work concerned
 - b Apply ESI safety rules, codes of practice and procedures for work on or near electrical apparatus
 - c Provide first aid in an ESI environment
 - d Perform CPR
 - e Perform pole top rescue
 - f Perform EWP rescue
 - g Perform tower rescue
 - h Perform rescue procedures from a live low voltage panel
 - I Perform EWP controlled descent escape
 - j Apply access procedures to work on or near electrical apparatus
 - k Perform rescue from switchyard structures at height
 - l Perform cable pit/trench/excavation rescue.

Persons qualified to work on or near overhead or underground electrical apparatus (other than live high voltage lines) can perform the work provided that they either:

- IV** Possess a relevant qualification (or equivalent) issued by a Registered Training Organisation or recognised issuing body; or
- V** Are doing work for which they have been authorised. For example, Electrical Fitters may do work on an overhead line within the limits of their competency, or a Cable Joints may attach fittings or make connection to an overhead line.

Persons are specifically qualified for overhead line work if they either:

- VI** Have successfully completed a nationally recognised CIII ESI - Distribution qualification (or equivalent) delivered by a Registered Training Organisation; or
- VII** Hold previous qualifications or alternative qualifications for overhead line work recognised by Essential Energy.

Persons who work on live high voltage overhead lines must either:

- VIII** Have achieved competence in the applicable nationally recognised Live Line "Units of Competency" from the ESI Training Package (or equivalent) delivered by a Registered Training Organisation; or
- IX** Hold previous qualifications or alternative qualifications for live line work recognised by Essential Energy.

In addition, they must undertake additional or refresher training when necessary, in accordance with *CEOM7040 – High Voltage Live Work*.

NOTE: In addition to the above qualifications and training, persons must not carry out high voltage live line work unless they hold a current live line authorisation issued by Essential Energy.

4.4 Electrically Unqualified Personnel

An electrically unqualified person must not work on or near, nor be permitted to work on or near conductors associated with the system unless:

The live exposed conductors have been isolated, proved de-energised and Access Permit issued, and in the case of high voltage, earthed and short circuited; and

- I** They are directly supervised by qualified personnel; and
- II** They understand the extent of the safe work area, are made aware of any live conductors adjacent to the safe work area and the appropriate safe approach distance for unqualified personnel that they must maintain; and
- III** They meet the requirements of Clause 4.3.2 (I), (II) and (III).

NOTE: An electrically unqualified person may work under broad supervision where the conductors have been disconnected from the system and there is no other live conductors associated with the structure or equipment.

This clause does not restrict electrically unqualified persons from performing approved earth tests.

4.5 Persons in Training

Persons in training, electrical workers and their supervisors shall refer to CECG2000.57 - Workplace Supervision for Apprentices and Electrical Workers or an industry approved standard, for specific detail about undertaking work to which these rules apply.

In broad terms:

- I** Persons in training, and electrical workers must not be placed in a position to perform rescue operations from live electrical apparatus until they are deemed competent to perform the rescue, and are familiar with the requirements of these rules and working with live electrical apparatus
- II** The level of supervision for a persons in training or electrical workers shall be based on the competency of the person to safely perform the work
- III** Persons in training or electrical workers must not undertake work to which these rules apply without an appropriate level of supervision.

4.6 Wearing of Clothing and Protective Equipment

When working on or near conductors, all members of the work party must wear approved clothing and personal protective equipment, which gives appropriate protection to the eyes, head, body, arms, hands, legs and feet as prescribed by the relevant procedure or an industry approved standard.

4.7 Safety, Test Equipment and Other Tools

Equipment and tools to be used in conducting work associated with these rules shall be periodically inspected, maintained and tested in accordance with *CEOP8051 - Testing & Inspection*, or an industry approved standard.

Any equipment or tools that are observed to be defective in the course of their use or when periodically inspected or tested shall be immediately removed from service and labelled 'Defective equipment - do not use' or disposed of.

4.7.1 Insulating rubber gloves

Insulating gloves shall be rated for at least the voltage concerned. 500 volt rated gloves shall only be used for switchboard type work. 1000 volt rated gloves may be used for switchboard, overhead or underground type work.

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Insulating rubber gloves issued for work on or near live low voltage exposed conductors must not be used on or near live high voltage exposed conductors.

Insulating gloves shall be worn for all operating activities, with the exception of switching via control panels, locking and or tagging of electrical apparatus, erection of non insulating barriers and or signs and overhead field switching while using approved insulated and tested operating sticks, if the risk assessment has determined the operating stick to be clean and dry.

Other types of gloves (e.g., work gloves) must not be used for insulating purposes when working on or near live low voltage exposed conductors.

4.7.2 Insulating barriers

When insulating barriers are used to cover live exposed conductors they must be rated for the voltage concerned and be securely fixed to prevent displacement.

4.7.3 Non insulating barriers

Non insulating barriers are portable barriers made of a known insulating material and are used as a protection against accidental contact with live exposed conductors when it is necessary for a person to work in close proximity to those live exposed conductors.

When in use, non insulating barriers must be securely fixed or supported and must not come within the clearances detailed in Table A.

When, during erection, use or removal, it is possible for the non insulating barrier, to accidentally come within the minimum safe approach distance to live exposed conductors, only barriers specifically provided for the purpose are to be used.

Non insulating barriers for use near live exposed conductors must be routinely inspected, and be clean, dry and in good condition at time of use.

4.7.4 Rescue kits and first aid kits

Approved rescue kits appropriate to the work, must be immediately available to persons, who are required to be attended by a competent assistant or when working at heights in accordance with *CECM1000.23 - Attached Climbing & Working at Heights* or an industry approved standard.

When working on or near live exposed conductors from a pole, (not from an EWP), the rescue kit shall be located so that it is immediately available at the foot of the pole or ladder.

Approved first aid kits must be available at each work area.

4.8 Conductive Materials

All materials, including liquids, gasses and wood, shall be regarded as conductive unless there is a definite knowledge to the contrary.

4.8.1 Metal or metal reinforced measuring devices

Metal tapes, metal reinforced linen tapes and metal rules shall not be taken near any live exposed conductors or into electrical stations. Short metal rules, less than 500mm in length may be taken into an electrical station.

4.8.2 Metal and metal reinforced ladders

Metal and metal reinforced ladders shall not be used for work associated with live exposed conductors. Only approved fibreglass or wood ladders shall be used.

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4.9 Communication

An authorised employee must formally request permission from the Network Operator prior to any operating work or when entering zone substations. All other work requiring access or work on or near the system shall be recorded by the Operations Service Centre.

Persons communicating with network operations shall do so in accordance with procedure *CEOP2059 – Communication and Control*.

4.10 Hazardous and Emergency Communications

In an emergency involving a serious threat to human life or property the PANPAN, PANPAN, PANPAN emergency calling sign shall be used in accordance with procedure *CEOP2060 – Emergency Communication*. Personal Locator Beacons may be utilised in emergency situations in accordance with *CECM1000.21 – Personal Safety* or an industry approved standard.

Employees who have been issued with a Personal Locator Beacon (PLB) must have the device available at the worksite. Any person working alone must have their PLB immediately available at all times at a worksite. There are no exceptions to this requirement.

When working in a crew one designated member of the crew is to keep their PLB immediately available. Where there is a safety observer, the observer is required to be the person designated to keep their PLB immediately available. The other members of the crew must have their PLBs at the worksite.

4.11 Electrical Operating Work

Electrical operating work shall only be carried out by an authorised person.

Electrical operating work on or near exposed conductors shall be carried out using approved and tested operating equipment.

In emergency circumstances involving danger to life or damage to apparatus, electrical operating work and/or other appropriate emergency operations shall be carried out as appropriate provided the person carrying out the emergency operations considers it safe to do so. The Network Operator shall be advised of the emergency circumstances and of the emergency operations undertaken as soon as practicable. No further action to the emergency situation or restoration shall be undertaken unless advised by the Network Operator.

4.12 Emergency Operation of Operable Electrical Apparatus

Circuit breakers, switches, links, fuses and other operable electrical apparatus must only be operated by persons authorised to do so except for the purpose of saving life when any competent person may do so.

The network operator must be notified of the emergency operation as early as possible and the electrical apparatus should not be operated again without the network operator's approval.

4.13 Preventing Access by Unauthorised Persons

Except when in immediate use, lockable devices that are necessary to prevent unauthorised persons accessing or operating electrical apparatus must be kept locked.

4.14 Labelling of Electrical Apparatus

All operable electrical apparatus, underground cables, power transformers and voltage regulators shall be clearly and permanently labelled with a unique identifier except:

- I** High voltage dropout fuses protecting a labelled pole mounted transformer substation or a labelled ground mounted transformer substation with the fuse pole immediately adjacent to it; or

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- II** Switchgear associated with labelled recloser, regulator and sectionaliser sites which are mounted on common structures; or
- III** Low voltage fuses or links associated with and on the same structure as a labelled pole mounted or ground mounted transformer substation; or
- IV** Any other clearly identified operational apparatus such as low voltage service fuses, temporary mid span high voltage live line links and live line clamps.

When an alteration occurs to electrical apparatus requiring labelling, the labelling must be immediately altered to reflect the changed arrangement and system diagrams must also be updated concurrently.

4.15 Danger Tagging

'Danger - do not operate' tags must be attached to the controls of operable electrical apparatus to warn persons against inadvertent or unauthorised operation (that would endanger the safety of persons or the reliability and quality of supply) unless attachment to the controls is impractical in which case danger tags must be attached in the next best locations to effect the warning.

'Danger - do not operate' tags must only be installed, altered or removed by authorised persons.

'Danger - do not operate' tags must also be fitted to unserviceable equipment to warn against inadvertent energisation.

Persons shall not remove or alter in any way any tags that have been applied, without consulting the Network Operator or person who attached the tag.

4.16 Phasing

All new electrical apparatus, capable of being paralleled with the existing electrical apparatus, shall be phased out before being placed in service.

All other electrical apparatus, the connections of which have been broken other than by switches provided for the purpose, shall be phased out before being returned to service unless there is no possibility of cross phases.

4.17 Pole and Structure Integrity

A visual assessment shall be undertaken upon arrival at the worksite for possible risk of electrical leakage and associated step and touch potentials.

An electrical leakage test in accordance with CEOP2422 - Assess Overhead Electrical Apparatus or an industry approved standard, must be carried out prior to working on any pole.

Prior to ascending any pole or structure the person climbing the pole or structure must satisfy themselves that the pole or structure is safe to ascend and will remain safe during the carrying out of the intended works. Additional support can be applied to the pole or structure to make it safe to ascend. For more information, refer to *CEOP2069 - Pole Assessment for Working Near or Aloft*.

4.18 Confined Spaces

All enclosed and confined spaces associated with the system shall be identified and appropriate signage provided. A register of all known sites shall be maintained.

Persons required to enter a confined space shall be authorised.

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For work within a confined space, the employer must provide, and persons must use, procedures and equipment to ensure the safety of persons required to enter and/or work in the confined space. In addition, persons who work in confined spaces, or persons in charge of work in confined spaces, must be appropriately trained. For more information refer to *CECM1000.22 - Safe Entry to Confined Spaces* or an industry approved standard.

When working in a confined space all work must be carried out in accordance with the Work Health and Safety Regulation 2011.

4.19 System Alterations Notification

Any proposed change to the system shall be communicated to the Network Operator in accordance with procedures *CEOP2057 – System Alteration Notification*, and *CEOP2056 – Switching Request & Planned Outage Notification*.

4.20 Street Lighting Conductors and Control Circuits

Street lighting conductors and control circuits must be treated as low voltage conductors.

Street lighting conductors and control circuits must be treated as alive unless they have been isolated and proven de-energised.

Even when isolated, street lighting conductors must be treated as effectively earthed (via connected lamps).

4.21 Energising or Re-energising Electrical Apparatus

Before energising electrical apparatus for the first time or before re-energising isolated electrical apparatus, precautions must be taken to ensure that:

- I** Electrical apparatus is in a state suitable for energisation; and
- II** All plant, tools and materials are clear of the electrical apparatus; and
- III** Any earths, short circuits and equipotential bonds have been removed; and
- IV** All required testing (e.g. earth resistance, insulation resistance, neutral identification and polarity) has been satisfactorily completed; and
- V** Any Access Permits issued have been cancelled, all persons are clear and now regard the apparatus as live; and
- VI** All necessary identification of apparatus, warning signs, locks and other security measure are in place; and
- VII** It is safe to proceed; and
- VIII** The Network Operator's approval has been obtained when required.

One authorised person shall be responsible for ensuring these precautions are taken and for energising or requesting the energising of the electrical apparatus.

4.22 Current Transformer Circuits

A secondary circuit of a current transformer, must not be opened, whilst the primary circuit is alive until the secondary winding of the current transformer has been short circuited.

4.23 Earthing

Connections between electrical apparatus and the earth system must not be broken while ever the apparatus is in service unless bonds of at least equivalent current carrying capacity have been connected across the part of the earthing system to be broken or to an alternative known earth.

If an in service earth system conductor is broken or disconnected and temporary bonds are applied, and where the earth conductor will not be repaired or replaced immediately, danger tags must be applied adjacent to each temporary bond attachment point.

4.23.1 Temporary removals of Access Permit earths

Access Permit earths may be temporarily removed under the following circumstances:

- I** To carry out testing of conductors under an Access Permit issued for testing; or
- II** To use identification or phasing equipment; or
- III** To allow equipment to be dismantled and/or replaced.

Earths shall when practical, be applied to whatever remains of the isolated conductors, and progressively to the replaced conductors. These provisions will be recorded on the Access Permit.

5 ACCESS PERMITS (NOT APPLICABLE TO LIVE LINE WORK)

5.1 Preparation for the Issue of an Access Permit

When an Access Permit is required, a switching instruction, setting out the steps to prepare the apparatus for access, should be prepared and endorsed by an authorised person in accordance with Essential Energy document *CEOP2056 - Switching Request & Planned Outage Notification*. All persons must comply with *CEOP2045 - Access Permit* relating to the issue of any Access Permit.

This section is a summary of the responsibilities of all parties and should be read in conjunction with *CEOP2045*.

5.2 Issue of an Access Permit

An Access Permit shall only be issued by an authorised person. The person issuing the Access Permit shall have the following responsibilities:

- I** The isolation and Access Permit earthing have been completed, and/or there has been confirmation that the isolation and Access Permit earthing have been completed; and
- II** Any barriers and signage required for the purposes of issuing the Access Permit are erected; and
- III** Any warnings and/or instructions, as applicable, are entered on the Access Permit; and
- IV** They satisfy themselves that the Access Permit provides access for the work as requested and is appropriate to the work to be carried out; and
- V** The authorised recipient demonstrates an understanding of the limits of the Access Permit and their responsibilities as a recipient; and
- VI** The Access Permit is endorsed as issued.

5.3 Receipt of an Access Permit

Only an authorised person shall receive an Access Permit. The recipient of an Access Permit shall have the following responsibilities:

- I** Satisfy themselves that the Access Permit provides access for the work as requested and is appropriate to the work to be carried out; and
- II** Understand the limits of the Access Permit, the precautions and control measures that have been taken and any relevant warnings; and
- III** Ensure control measures, as required, have been applied and are maintained; and
- IV** Endorse the Access Permit as having been received; and
- V** Ensure the limits of the Access Permit, the precautions, control measures and any warnings or instructions, as applicable that are entered on the Access Permit are communicated to, and understood by and are observed by all persons signing on the Access Permit; and
- VI** Ensure no member of the work party commences work until they have signed onto the Access Permit and all members of the work party have signed off prior to cancellation of the Access Permit; and
- VII** Be present at the work area for the duration of the permit and ensure that the Access Permit is available for the duration of issue; and
- VIII** Ensure working earths and low voltage short circuits are applied and removed where required.

5.4 Persons Signing On an Access Permit

A person who is part of a work party signing onto an Access Permit shall, relevant to their work, have the following responsibilities:

- I** Be informed of, and understand, the limits of access to the apparatus and the control measures applicable; and
- II** Be informed of, understand and comply with the safety directions and warnings given; and
- III** Sign onto the Access Permit to indicate they acknowledge these two requirements set out above in this clause; and
- IV** When leaving or returning to the barrier area/worksites they do so in accordance with CEOP2045 – Access Permit; and
- V** Prior to cancellation of the Access Permit and on completion of the work, they shall sign off the Access Permit and treat all electrical apparatus as energised.

5.5 Transfer of Responsibility from One Recipient to Another Recipient

Where it is necessary to change the recipient of an Access Permit, it shall be carried out in accordance with *CEOP2045 – Access Permit*.

5.6 Returning of Electrical Apparatus to Service

Electrical apparatus under Access Permit must not be re-energised until all applicable Access Permits have been cancelled.

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6 WORK ON OR NEAR LOW VOLTAGE ELECTRICAL APPARATUS

6.1 Basic Safety Rule

All low voltage exposed conductors must be regarded as alive, until isolated and proved de-energised by approved means.

6.2 General Principals for Work On or Near Isolated Low Voltage Exposed Conductors

Before commencing work on or near isolated low voltage exposed conductors, the following controls shall be implemented:

- I** Identify and isolate the conductors to be worked on ; and
- II** Secure points of isolation to prevent unauthorised operation or interference; and
- III** 'Danger do not operate' tags fitted to all isolation points; and
- IV** Clearly identify and establish the clearance area; and
- V** Prove de-energised; and
- VI** Issue Access Permit for work; and
- VII** Control the risks from hazardous induced voltages or unknown supplies using one or more of the controls listed below:

Control 1 – Isolate the conductors from all **possible** sources of supply

Note: Possible sources of electrical supply may include sources at customers' installations, such as standby generators, embedded generators, inverter/ UPS systems, multiple control supplies, auxiliary control systems, transformation up from extra low voltage systems.

Control 2 - The wearing of Personal Protective Equipment, which includes the wearing of an insulating glove on EACH hand, rated for the voltage being worked upon

Control 3 - The short circuiting of all low voltage exposed conductors, which includes the use of short circuits to connect all exposed conductors including the neutral conductor and street light conductor. Personal Protective Bonds may also be required if working from a conductive structure.

Note: These controls apply to all work on de-energised low voltage exposed conductors up to the connection point only.

- VIII** Prevent inadvertent contact with nearby live exposed conductors, conductors at earth potential or objects at different potential (E.g. by affixing insulating barriers).

An Access Permit shall be issued before any work commences on or near isolated low voltage exposed conductors except where full live work techniques are adopted in accordance with Essential Energy *CEOP8034 - Energised Work* or an industry approved standard.

6.2.1 Isolating the identified electrical apparatus

Isolation that involves the operation of a switch must only be treated as effective if one of the following has occurred:

- I** If the switch is an under-slung low voltage switch or fuse – the carriers are removed from the assembly and the carriers are secured with a danger tag to the pole
- II** For a withdrawable switch or fuse – it has been withdrawn from live contacts and a danger tag fitted
- III** For a non withdrawable switch where the contacts are visible and unauthorised access is prevented – the contacts are seen to be open and a danger tag is fixed to the structure in an obvious location
- IV** The switch is lockable – the contacts appear to be open as shown by the operating mechanism and the switch has been locked and a danger tag fitted
- V** The switch is not lockable but is in a lockable room or panel – the contacts appear to be open as shown by the operating mechanism, a danger tag is fitted to the switch and the door to the room or panel is locked to prevent unauthorised access.

If the switch cannot be locked and unauthorised access cannot be prevented by a danger tag, the switch cannot be used as isolation.

Where switches are spring, hydraulically or pneumatically operated, the stored energy must be discharged to prevent inadvertent closing.

Where switches can be operated by any remote switch control circuits they must be disabled and danger tagged.

Isolation by the removal or separation of connections (disconnected) must only be treated as effective if:

- VI** The connection is totally removed; or
- VII** The connecting conductor is securely tied back away from its normal position.
- VIII** When interconnected neutrals are required to be broken the isolation must be confirmed by use of a volt meter and a remote independent earth to ensure that there is less than 10 volts present on either side of the break. If more than 10 volts exist, reconnect neutral conductors and investigate.

Note: The preferred method when performing an isolation is to have system neutrals remain connected. When interconnected system neutrals or earths are connected or reconnected, precautions must be taken to prevent contact with exposed conductors across either side of the break.

6.2.2 Proving low voltage electrical apparatus de-energised

Low voltage electrical apparatus must be proved de-energised by means of approved test lamps, indicating device or voltmeter.

The test equipment must be proved to be in good working order immediately before and after use.

Where the test equipment cannot be proved to be in good working order before and after use, two approved test devices must be used independently to prove the low voltage electrical apparatus is de-energised.

6.3 Work On or Near Live Low Voltage Exposed Conductors

All work on or near live low voltage must be carried out to the requirements set out in *CEOP8034 - Energised Work* or an industry approved standard.

Before commencing work on or near live low voltage exposed conductors, they shall be identified as the conductors to be worked on or near.

Control measures must be taken to prevent inadvertent contact with other live low voltage exposed conductors and conductors at earth potential. The control measures must include:

- I** Being attended by a competent assistant
- II** The wearing of approved long sleeved shirt and long trousers
- III** The wearing of personal protective equipment, including an insulating glove on each hand, safety helmet, safety footwear and eye protection
- IV** The use of insulated tools, insulating barriers as determined by risk assessment.

Where work will require a person passing between live low voltage conductors, the conductors need to be temporarily insulated unless they are at least 1200mm apart. In this case they must be insulated wherever they are within reach.

Where cross arm or pole replacements are required on live low voltage exposed conductor transpositions, the work must be completely de-energised unless the exposed conductor transposition can be removed by means of redesign using Aerial Bundled Conductor / underground cable or a safety plan has been approved in accordance with *CECM1000.16 – Project Safety and Environment Plan* or an industry approved standard.

For live low voltage exposed conductor cross arm or pole replacements where a transposition does not exist, all exposed conductors/apparatus apart from the exposed conductor/apparatus being immediately worked on must be appropriately insulated prior to the commencement of work. These insulating barriers will be individually adjusted and replaced for work on each exposed conductor/apparatus and shall not be removed until all work on the exposed conductors/apparatus has been completed.

If a risk assessment has determined that appropriate hazard control measures can be implemented so that work can be carried out safely without a competent assistant the following work may be performed on or near live low voltage exposed conductors if the person doing the work has their feet positioned at a height of no more than 2 metres from the ground:

- V** Operating work and testing; and
- VI** Working on an Essential Energy owned switchboard or cubicle or working on Essential Energy assets on a privately owned switchboard or cubicle; and
- VII** Maintaining streetlights and streetlight control equipment.

The following work may be undertaken without a competent assistant above 2 metres by a qualified person providing they keep their body, except for the forearms as far as possible below the level of the exposed conductor:

- VIII** The carrying out of testing
- IX** The installation and removal of recording and metering equipment
- X** Removal and replacement of insulated fuse carriers
- XI** In an emergency situation where there is an immediate threat to human life and or property, taking appropriate action, to make the site safe, after a mental and visual check for any hazards has been completed as outlined in *CECM1000.02 – Risk Management* or an industry approved standard.

Nothing in Clause 6.3 prevents the use of a competent assistant being in attendance when deemed necessary to perform the work safely.

UNCLASSIFIED**6.4 Work On or Near Low Voltage Exposed Conductors that are Not Electrically Connected**

The requirements of Section 6 of these rules apply to conductors that have not been electrically connected, where those conductors are attached to poles or equipment that support other live or de-energised conductors or may encroach the safe approach distances of other live or de-energised conductors.

6.5 Connecting and Disconnecting the Neutral Conductor

The neutral conductor must be connected before any active conductor is connected.

The neutral conductor must be disconnected after all active conductors have been disconnected.

6.6 Polarity Testing

Prior to connecting or reconnecting any low voltage mains or service to an installation or group of installations, persons shall conduct polarity testing in accordance with *CEOP2018 – Polarity and Neutral Identification: Testing*, or an industry approved standard such that:

- I** The mains neutral is positively identified by electrical test; and
- II** The service neutral is positively identified by electrical test.

If the correct polarity cannot be positively determined then the installation must not be connected.

6.7 Paralleling of Distribution Substations

Paralleling of distribution substations via the low voltage system must not be undertaken without the prior knowledge and approval of the Network Operator.

7 WORK ON OR NEAR HIGH VOLTAGE EXPOSED CONDUCTORS**7.1 Basic Safety Rule**

All high voltage exposed conductors must be regarded as alive until isolated, proved de-energised, earthed and short-circuited by approved means.

7.2 General Requirements for Access to High Voltage Exposed Conductors (not applicable to live work)

A responsible officer shall specify the apparatus to which access is required and submit to the Network Operator a switching request in accordance with procedure *CEOP2056 – Switching Request & Planned Outage Notification*.

Before commencing work on or near isolated high voltage exposed conductors, the following controls shall be implemented:

- I** Identify and isolate the conductors to be worked on; and
- II** Secure all points of isolation to prevent unauthorised operation or interference; and
- III** 'Danger do not operate' tags fitted to all isolation points; and
- IV** Clearly identify and establish the clearance area; and
- V** Prove de-energised; and
- I** Earthed and short circuit high voltage conductors; and

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- II** Issue Access Permit for work; and
- III** Established and maintain equipotential conditions within the work area.

An Access Permit shall be issued before any work commences on or near high voltage exposed conductors except:

- I** When undertaking live line work in accordance with the Essential Energy *CEOM7040 – High Voltage Live Work*
- II** When using approved processes for special tasks such as:
 - a** Using approved water spray equipment to wash insulators; or
 - b** Pruning of trees using insulated pruners and saws; or
 - c** Cutting away of de-energised surge diverters and dropper cables using insulated cutters; or
 - d** Installation of bale clamps and connectors using one insulated stick
- III** When carrying out work in compliance with Section 7.4 of this procedure
- IV** In an emergency, provided that the work to be carried out is under the sole charge of the authorised person, who must ensure that isolation, proving de-energised, earthing and short-circuiting of the electrical apparatus have been carried out in accordance with this document.

An Access Permit for work on or near high voltage exposed conductors and an Access Permit for electrical testing on the same conductors shall not be on issue at the same time.

7.3 Preparation of Electrical Apparatus for Work to be Carried Out On or Near High Voltage Exposed Conductors (not applicable to live Line work)

7.3.1 Isolating the identified electrical apparatus

Isolation that involves the operation of a switch must only be treated as effective if one of the following has occurred:

- I** For a withdrawable switch – it has been withdrawn from live contacts and the shutters over the live contacts, or access to the shutters has been locked and danger tagged
- II** For a non-withdrawable switch where:
 - a** The contacts are visible – the contacts are seen to be open, the operating shaft of the switch has been locked and danger tagged; or
 - b** The contacts are visible and there is no operating shaft – the contacts are seen to be open and a danger tag is fixed to the structure in an obvious location.
- III** The switch is an expulsion drop out fuse – the fuse carrier is removed from the assembly and the carriers are secured with a danger tag to the pole
- IV** The contacts are not visible and the operating shaft can be locked – the contacts appear to be open as shown by the indicating lever that is fixed to the moving contacts operating shaft, the operating shaft has been locked and danger tagged, any remote switch control circuits have been disabled and danger tagged.

If the contacts are not visible and the operating shaft cannot be locked the switch cannot be used as isolation.

Where switches are spring, hydraulically or pneumatically operated, the stored energy must be discharged to prevent inadvertent closing.

The points of high voltage isolation shall include known low voltage supplies, which have the potential to cause the conductors to become live at high voltage.

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- V** Isolation by the removal or separation of connections must only be treated as effective if:
- a** The connection is totally removed, or
 - b** The connecting conductor is securely tied back away from its normal position.

7.3.2 Proving high voltage exposed conductors de-energised

Where able to do so, high voltage exposed conductors must be proved de-energised by means of approved testing equipment used in conjunction with suitable rated and tested equipment provided for electrical operating work.

The test equipment must be proved to be in good working order immediately before and after use.

Where the test equipment cannot be proved to be in good working order before and after use, two approved test devices must be used independently to prove the high voltage electrical apparatus is de-energised.

If the test equipment has built in continuous self testing this must be monitored for the duration of the test and if it operates satisfactorily no other checking of the high voltage indicating device is necessary.

Where unable to prove high voltage exposed conductors de-energised, because of induced or electro statically coupled voltages, earthing equipment may be applied provided that:

- The conductors are isolated; and
- The conductors are visually traced by two independent employees from each and every isolation point to the point of intended application of the earths.

Where the high voltage conductors are fully enclosed and cannot be accessed to prove them de-energised, the electrical apparatus may be earthed provided that:

- The earthing and short-circuiting equipment is fully rated for the voltage concerned; and
- The fault making capacity of the earthing switch is equal to or greater than the prospective peak fault current.

The conductors shall be proved de-energised, where practicable, at the proposed point of application of earthing and short circuiting equipment.

7.3.3 Earthing and short circuiting high voltage exposed conductors

Earthing and short circuiting equipment must be:

- Capable of carrying the prospective peak fault current for a period equal to back-up protection clearing time; and
- Approved for its intended use; and
- Applied immediately after proving de-energised.

Wherever practical, all earths and short circuits must be bonded together and to the structure to provide equipotential conditions.

Persons applying earths should ensure they are not in contact with the conductors of the earthing equipment at the time of application.

If a known permanent earth is available then it should be used. If there is no known permanent earthing point available then a metal earth stake of at least 12mm diameter must be driven into the ground ensuring that it is firmly anchored. The low voltage neutral shall not be used as part of a high voltage earthing system.

Access Permit earths shall be installed on the high voltage only between all points of high voltage isolation and the work area. Where a known low voltage supply forms part of an isolation process for high voltage access, in addition to required Access Permit earths, working earths shall be installed between all points of low voltage isolation and the work site.

Where no Access Permit earths are in view from the work area a set of working earths shall be installed under the direction of the Access Permit recipient but only after proving the conductors in the work area are de-energised.

Access Permit earths shall be applied to the conductors only after proving the conductors de-energised in accordance with an approved procedure.

If the conductors are being divided, equipotential conditions shall be maintained by having one set of earths on each and every side of the break and these earths shall be at the work area and bonded together or, alternatively, using equipotential bonds to bridge out the divided mains.

At least one set of earths shall be in view and where practical, close to persons working on the conductors.

Fuses must not form part of an earthing and short-circuiting path.

7.3.4 Equipotential bonding

Where practicable, work on all isolated high voltage apparatus must proceed under equipotential conditions such that:

- I** The conductors are kept at the work area earthed potential; and
- II** All conductive materials within reach are kept at the work area earthed potential; and
- III** There is no possibility that persons can form a bridge between two points of different potential.

for more information, Refer to *CEOP2377 – Equipotential and Personal Protective Bonding* or an industry approved standard.

7.3.5 Earthing of a SWER line

When earthing a SWER line, Access Permit Earths must be connected to a known permanent earth.

7.3.6 Earthing of high voltage aerial bundled cable (HV ABC)

HV ABC consisting of insulated conductors which are screened at earth potential need not be earthed and short-circuited at the work area, provided that the conductors are earthed and short-circuited between all points of isolation and the work area, using permanent earthing facilities.

Earthing and short-circuiting at the points of isolation satisfies this requirement.

HV ABC must then be traced visually to the work area, and the visual trace must be independently verified by a second person.

Care must be taken with regard to transferred potentials on the earthed screens.

7.3.7 High voltage insulated unscreened conductors

High voltage insulated unscreened conductors or covered conductors thick (CCT), need not be earthed and short-circuited at the work area, provided that they are earthed and short-circuited between all points of isolation and the work area, using permanent earthing facilities.

As with HV ABC, the line must be traced visually to the work area, with the trace independently verified.

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Alternatively, insulated unscreened conductors may be short-circuited and earthed where required, using earthing tags or connectors specially installed for the purpose.

7.3.8 Defining the safe work area and hazards outside the work area

Barriers and signage may be required to clearly define the area in which work can be safely performed and to indicate the physical boundary between the electrical apparatus on or near to which it is safe to work and live electrical apparatus outside the barrier.

A yellow tape or equivalent approved barrier shall be used. The barrier must be arranged to enable access to the electrical apparatus to be worked on without interfering with the tape, or stepping over or under the tape and to clearly define access for persons to the working area.

Barriers must only be erected by authorised persons and be in place before issue of an Access Permit.

7.4 Work On or Near Disconnected or Not Yet Connected High Voltage Exposed Conductors

An Access Permit is not required for work on or near disconnected conductors provided:

- I** The high voltage exposed conductors have been positively identified as being disconnected; and
- II** A documented risk assessment has determined the risk of the disconnected high voltage exposed conductor involved coming near other live high voltage exposed conductors as low; and
- III** Where the conductors are attached to a pole or structure that supports other energised conductors, or are crossing or in close proximity to other energised conductors, the risk of induced or transferred voltages has been controlled by proving de-energised, earthing and short-circuiting, and these controls are noted on the risk assessment. If during construction or maintenance activities, these conductors are left at reduced ground clearances, the earthing and short circuiting shall remain in place.

Where the above conditions cannot be met, all high voltage exposed conductors must be isolated, proved de-energised, earthed and short circuited by approved means and an Access Permit issued.

7.5 Electrical Testing on High Voltage Exposed Conductors

An Access Permit for electrical testing shall be used when the electrical test has the potential to produce currents hazardous to the human body including:

- I** The application of test voltages which produce high voltage on conductors
- II** The use of insulation testing devices rated at higher than 1000V on conductors
- III** The use of electronic insulation testing devices on cables and capacitors which can create a voltage greater than 1000V unless being used on switchgear to which cables and capacitors are not connected to the system.

An Access Permit for work and an Access Permit for test shall not be issued concurrently on the same electrical apparatus.

Electrical testing shall only be carried out in accordance with approved procedures which shall include but not be limited to:

- IV** The points of isolation provide appropriate separation distances for the test voltages and the insulating medium
- V** Control measures are taken to ensure persons are prevented from being on or near the conductors while under test

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- VI** Control measures are taken to ensure adjacent conductors and equipment do not become unintentionally energised during the test
- VII** At the conclusion of the test, ensure the conductors under test that have become electrically charged during test are fully discharged and left in a safe condition. All Access Permit earths that were temporarily removed to allow the electrical testing to be carried out should be reapplied immediately.

Where testing requires that one or more Access Permit earths be temporarily removed, the conductors shall be regarded as being live, irrespective of whether or not the testing voltages have been applied.

It should be noted that the safe approach distances in this section apply to conductors energised at system voltages.

An Access Permit for electrical testing is not required when testing high voltage conductors that are completely disconnected and such testing will be in accordance with approved procedures to ensure the safety of persons and adjacent conductors or equipment.

7.6 Restricted Work Permitted on Access Permit for Test

Construction work cannot be carried out under Access Permit for test. Maintenance work can be carried out under Access Permit for test when the following conditions are met:

- I** The maintenance work and testing must be wholly within an electrical station; and
- II** Both the maintenance work and the testing work must be under the sole direction of the Access Permit for test recipient; and
- III** The testing work is limited to the application of insulation testing equipment, dielectric dissipation factor(DDF) testing equipment, primary current injection equipment, circuit breaker timing test equipment and primary protection balance checks; and
- IV** No test voltages exceeding 10,000 volts are applied as part of the testing work.

7.7 Minimising the Risk of Dangerous Ferroresonant Over Voltage

When energising or de-energising the combination of an unloaded (or very lightly (3%) loaded) transformer and a high voltage cable / overhead line supplying it, the likelihood of ferroresonance shall be considered and control measures adopted in accordance with approved procedures to minimise the risk of insulation damage or breakdown.

Where concern that a dangerous ferroresonant situation may occur, advice should be sought from the Network Operator.

8 WORK ON UNDERGROUND CABLES

8.1 Basic Safety Rule

All underground cables and associated electrical apparatus must be regarded as alive, until isolated and proved de-energised and, in the case of high voltage cables, earthed and short circuited by approved means. *CEOP2251 – Positive Identification & Spiking Practices* or an industry approved standard, shall be the only approved method of identifying and proving underground cables de-energised.

8.2 Identification

No person may work on any underground cable (including low voltage, pilot or communication cables) unless it has been identified at the work area using an approved cable identification technique.

If an electrical method is used to identify a cable, all cables in the immediate vicinity must be exposed and checked.

Low voltage underground cables can be identified from appropriate records, rather than by one of the approved techniques where the work area is remote from the exposed terminations and provided no higher voltage cables exists in the general area of where the work is to be carried out.

When working on underground pilot cables they shall be identified in the same way as low voltage cables.

At all times work shall proceed on the cable as if it is alive, and all necessary precautions taken until the cable is proved de-energised at the work area.

8.3 Testing to Prove Cables De-energised at the Work Area

Once identified and isolated, underground cables shall be proved de-energised by an approved spiking or cutting device wherever possible. Where it is not practical to spike or cut the cable then the cable, such as:

- I** A communications cable
- II** Sheath or serving repairs
- III** An insulation repair where the cable is not to be cut.

The cable must be identified either by:

- a** Visual tracing from a point of isolation; or
- b** At least two independent approved methods of identification.

A cable must be spiked or cut using remotely operated spiking or cutting equipment where it is not possible to identify a cable using electrical or physical means or to prove it de-energised by testing.

Where spiking or cutting is to be used, then a remotely operated spiker or cutter must be used. Spiking or cutting shall only be performed by persons trained in the use of the equipment and in compliance with *CEOP2251 – Positive Identification & Spiking Practices* or an industry approved standard.

8.4 Earthing and Short Circuiting High Voltage Underground Cables

Earthing and short circuiting equipment must:

- I** Be capable of carrying the prospective peak fault current for a period equal to back-up protection clearing time; and
- II** Be approved for its intended use; and
- III** Be applied immediately after proving de-energised; and
- IV** Be specifically designed for the type of switchgear concerned.

Earthing and short circuiting of high voltage underground cables must be carried out between all high voltage isolation points and the work area, as close as possible to the work area.

Earthing and short circuiting of a high voltage cable which is to be cut must be carried out on each side of any proposed break in the cable.

Earthing and short circuiting connections must be made to known permanent earthing facilities. These may include a cable sheath connected to a permanent earthing system.

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8.5 Work On Live Low Voltage Cables**8.5.1 Qualifications and training**

Work on exposed live low voltage cables must only be performed by persons specifically trained in the principles and techniques required and who are competent to carry out the work.

8.5.2 Competent assistant required

A person must not work on exposed live low voltage cables or terminations unless attended by a competent assistant.

8.5.3 CONSAC and lead sheathed cables

Work that disturbs low voltage extruded aluminium sheathed (CONSAC) or lead sheathed cables terminations and joints, must not be undertaken while the cables are energised. Covers, lids etc. of equipment containing energised CONSAC or lead sheathed cables can be removed, with caution, for operating work, testing and observation purposes only.

8.5.4 General safe work principles

The following general principles apply to live low voltage underground work, including jointing, and live work on above-ground Low Voltage pillars, columns, underground pits or similar enclosures:

- I** The sides of the work area which may come within 500mm of the person's body must be covered with temporary insulation
- II** The floor of the work area must be covered with an insulating barrier, ensuring that it remains dry and clear of any water
- III** Any metallic encroachments within 500mm or within reach, and suspected of being earthed, cable sheaths, etc. must be covered with temporary insulation
- IV** A rubber insulation barrier/s must be placed at the pillar, column or pit for persons to stand or kneel on when working on live underground conductors
- V** Materials, tools and other equipment must not be passed directly between the jointer and an assistant outside the insulated area
- VI** Insulating barriers used for this purpose must be kept clean and dry at all times
- VII** An insulating glove must be worn on each hand and where insulated tools are used, they shall be rated to 1kV. Only one phase (or neutral/earth) may be exposed and worked on at a time. The other phases must be temporarily insulated or covered by insulating barriers
- VIII** Where only one side of the joint is (at first) alive, the de-energised side cores must be checked and secured to ensure they are not earthed or short-circuited
- IX** The neutral conductor of concentric neutral cables must not be broken unless a temporary bond is first made across the joint
- X** Exposed cores of like phases about to be connected must be tested to ensure phasing is correct
- XI** Must be attended by a competent assistant.

8.6 Installed Underground Cables

Information should be attached to each end of disconnected cables, including newly installed, temporarily disconnected or redundant cables where the cable ends are at a remote site. The information should include: location of the remote end, connected or disconnected status to equipment and any special precautions.

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8.7 Induced Voltages and Transferred Earth Potentials

In circumstances where the work involves direct contact with the metallic high voltage cable sheath or armouring, and is not within the earth grid of a substation, one of the controls in clause 8.7.1 or 8.7.2 shall be put in place.

8.7.1 Insulated working conditions

All exposed metal parts of cables or pipes or any other parts which may be earthed, and the joint-hole or confined space itself, shall be covered with insulating material, suitable for the voltage concerned, while work proceeds on one conductor only.

8.7.2 Bonded earth mat conditions

An equipotential area shall be created using wire mesh, all bonded together, covering the floor, walls etc. All cable sheaths, shall be connected to the earth mat so that equipotential conditions are maintained. If not practical, the cable cores and earth screen must be disconnected.

8.8 Excavation in the Vicinity of Live Cables**8.8.1 Locating of services**

Persons involved in excavation shall identify and locate any underground cables or services of other utilities that may be in the vicinity of the excavation.

8.8.2 Exposing of cables

Cables known to be close to the work area should be exposed by hand or hydro vacuum excavation to verify their location. Before excavating parallel to existing cables, they should be uncovered by hand at bends and every 10-15 metres, as well as at joints.

A person shall not physically handle an underground cable if its condition appears defective unless the cable is proved de-energised.

A person shall not physically handle a high voltage cable while it is live unless it is a screened cable or is completely surrounded by an earthed sheath, or both, and precautions are taken, where necessary, to avoid danger from induced voltages and transferred earth potentials.

8.8.3 Mechanical excavation

Backhoes and the like are permitted to work down to the top of cover tiles, slabs or strips; i.e., approx. 75 mm from the nearest cable, or to a similar distance to the side of a cable.

In all such cases however, the safety observer shall be positioned to guide and warn the operator if the machine looks like coming too close or causing damage.

Pneumatic or other powered excavation, cutting and drilling tools (kanga and jack hammers) should not generally be used in close proximity to conduits containing live cables. When using powered tools to excavate, cut or drill beside or around direct-laid cables in rock, masonry or hard fill, a steel plate shall be placed between the cable and the tool to protect cables.

9 WORK IN ELECTRICAL STATIONS

9.1 Qualifications and Training

A person must not enter an electrical station unless authorised in accordance with *CEOP2065 – Authorisation*, or

Is accompanied by an authorised person and has been specifically instructed by an authorised person to enter the area and has been clearly instructed, on the site, as to the limits of the area that may be entered, the dangers existing and the precautions that must be observed.

9.2 General Working Practices

The following work practices must be followed when working in electrical stations:

- I** Doors, panels or covers enclosing live equipment must be kept closed except when work is being performed inside that enclosure
- II** Fixed doors, panels or covers, shutters to be opened or removed using tools to gain access to the high voltage compartment, shall be independently identified for removal by two electrically qualified persons familiar with metal clad apparatus
- III** All high voltage electrical components within the high voltage panel shall be proved and confirmed de energised by two electrically qualified persons familiar with metal clad apparatus, one of whom shall be the Access Permit recipient
- IV** Materials must not be allowed to block points of egress, doorways, obstruct passageways, hinder normal operations, work, or access to fire extinguishers, deluge showers, first aid kits, and telephones, and control switches or any operating equipment
- V** Long objects such as ladders, conduits, earthing rods, portable earthing devices and the like, must be handled with care in the vicinity of live exposed conductors. Whenever possible, long objects must be carried by two people, holding the objects below shoulder height in a horizontal position and as close as practical to the ends of the object, so as to maintain maximum control
- VI** Extreme care must be taken when using portable radio and telephone equipment with protruding aerials in areas containing exposed conductors. At all times, persons must ensure that no parts of this equipment come closer than the minimum safe working distances detailed in Table A. Long protruding aerials are prohibited
- VII** When mobile plant is being used within the confines of an electrical station, and is likely to come within twice the safe approach distances specified in Table C or when the plant is carrying out excavation work, then the mobile plant must be fitted with a trailing earth cable attached to a suitable connection point and connected to the earth grid of the electrical station that is capable of carrying the maximum prospective earth fault current in that station
- VIII** Excavation within an electrical station must not be commenced until the location of all underground cables, earthing conductors, ducts and the like in the vicinity of the proposed excavation have been positively identified
- IX** In the event that a circuit breaker is inadvertently tripped, the Network Operator should be immediately notified. No attempt should be made to operate the tripped circuit breaker without approval from the Network Operator
- X** Climbing of structures to gain access to equipment which is under Access Permit conditions, is not permitted. Appropriate ladders, elevated work platforms, scaffolding and work platforms shall be used

- XI** Where work is to be carried out on or near high voltage electrical station busbars, a minimum, of one set of earthing and short-circuiting equipment shall be applied directly to a busbar or bus section of solid construction which are being worked on. When the busbar or bus section is to be divided into sections, each section must be short-circuited and earthed before being divided.

9.3 Requirements for Entering Electrical Stations

Persons entering electrical stations should do so in accordance with approved procedures and in particular the requirements relating to:

- I** Notifying the Network Operator of entry
- II** Securing of entrances
- III** Checking of entrances and exits
- IV** The special requirements of indoor, basement and underground stations
- V** Duties of persons on entry and prior to leaving.

9.4 Hazards within Electrical Stations

Persons entering electrical stations shall make themselves aware of any special hazards that exist and place into effect reasonable control measures to manage those hazards.

9.4.1 Exposed electrical conductors

Low voltage

Persons working on or near low voltage panels, instrument transformer secondaries and panel wiring must treat them as low voltage exposed conductors unless contact is prevented by a barrier of rigid material or they are covered by insulation in sound condition, and adequate rating for the voltage concerned, under a relevant Australian standard.

High voltage

All electrical stations must be designed, constructed and maintained, to ensure that live exposed electrical conductors maintain both statutory and design clearances in accordance with relevant Australian standards.

Extra Low Voltage

When work is carried out in close proximity to extra low voltage, where there is a risk of harmful arcing, electric shock, burns, fire or explosion, appropriate controls shall be implemented such as isolation and or the use of insulating tools or barriers.

9.4.2 Electrical induction

Suitable precautions must be taken by persons to avoid the dangers of induction when carrying out work on isolated electrical apparatus that is located near live conductors.

Additional working earths, short circuits and bonds must be applied where necessary to ensure equipotential conditions are maintained under all conditions.

9.4.3 Earth potential rise

Equipment that may be subjected to earth potential rise must be insulated, isolated, bonded, or other approved measures taken to reduce the risk to a satisfactory level.

9.4.4 Chemical hazards

Where chemical hazards exist, signs (either temporary or permanent) must be erected warning of the dangers present. Instructions for persons responding to the hazards must be prominently displayed.

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Extreme care must be exercised to reduce the possibility of injury occurring following the decomposition of products such as polyvinyl chlorides (PVCs) and plastic compounds, polychlorinated biphenyls (PCBs) and sulphur hexafluoride (SF6), which may occur as a result of faults and explosions.

9.4.5 Confined and enclosed spaces

When an area within an electrical station has been identified as a confined space approved work procedures for working in a confined space must be practiced.

9.5 Emergency Provisions**9.5.1 First aid**

An approved first aid kit and low voltage rescue kit should be readily available for all work areas.

9.5.2 Emergency procedures

Authorised persons entering an electrical station must make themselves aware of any emergency procedures that are relevant to the task being performed.

Signs detailing emergency procedures and other relevant information that are displayed in the electrical station must be followed.

9.6 Operating Work in Electrical Stations**9.6.1 Conditions necessary for operating**

Prior to carrying out electrical operating work, persons should be satisfied that:

- I** The correct item of electrical apparatus is located and identified
- II** The equipment is in a serviceable and well maintained condition
- III** The electrical apparatus to be operated, and any operating handle, has visible connections to the station earth grid or electrodes, if applicable
- IV** The correct operating equipment applicable to the electrical apparatus being operated is available for use
- V** Where indicators are provided, the levels or pressures of insulating mediums within electrical apparatus are adequate for the service and operating conditions applying.

9.6.2 Operating work

Operating work within electrical stations must only be carried out by authorised persons, using approved equipment and rated for the voltages and service conditions applicable within that station.

Protective devices or interlock systems must not be interfered with, bypassed or made inoperative except by authorised persons.

Equipment prepared for work which is capable of storing some form of energy, such as circuit breaker operating mechanisms, must be fully discharged or otherwise disabled in a manner approved prior to work commencing unless otherwise requested by the work party.

When operating disconnectors (ABS's) and earth switches an insulating glove shall be worn on each hand.

9.6.3 Barriers and Screens

Yellow tape barriers

Yellow tape barriers must be erected by an authorised person only, in conjunction with the issue of an Access Permit in electrical stations, to indicate as clearly as possible the area in which work is to be performed and to indicate the dividing line between live conductors and the electrical apparatus on which it is safe to perform work.

The tape must be so arranged that the electrical apparatus to be worked on is accessible without interfering with the tape or stepping over or under the tape and to clearly define access for persons to the working area.

No person may pass over or under a yellow tape barrier without approval of the Access Permit recipient.

Only the Access Permit recipient may move or re-arrange the yellow tape barrier, provided that the meaning and intent of the Access Permit is at all times maintained. For further information refer to *CEOP2341 - Safe Work Areas*.

Insulating barriers

Approved insulating barriers shall be used where it is possible for the barriers to come into contact with live high voltage conductors, or to come closer than the minimum safe working distances as shown in Table A.

Insulating barriers must only be erected by an authorised person.

Non insulating barriers

When non-insulating barriers are used near high voltage apparatus, the minimum clearances from live exposed conductors when such barriers are fixed in position must be in accordance with *CEOP8032 - Transmission & Zone Substation Design Guidelines*.

9.7 Pilot, Signalling and Telephone Cables

Persons must make use of the insulation provided by wooden cubicles, insulating barriers or screens, isolating transformers or other isolating devices when working on pilot cables and the like.

Work on protection equipment connected to overhead pilot cables may be carried out with the overhead high voltage mains alive provided that the protection equipment is electrically isolated from the overhead pilots by isolating transformers, interposing relays or other suitable devices.

Before jointing work is carried out on either overhead or underground pilot cables, they should first be disconnected from all sources of supply. In all cases work must proceed on pilot cables treating them as live low voltage apparatus.

When work is required to be carried out on pilot cable end terminations (except as specified above), this may be done with other cores of the pilot cable energised at normal operating potential, provided that all precautions are taken as for live low voltage working until the cores or terminals being worked on have been identified and proved de-energised. All cores or terminals which are not to be worked on shall be treated as though they are energised.

9.8 Fire Protection Systems

When persons are carrying out work in electrical stations with fixed fire protection systems, suitable control measures must be taken to ensure the safety of personnel and equipment. Precautions may include the isolation, or the making 'non-auto' of fire detection and extinguishing systems.

Persons should also check for the existence of remote fire control gas injection systems (such as bulk injection carbon dioxide) to ensure that operation cannot occur during occupancy.

On exiting an electrical station, fire detection and extinguishing systems made 'Non-auto' prior to work commencing, must be reset for 'auto' operation.

9.9 Work on Batteries or in Battery Rooms

Where there are separate battery rooms located within electrical stations, signs must be affixed to all of its entrances to indicate the use of such rooms.

Persons working on batteries or in battery rooms must be trained and competent to do so.

Persons working in battery rooms must ensure that the rooms are adequately ventilated by means of the natural or forced ventilation provided. The use of naked flames and smoking is prohibited in battery rooms.

Precautions must be in place to ensure that arcing caused by making or breaking connections, or sparking caused by power tools or conductive materials such as tools and watchbands does not occur. Only insulated tools may be used on batteries.

9.10 Voltage and Auxiliary Transformers

Before working on voltage transformers, other than draw out type transformers, isolation, earthing and short-circuiting of the high voltage windings and isolation of all secondary windings of the voltage transformers must be carried out.

If the high voltage conductors to which the voltage and auxiliary transformers are connected is isolated, earthed and short circuited, the voltage transformer may remain connected to the high voltage conductors provided that the low voltage windings are isolated and danger tagged.

For capacitive voltage transformers or similar equipment, do not apply earths immediately after isolation. Allow a minimum period of five (5) minutes for the capacitors to discharge before applying any earths.

9.11 Capacitor Bank and Capacitors in Signal Injection Cells

Before working on individual capacitors of a bank or cell which has been isolated, earthed and short-circuited, such individual capacitors must be regarded as alive until each of them has been allowed to discharge, and has been earthed and short-circuited.

Do not apply earths immediately after isolation. Allow a minimum period of five (5) minutes for the capacitors to discharge before applying any earths.

10 REFERENCES

Essential Energy Documents:

CECM1000.02 - Risk Management
CECM1000.16 - Project Safety and Environment Plan
CECM1000.21 - Personal Safety
CECM1000.22 - Safe Entry to Confined Space
CECM1000.23 - Attached climbing and Working at Heights
CECG2000.57 - Workplace Supervision for Apprentices and Electrical Workers
CEOM7040 - High Voltage Live Work
CEOF3022 - Absolute Limits of Approach When Applying Earths
CEOP2018 - Polarity and Neutral Identification: Testing
CEOP2021- Removing Vegetation Near Overhead Powerlines
CEOP2045 - Access Permit
CEOP2056 - Switching Request & Planned Outage Notification
CEOP2057 - System Alteration Notification
CEOP2059 - Communication & Control
CEOP2060 - Emergency Communication
CEOP2065 - Authorisation
CEOP2069 - Pole Assessment for Working Near or Aloft
CEOP2251 - Positive Identification & Spiking Practices
CEOP2341 - Safe Work Areas
CEOP2354 - Safety: Role of a Safety Observer
CEOP2377 - Equipotential and personal Protective Bonding
CEOP2422 - Assess Overhead Electrical Apparatus
CEOP8032 - Transmission & Zone Substation Design Guidelines
CEOP8034 - Energised Work.
CEOP8051 - Testing & Inspection

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External Documents:

ENA NENS 04-2006 National Guidelines for Safe Approach Distances to Electrical and Mechanical Apparatus

ENA NENS 03-2006 National Guidelines for Safe Access to Electrical and Mechanical Apparatus

AS1418 Part 10 Elevated Work Platforms

AS60479 Part 1 Effects of Electric Shock on Humans and Animals

WorkCover Code of Practice: Work Near Overhead Power Lines

WorkCover Guide: Work Near Underground Assets

Safe Work Australia Code of Practice: Managing Electrical Risks In The Workplace July 2012

Work Health and Safety Regulation 2011

Electricity Supply (General) Regulation 2001

Electricity Supply Industry – Distribution National Training Package Refresher Units Of Competency

11 REVISIONS

Issue Number	Section	Details of Changes in this Revision
9	Purpose	Changed distribution 'district' to distribution 'system'.
	Key Terms & Definitions	Added definition - Directly Supervised Amended definition - Electrically Qualified Amended definition - Exposed Conductor Added definition - Low Voltage Authority to Work Added definition - Personal Locator Beacon Amended definition - System: included service fuse, service neutral link & associated metering apparatus Added definition - Worksite Controller
	Clause 3.2.1	Table A split cell for Authorised and Instructed Persons up to 1000 insulated conditions.
	Clause 3.2.3	The word 'may' changed to 'shall' in relation to contact with plant
	Clause 4.2 V	Replaced 'except where permitted by a Safe Work Method Statement that is approved for use in lieu of' with 'on a HIRAC form'
	Clause 4.3.2 g	Replace 'the employer' with 'Essential Energy' Replaced 'these rules' with 'Essential Energy's Electrical Safety Rules'
	Clause 4.3.2.VII	Replaced 'overhead line work' with 'Distribution Powerline work' and replaced 'Australian National Training Authority' with 'Department of Education, Science and Training, DEST'.
	Clause 4.4 II	Remove 'directly assisting' replace with 'supervised by'
	Clause 4.6	Deleted 'and or Safe Work Method Statement'
	Clause 4.7	Inserted 'or an industry approved standard'
	Clause 4.7.3	Deleted 'wood or other' and inserted 'a known'
	Clause 4.9	Remove the word 'centre'
	Clause 4.10	Added reference to Personal Locator Beacons
	Clause 4.21	Change Energised or re-energised' to 'Energising or Re-energising'
Clause 4.24	Remove IV	

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Issue Number	Section	Details of Changes in this Revision
	Section 5	Order of clauses changed to better reflect sequence of events
	Clause 5.2	Add IV - Issue Authority to Work form In Note change point of attachment to connection point.
	Clause 5.3	Clause added – Low Voltage Authority to Work Process
	Clause 5.4 V	Add and testing
	Clause 5.5	References changed from 5.3 to 5.2 to line up with changes to section 5
	Clause 5.7	Inserted 'or other Essential Energy approved procedures
	Clause 6.3 II	Tightening of hardware removed from clause
	Clause 6.4.1	I - Inserted 'or access to'. This allows the cabinet to be locked rather than the shutter. IV - Inserted 'known' low voltage supplies
	Clause 6.6 I	Inserted 'proved de-energised'
	Clause 6.8 IV	Deleted 'An Access Permit for work on or near the exposed conductors/electrical apparatus under test shall not be on issue'
	Clause 6.8	Inserted 'It should be noted that the Safe Approach Distances in this section apply to electrical apparatus energised at system voltages
	Clause 7.3	Provision made for remotely operated cutting equipment
	Clause 7.5.1	Replaced reference to employees to persons
	Clause 7.5.2	Removed 'The requirement for a competent assistant does not apply to the use of proprietary insulated connectors and appropriate insulated tools used for live service tee joints or connections'
	Clause 7.5.4	III - Inserted 'within 500mm or within reach and 'and ' XI - Insert 'Must be attended by a competent assistant'
	Clause 7.6.2	Reworded to improve clarity
	Clause 7.7.3	Inserted reference to safety observer
	Clause 8.2	Insert reference to JSA CEPG3028 - Working in Close Proximity to Exposed Low Voltage and allowance made for use of approved industry guideline
	Clause 8.3 VIII	Inserted 'Climbing of structures to gain access to equipment which is under Access Permit condition is not permitted. Appropriate ladders, elevated work platforms, scaffolding and work platforms shall be used'
	Clause 8.5.1	Amend wording
	Addition of References	CEPG2059 – System Operations: Communication and Control remove centre. CEPG2056 – Switching Request (should be: System Operations: Switching Request & Planned Outage Notification) CEPG2057 – System Alteration Notification and Procedure (should be: System Operations: System Alteration Notification) CEPG2059 – System Operations Centre Communication and Control (Should be: System Operations: Communication & Control) CEPG2060 – Emergency Communication (Should be: CEOP 2060 System Operations: Emergency Communication CEPG2065 – Training Authorisation and Reassessment for System Operations (Should be: System Operations: Training, Authorisation and Reassessment)

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10	All	References, template & Logo updated in line with Essential Energy branding.
	Contents	Update safety message from the Managing Director
	Key Terms & Definitions	Include definition of Broad Supervision
	Clause 3.2.3	Change Safe Approach Distance for 220,000V for instructed or authorised persons without a safety observer for insulated portions to align with uninsulated portions
	Clause 4.3.2 III	Revision to align Competency assessment requirements with National ESI "refresher" Units of Competency requirements and EE Organisational requirements
	Clause 4.3.2 IV	Revision to reflect "qualification requirements" with respect to current VET qualifications and previous qualifications issued by recognised issuing bodies (ie Electricity Transmission and Distribution Asset Management 2009 revision no longer provides specification of "qualifications" which can be directly referenced by this Section of CEOP8030)
	Clause 4.3.2 IX	Revision to remove reference to DEST (no longer functioning as a VET regulatory body) and reflect "qualification requirements" with respect to current VET qualifications and previous qualifications issued by recognised issuing bodies.
	Clause 4.4	Include note to clarify the supervision required for Unqualified Persons where the electrical apparatus has been disconnected.
	Clause 4.7.1	The removal of reference to 650 volt gloves.
	Clause 8.3 (V)	Upgrade of earthing requirements when working in electrical stations.

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11	All	"Electrical Apparatus" and "Conductors" better clarified to the situation. Minor wording changes throughout the document.
	Definitions	Changed definition of "Clearance area" to allow for the inclusion of the LV.
	Definitions	Add definition of "Insulating Barrier".
	Definitions	Changed "disconnected" to "separated" and "possible" to "known"
	3.2.5	Add column for CII ESI Vegetation Control personnel
	4.3.2	Removed reference to the Electricity Transmission and Distribution Asset Management. Changed wording to align with the ESI training package. Add note regarding Live Line authorisation.
	4.4	Clarification on unqualified persons performing approved earth tests.
	4.5	Inclusion of "electrical workers" to cover supervision requirements and reference to <i>CECG2000.57</i>
	4.7.1	Provide clarification on the requirement to wear insulating gloves when carrying out operating work.
	4.7.2 & 4.7.3	Provide clarification of the difference between insulated and non insulated barriers and the associated requirements.
	4.9	Highlight the requirement to contact Network Operations before accessing the system.
	4.16	Clearer phasing requirements when connections are broken other than switches
	4.17	Requirements to perform electrical leakage tests and reference to <i>CEOP2422 and CEOP2069</i> .
	4.18	Add reference to <i>CECM1000.22</i>
	4.23	Include requirement to bond and danger tag earthing conductors when broken or disconnected.
	5	This whole section has been moved from the HV section and updated to include LV into the Access Permit process.
	6.2	Include information relating to LV Access Permits and put into sequential order
	6.2 (VII)	Align the three LV controls to include the option of isolation as per the Access Permit.
	6.2 (VIII)	Added option for live work techniques in place of an Access Permit
	6.2.1 (VIII)	Include statement to ensure the integrity of the system neutral is maintained when the neutral is disconnected.
	7.3.3	Clarification of earthing when LV forms part of the HV isolation.
	7.3.5	When earthing a SWER line, Access Permit Earths must be connected to a known permanent earth
	7.4	Working on or near disconnected high voltage conductors, an Access Permit is not required under these conditions.
	8.6	Include requirement to attach information to disconnected or newly installed cables
	8.6.2	Ensure cables are disconnected if equipotential conditions cannot be maintained.
	8.7.2	Inclusion of hydro vacuum excavation method when exposing cables and requirement when handling live or damaged cables.
	9.2 (I & II)	Inclusion of requirements to have a second person positively identify and prove de-energised the apparatus to be worked on.
	9.2 (XI)	Information allowing earthing of busbars which have limited provisions to do so at all points of supply.
	9.4.1	Include controls for extra low voltage
	9.6.3	Include reference to <i>CEOP2341 Safe Work Areas</i> and better clarification on barriers and their use.
10	Update references	

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DEPARTMENT OF ENERGY, UTILITIES AND SUSTAINABILITY
NEW SOUTH WALES GOVERNMENT

NSW Public Lighting Code

1 January 2006

Foreword

Public lighting is an important contributor to a safe, secure and attractive visual environment for pedestrian and vehicular traffic during times of inadequate natural light.

A large majority of NSW Public Lighting Assets are owned and maintained by licensed electricity distributors. Local councils are the primary customers of public lighting services provided by distributors.

The NSW Public Lighting Code is designed to help clarify the relationship between Public Lighting Service Providers and Public Lighting Customers. In particular, it sets out:

- minimum maintenance standards and associated service level guarantees;
- minimum requirements for inventories, management plans, performance reporting and billing;
- a requirement that Service Providers consult with Customers in deciding which core lighting types they are going to offer; and
- a mechanism allowing for connection of lighting types outside the core choices offered by Service Providers.

Lighting design decisions are beyond the scope of the Code. However, the following list highlights a range of issues that may be considered when making decisions about public lighting:

- improving public safety and amenity;
- compliance with relevant Australian standards;
- minimising total life cycle costs;
- reducing light pollution, including obtrusive light onto residents' properties, spill light to the night sky and glare;
- improving energy efficiency and reducing greenhouse gas emissions; and
- managing technical risk.

Many Customers have been able to take advantage of economies of scale in accessing appropriate expertise, negotiating with Service Providers and making decisions on Public Lighting design issues by forming joint committees with other Customers (for example, groups of local councils in a region).

The Department of Energy, Utilities and Sustainability (DEUS) acknowledges the contribution made by the Street Lighting Working Group to the drafting of this Code. The Street Lighting Working Group was formed in February 2004 to provide advice to the NSW Government on a range of issues relating to street lighting in NSW, and to contribute to the development of a Public Lighting Code for NSW. The Working Group's membership has included

representatives and/or received assistance from the following organisations and groups:

Local Government and Shires Association of NSW, Southern Sydney Regional Organisation of Councils, Street Lighting Improvement Program, Burwood, Lake Macquarie, Leichhardt and Marrickville City Councils, EnergyAustralia, Integral Energy, Country Energy (including the former Australian Inland), NSW Treasury and Independent Pricing and Regulatory Tribunal.

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1 Purpose

1.1 The purpose of the NSW Public Lighting Code (to be referred to as the 'Code') is to provide guidance on the provision of Public Lighting Services by setting out minimum performance standards and outlining the rights and obligations of Public Lighting Service Providers (to be referred to as 'Service Providers') and Public Lighting Customers (to be referred to as 'Customers').

1.2 The Code represents the outcome of consultation between Service Providers and Customer representatives.

2 Coverage of Code

2.1 This Code applies to each NSW Service Provider.

2.2 A Service Level Agreement may include a clause requiring a Customer to agree to be bound by this Code.

3 Availability

3.1 Service Providers must provide a current copy of the Code to each Customer:

- a) to whom the Service Provider provides Public Lighting Services; or
- b) who has requested the Service Provider to provide Public Lighting Services.

3.2 The Department of Energy, Utilities and Sustainability (DEUS) will publish the Code, including any amendments, on its website at www.deus.nsw.gov.au. Interested parties may also obtain copies of the Code by contacting the DEUS office, located at:

Level 17, 227 Elizabeth Street
SYDNEY NSW 2000
PO Box 3899
SYDNEY NSW 2001

Ph: (02) 8281 7777
Fax: (02) 8281 7799
Email: information@deus.nsw.gov.au

4 Amendment

4.1 The Director-General of the Department of Energy, Utilities and Sustainability (DEUS) may amend this Code on his or her own initiative or in response to a proposal by a Service Provider, a Customer or other interested persons.

4.2 Unless the Director-General is satisfied on reasonable grounds that an amendment is a Non-Material Amendment, the Director-General will not amend the Code unless and until:

- a) all Service Providers, all Customers and other interested persons have been given a reasonable opportunity to make representations concerning the amendment; and
- b) all such representations have been considered.

4.3 The date on which the amendment comes into force must not be earlier than the date on which the amendment is made without prior agreement from Service Providers and Customers. This does not apply to Non-Material Amendments.

4.4 Where an amendment to the Code may have an impact on pricing, the amendment must not come into force for a period of less than two months after the date on which the amendment is made.

Changes to the Code will be published on the DEUS website as they become available.

5 Service Level Agreements

5.1 Where a Service Level Agreement is proposed by either party, it must be negotiated in good faith between the Service Provider and the Customer and should cover arrangements for the provision of Public Lighting Services.

5.2 In accordance with 2.2 above, a Service Level Agreement may include a clause requiring a Customer to agree to be bound by the terms of this Code.

5.3 In accordance with 17.2 below, a Service Level Agreement may expressly vary the application of this Code in accordance with that agreement, including by altering the minimum standards of service specified in the Code.

6 Nominated Representatives

6.1 Each Service Provider must nominate a designated Public Lighting Customer Liaison Representative. Each Customer must nominate a designated Public Lighting Customer Representative.

6.2 These representatives will act as the primary point of contact between each Service Provider and Customer for all matters under this Code. Each party must notify the other in writing if it changes its representative.

7 Management Plan

7.1 A Public Lighting Service Provider must, in consultation with each of its Customers, develop and implement a Management Plan for the operation, maintenance, refurbishment, replacement, repair and disposal of Public Lighting Assets relevant to that Customer, being those that the Service Provider:

- a) owns and maintains to allow the Customer to discharge its obligations to provide lighting services in an area; or
- b) has agreed to maintain and manage on the Customer's behalf.

7.2 The Management Plan must be sufficient to ensure that the requirements of the Code and any additional performance requirements under a Service Level Agreement with a Customer are met.

7.3 As part of a Management Plan, a maintenance program must cover the following areas:

- a) outage detection and service availability requirements;
- b) lamp replacement and disposal;
- c) Luminaire cleaning and inspection;
- d) tree management strategies, including informing Customers of their responsibilities;
- e) inspection, test, repair, and replacement of equipment;
- f) condition monitoring;
- g) maintenance recording and performance review; and
- h) modifications of maintenance program as required.

8 Public Lighting Inventory

8.1 A Service Provider must maintain an accurate Public Lighting inventory to record (for each Luminaire that it owns and maintains or has agreed to maintain and manage on a Customer's behalf) the location, type, rated power, date installed (where the Luminaire was installed after the commencement of

the Code) and infrastructure required to support the Luminaire and any other information that is required to identify charges and ownership status.

8.2 The Service Provider must investigate and report back to the Customer within 30 days of receipt of a written notice from the Customer of a query in relation to a Service Provider's Public Lighting inventory, insofar as it is relevant to that Customer.

9 Reporting

9.1 A Service Provider must provide to each of its Customers:

- a) an annual performance report of progress against the Management Plan for that Customer, including analysis of performance against performance targets and the Guaranteed Service Level to be provided no later than one month after the end of the financial year; and
- b) any other reports and documents relevant to that Customer, including a current version of the Public Lighting inventory and Management Plan, which the Service Provider's Customer may reasonably require.

9.2 A Service Provider must also provide reports relating to compliance with this Code to the Director-General if and when required. This requirement must be specified in writing by the Director-General.

9.3 Where the Director-General determines the format of a report required by this condition the Service Provider must submit the report in that format.

9.4 The Director-General may from time to time establish guidelines to be followed by the Service Provider in complying with reports required by this condition and the licence holder must comply with any such guidelines.

10 Minor Capital Works

10.1 Where the Customer requests infill lighting or other minor additions or alterations to existing Public Lighting Assets (for an explanation of what constitutes 'minor' see the definition of Minor Capital Works in Clause 19 - Definitions), the Service Provider must install, operate and maintain on fair and reasonable terms any new Public Lighting Assets or alterations to existing Public Lighting Assets where:

- a) the lighting is to be mounted on the Service Provider's existing electricity distribution poles;
- b) the distribution poles are supplied with overhead wiring; and
- c) Standard luminaires are specified and are to be installed in accordance with relevant network standards.

10.2 Where Minor Capital Works are not contestable, the Service Provider must:

- a) provide design services in a timely fashion being not more than 30 days from the date of a written request by a Customer;
- b) provide construction services in a timely fashion being not more than 120 days from the date of receipt of a written approval of a quote by a Customer;
- c) provide notice to Customers of completion of works within 30 days of completion of works; and
- d) update the Public Lighting inventory within 90 days of completion of works.

10.3 Where the Service Provider cannot meet these timeframes, the Service Provider must notify the Customer of the expected delay and give reasons as to why delays are expected in relation to a particular work.

11 Minimum Service Standards

11.1 A Service Provider must ensure that it operates a Public Lighting scheme safely, efficiently and effectively over the scheme's economic life in accordance with 'in-service' values specified for 'Category V' and 'Category P' lighting (see Public Lighting definition in Clause 19 - Definitions) in the AS/NZS1158 series of standards pertaining to the lighting of roads and public spaces.

11.2 The Service Provider and the Customer must negotiate in good faith to agree upon a list of performance indicators against which the Service Provider will provide and measure the provision of the Public Lighting maintenance service for that Customer. As a minimum (but subject to any agreement to the contrary in accordance with 17.2 below), the Public Lighting Service Provider must:

- a) operate a 24 hour call centre to receive public and Customer Fault Reports;
- b) repair Public Lighting Assets (excluding network supply faults) within eight working days on average per Customer per year from receipt of a Fault Report. However, in priority cases, such as high crime areas, or areas with high night-time activity, supplementary floodlights at pedestrian crossings or groups of three or more lights on 'Category V' roads (as defined in the AS/NZS1158 series of standards), Service Providers must endeavour to complete repairs more quickly;
- c) in the case of network supply faults affecting three or more lights in close proximity on 'Category V' roads, the Service Provider must maintain communication with the Customer and Road Authority (where these are not one and the same) on the timeframe for repairs; and
- d) undertake cyclic maintenance of Public Lighting Assets to ensure the efficient and safe operation of the system. A lamp replacement

program (or a similar process aimed at achieving the same or an improved result) must be established to achieve agreed maintenance standards and to maintain the designed lighting technical parameters of the Luminaire.

11.3 It is recognised that longer response times may be unavoidable in the following circumstances:

- a) severe weather conditions, large scale power outages and high risk situations where public safety and the restoration of power to consumers receive priority; and
- b) where repairs are required in remote locations as agreed with the Customer.

12 Guaranteed Service Level

12.1 In instances where a Public Lighting Asset is not repaired within twelve working days from receipt of a Fault Report (except where subject to the circumstances outlined in 11.3 above), the Service Provider responsible for maintaining the Public Lighting Asset must pay the first person who made the Fault Report \$15 per Public Light if that person is:

- a) the owner or occupier of a premises that abuts the part of the street that, but for the fault, would ordinarily be illuminated by the Public Lighting Asset; or
- b) a Customer of the Service Provider for the relevant Public Lighting Asset.

12.2 Where the Customer provides the Fault Reports in the form of a material list of faults, the Service Provider may nominate a reasonable timeframe, being not more than 30 days from receipt of the list of faults, to repair the Public Lighting Assets (excluding network supply faults). If this timeframe is not achieved, the Service Provider must pay the Customer \$15 for each Public Light not repaired within the required timeframe.

12.3 In the case of any of the circumstances described in 11.3 above, the Service Provider may nominate a timeframe longer than seven working days to make the repairs to the Public Lighting Assets. This revised timeframe should not be longer than 30 days from the receipt of a Fault Report. If this revised timeframe is not achieved, the Service Provider must pay the first person who made the Fault Report as provided in 12.1 above.

13 Billing

13.1 Bills provided by a Service Provider must identify separately in summary form the charge for each type of Public Lighting Service provided and must contain at least the following information:

- a) details of the number and type of lights; and
- b) any other information reasonably necessary for the Customer to verify the accuracy of an amount charged on the bill.

13.2 The Customer must pay the Service Provider by the due date shown on the tax invoice, which must not be less than 30 days from the date the tax invoice is sent.

13.3 The Service Provider must provide bills to the Customer on a timely and regular basis.

14 Standard Luminaires

14.1 Each Service Provider must develop and maintain a list of Standard Luminaires which will be the default for all new and replacement installations.

14.2 Service Providers must make their current Standard Luminaire list available to each Customer:

- a) to whom the Service Provider provides Public Lighting Services; or
- b) who has requested the Service Provider to provide Public Lighting Services.

14.3 Service Providers must consult with Customers on any changes to the Standard Luminaire list.

14.4 Customers may request that Service Providers add specific technologies to the Standard Luminaire list. Service Providers must give reasonable consideration to such requests. Factors to be considered by Service Providers and Customers may include the cost and performance of the requested Luminaires, energy efficiency considerations and the extent of Customer interest expressed.

14.5 Luminaires on a Standard Luminaire list must conform to the relevant Australian standards (currently the AS/NZS1158 series of standards on the lighting of roads and public spaces).

15 Non-Standard Luminaires

15.1 Each Service Provider must continue to support, on fair and reasonable terms, all existing Public Lighting Assets (except those owned and maintained by Customers) that are not on its Standard Luminaire list, where the Service Provider owns those assets or has previously maintained an asset for a Customer, until the end of the useful economic life of those assets or until the Customer has agreed to the removal of the asset.

15.2 Customers may request the use of Luminaires that are not on a Standard Luminaire list. However, a Service Provider is under no obligation to install or maintain such Luminaires.

15.3 Where a Customer wishes to own and maintain a new lighting installation and the Service Provider does not wish to own and maintain this lighting installation, this lighting installation must be connected in accordance with the *NSW Service and Installation Rules* and the relevant Australian standard (currently the *AS/NZS 3000:2000 – Electrical Installations, known as the Australian/New Zealand Wiring Rules*).

16 Implementation

16.1 Service Providers must implement the requirements of this Code within the following timeframe from the date of the commencement of the Code (being 1 January 2006):

- a) develop and implement Management Plans – within six months;
- b) develop/update and implement performance reports – within 12 months;
- c) develop and implement a system for paying penalties to the Customer in accordance with 12.1 b) above – within 12 months;
- d) update the Public Lighting Inventory to a reasonable standard - within 48 months; and
- e) report on steps towards implementation of the Code including implementation of a Management Plan – within six months.

17 Variation

17.1 This Code establishes a framework for the management of Public Lighting Assets that the Service Provider owns and maintains or has agreed to maintain. However, it is acknowledged that local circumstances may sometimes necessitate alternative arrangements.

17.2 Either a Service Provider or a Customer may seek written agreement from the other to expressly vary the application of this Code to particular circumstances that affect both parties. If such agreement is sought, both the

Service Provider and the Customer must negotiate in good faith. Any variation to the operation of this Code, including any alterations to the minimum standards, must be specified in the Service Level Agreement or (if there is no Service Level Agreement) otherwise documented in writing.

17.3 If a Service Provider and a Customer have agreed (in accordance with 17.2) to alter the application of this Code in specified circumstances by reducing the minimum standard of service under the Code, the Service Provider is only obliged to comply with the agreed reduced standard of service in those circumstances specified.

18 Dispute Resolution

18.1 The Service Provider must handle a Complaint by a Customer in accordance with the relevant Australian Standard on Complaints Handling (currently AS-4269 *Complaints Handling*).

18.2 Where the Service Provider does not resolve the Complaint to the Customer's satisfaction, the Customer may refer the matter to mediation by an independent third party such as the Australian Commercial Disputes Centre (ACDC) or another individual or organisation agreed to by both parties. Mediation must be attempted before a Customer has recourse to arbitration or litigation.

19 Definitions

Complaint – a written expression of dissatisfaction about an action, a proposed action, or a failure to act by the Public Lighting Service Provider, its employees or contractors. This includes failure by the Public Lighting Service Provider to observe its published practices or procedures.

Customer – a Public Lighting Customer.

Distribution Network Service Provider – has the meaning given to that term in the *Electricity Supply Act 1995*.

Fault – a Luminaire that is not producing light or whose light output is either materially lower than normal operation or is ineffective.

Fault Report – an instance of the Public Lighting Service Provider receiving a report of a Fault via its call centre or website.

Luminaire – an apparatus that distributes, filters or transforms the light transmitted from one or more lamps and includes, other than the lamps themselves, all the parts necessary for fixing and protecting the lamps and where necessary circuit auxiliaries together with the means for connecting them to the distribution system.

Management Plan – the management plan referred to in clause 7.

Non-Material Amendment – an amendment to the Code that the Director-General considers will have little or no financial or operational impact on Service Providers or Customers and includes:

- a) correction of grammatical errors, omissions, numbering or other similar matters contained within the Code; or
- b) the changing of processes and procedures where this will have little or no financial or operational impact on Service Providers or Customers.

Non-Standard Luminaire – a Public Lighting fitting other than those appearing on a Public Lighting Service Provider's Standard Luminaire list.

Minor Capital Works – installations of up to seven Luminaires.

Public Lighting – the term Public Lighting is used throughout this Code to cover lighting schemes for the generality of roads and outdoor public areas (eg parks, reserves, pedestrian zones, footpaths, cycle paths, car parks and other public areas) that are managed by or on behalf of a Customer.

As the primary aim of a Public Lighting scheme is that of safe movement of people, the AS/NZS1158 *Lighting for Roads and Public Spaces* series of standards divide road lighting into the following broad categories:

- i) 'Category V' lighting means lighting that is applicable to roads on which the visual requirements of motorists are dominant, for example, traffic routes.
- ii) 'Category P' lighting means lighting that is applicable to roads on which the visual requirements of pedestrians are dominant, for example, local roads and outdoor public areas.

Public Lighting Assets – all assets of the Public Lighting Service Provider or the Public Lighting Customer that are dedicated to the provision of Public Lighting, including lamps, Luminaires, mounting brackets and supports on which the fixtures are mounted, supply cables and control equipment (for example, photoelectric cells and control circuitry) but not including the Public Lighting Service Provider's protection equipment (for example, fuses and circuit breakers).

Public Lighting Customer – a Council (as defined by the *Local Government Act 1993*), or Local, State or Federal Government agency that has authority over areas with Public Lighting.

Public Lighting Customer Liaison Representative – the primary representative of the Public Lighting Service Provider in any dealings with the Public Lighting Customer.

Public Lighting Customer Representative – the primary representative of the Public Lighting Customer in any dealings with the Public Lighting Service Provider.

Public Lighting Service Provider – a Distribution Network Service Provider providing Public Lighting Services.

Public Lighting Services – any of the following services that may be provided for the purpose of Public Lighting:

- a) operation of Public Lighting Assets, including handling enquiries and complaints about Public Lighting, and dispatching crews to repair Public Lighting Assets;
- b) maintenance, repair, alteration, relocation and replacement of Public Lighting Assets;
- c) design of new Public Lighting Assets;
- d) installation of new Public Lighting Assets; and
- e) financing of Public Lighting Assets.

Service Level Agreement - an agreement between a Service Provider and a Customer setting out arrangements for the provision of a Public Lighting Service.

Standard Luminaire - a Luminaire appearing on a Public Lighting Service Provider's Standard Luminaire list.

Networks NSW



**NETWORKS NSW
HEALTH, SAFETY
AND ENVIRONMENT
STRATEGIC PLAN
2014/15 – 2018/19**



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“Safety is the responsibility of every employee, with no employee knowingly participating in an unsafe act or an environmental breach.”

01

EXECUTIVE SUMMARY

The Health, Safety and Environment (HSE) Strategic Plan is one of seven strategic plans that set out the strategic direction for Networks NSW (NNSW) in seven key areas. The HSE Plan provides a coordinated approach to the Health, Safety and Environmental direction and focus of our businesses. The Plan is set within the strategic context of efficiently delivering a reliable and sustainable electricity network, and building a positive reputation through the delivery of safe customer services.

*“Safety is
our number
one priority”*

Safety is our number one priority and is the responsibility of every employee. We prioritise safety to ensure NNSW do not adversely impact the safety of our workforce, the public or the environment in the delivery of our services to our customers and communities.

All employees are responsible and accountable for actions and for behaviours that influence the safety of themselves, others and the environment. As an initiative to align safety and environment behaviours within a “Fair and Just” cultural framework, the expected outcome is a high performing organisation.

The HSE Strategic Plan provides a framework for safety excellence and establishes the organisational expectations for developing a shared safety culture and reaching our goal of zero harm. It outlines the key initiatives NNSW will implement to reduce our Lost Time Injury Frequency Rate (LTIFR) to less than 2 by June 2015, on a pathway to zero, and to position NNSW at the pinnacle of safety performance within the electrical industry.

It also outlines the high level environmental initiatives NNSW will implement to establish a positive environmental stewardship to prevent reportable pollution incidents and to uphold the environmental needs of future generations.

Key elements of the strategy are detailed as follows:

- 1. Effective Management of Risk** – To effectively provide the resources and capability to manage our risk profile by eliminating health, safety and environmental risk so far as is reasonably practicable supported by an evidence and risk based approach to decision making, responsible management and good governance and assurance.
- 2. Standards for Network Health Safety and Environment Management Systems** – HSE Management Systems advanced to define minimum requirements and better practice principles for controlling the risks associated with our business operations.
- 3. Strengthen HSE Leadership** – Implementation of integrated safety leadership capability programs across all three businesses at all levels, with particular focus on strengthening the competencies of those who hold safety critical roles.
- 4. Build a Fair and Just Culture** – Embedded to support cultural and behavioural change to personal safety and environmental stewardship. Workforce engagement to establish consistent ‘Rules We Live By and ‘green rules’ to guide positive safety and environment attitudes, behaviours and safe work practices.
- 5. Resource Efficiency** – The creation of a framework to evaluate resource efficiency projects, Resource Life Cycle Assessment and investigate the joint sourcing of waste management services across NNSW.

02

PURPOSE AND STRATEGIC CONTEXT

2.1 DOCUMENT PURPOSE

This document sets out the initiatives and key performance indicators that will measure and monitor the three network business's progress in pursuing the overarching strategic direction for NSW, in Health, Safety and Environment over the next 5 years.

This document is developed in consultation with those responsible for delivering the plan in the three Network companies in identifying both the enterprise HSE aim and those entities whose needs and expectations if not met or not aligned may result in material impediments in the achievement of the HSE strategic network business aim.

2.2 HEALTH, SAFETY AND ENVIRONMENT STRATEGIC PLAN PURPOSE

The overarching objective of the HSE Strategic Plan is to continually **improve our safety performance to protect the safety of our employees, contractors, the community and those who are influenced by our business undertakings.**

We will provide a framework to improve safety performance as transition towards our goal of achieving Zero Harm.

In parallel, environmental stewardship, improvement of environmental performance, management of environmental risks and the implementation of sustainable initiatives will encourage our workforce to work responsibly and assist NSW to create an environmentally considerate culture.

The HSE Strategic Plan seeks to develop an HSE framework that enables the exercise and application of due diligence to:

1. Set the foundation for safety excellence to work towards zero harm;
2. Build and sustain a culture and behaviour where no worker knowingly participates in an unsafe act or an environmental breach;
3. Eliminate the potential for fatalities and permanent disabilities, whilst systematically reducing high frequency low consequence injuries;
4. Establish better practice HSE Management Systems that are compliant with legislation, regulation and relevant codes of practice; and
5. Build and empower capable and effective HSE leadership, capabilities and competencies

2.3 NETWORKS NSW GROUP STRATEGIC OBJECTIVES

The 2014/15 Group Strategic Plan takes a five-year view of the strategic objectives and priorities of the network businesses and is updated annually. Our strategies are designed to promote the long term interests of our customers by delivering four key outcomes:

1. Continuous improvement in safety performance;
2. Maintaining the reliability and sustainability of the network;
3. Containing network tariff increases to CPI for our customers; and
4. Maintaining fair returns for our shareholder and communities.

Health Safety and Environment is a key focus area in delivering a suite of strategic partnering initiatives in support of NNSW priority actions. These priority actions are detailed in the Group Strategic Plan.

2.4 INDUSTRY, BUSINESS AND REGULATORY CONTEXT

NNSW is a State Owned Corporation (SOC) created to own and operate the electricity distribution network and focused on achieving the objectives of the State Owned Corporations Act 1989. The three subsidiary network businesses, comprising of Ausgrid, Endeavour and Essential Energy operate the largest combined electricity distribution network in Australia.

In framing the business context of the 2014/15 - 2019/20 HSE Strategic Plan, it is important to consider the comparative safety KPI's of the three NNSW businesses against industry peers. Lost Time Injury Frequency Rate (LTIFR) is a widely recognised measure within the energy supply industry in which to benchmark safety performance.

Chart 1 demonstrates NNSW operational businesses against eight companies from the energy supply industry.

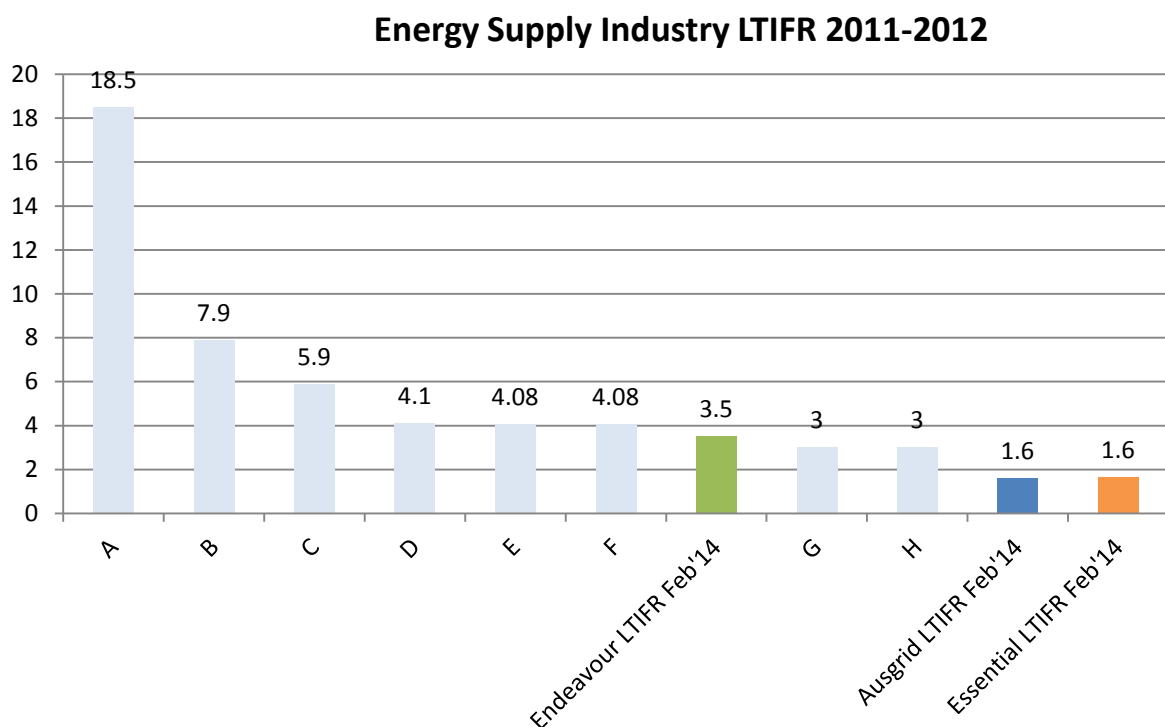


Chart 1- LTIFR Industry & Network Business comparison

NNSW is committed to continually improve safety performance and optimise health, safety and environmental outcomes. Improving safety performance will require a transformational step-change across the three network businesses. This requires a strategy that focuses on cultural change at all levels. In support of this, the 2014-2015 HSE Strategic Plan encompasses a multi-faceted strategy, with a strong focus on leadership, behavioural programs and embedded safety culture development, balanced with an appropriate set of dual assurance (lead and lag) indicators to measure the success of key initiatives.

“Improving safety performance will require a step-change across the three network businesses”

The **Work Health and Safety Act 2011** coupled with the Safe Work Australia’s Safety Strategy which came into effect in 2012, has also influenced and shaped the HSE Strategic Plan. The WHS Act has redefined Networks NSW’s work health and safety obligations and how the organisations primary duty of care will be fulfilled. Further, the Act redefines the traditional employer/employee relationship beyond the workplace to include a variety of work arrangements.

The network businesses acknowledge that they have a primary duty of care and commitment to demonstrate that everything ‘reasonably practicable’ has been done to ensure the provision of safe work places of workers engaged or influenced by our activities. This duty of care extends through our sphere of influence to our industry partners and others who are impacted by our undertakings.

The **Australian Work Health and Safety Strategy 2012 - 2022** provides a 10 year framework (NNSW strategic timelines are compressed in comparison) to drive improvements in WHS of workers in Australia and promotes collaboration among stakeholders to achieve its vision of healthy, safe and productive working lives. The HSE Strategic Plan will support the implementation of the Australian Safety Strategy to:

- Promote a positive culture for health and safety by leaders in organisations and communities;
- Ensure everyone in a workplace has the work health and safety capabilities they require;
- Develop evidenced and informed policy, programs and practice;
- Eliminate or minimise hazards by design to minimise risks before they are introduced into the workplace.

In 2012 a Commonwealth, State and Territory inter-governmental agreement (IGA) was signed on Energy Supply Industry Safety to progress the **national harmonisation of energy technical safety regulation** across Australia. The IGA endorsed the development of an Australian Standard for Electricity Network Management Systems to replace existing requirements within the Electricity Supply (Safety and Network Management) Regulation 2008.

As an outcome **AS5577:2013, Electricity Network Safety Management Systems** was published in early 2013. The NSW government is adopting this by Regulation and the three network businesses will replace existing requirements within the Regulation for Network Management Plans through the development of an Electricity Network Safety Management System (ENSMS) and plan in 2014, to meet the requirements of AS5577:2013.

DTIRIS have recently commenced the process of updating the Electricity Supply (Safety & Network Management) Regulation to reference the requirements of AS5577-2013, Electricity

Network Safety Management Systems as the basis of setting out safety management systems for our electricity networks. Previously the requirements of the Regulation were specified within the document itself.

NNSW's adoption of AS5577:2013, will result in more comprehensive electrical network safety management systems and processes integrated and aligned with existing Work, Health and Safety Management Systems but requiring greater consultation and a more structured audit regime than the current Regulation. A change of this nature, while requiring significant focus and effort during the transition, as a result will deliver more targeted and consistent electrical network safety outcomes across the industry, resulting in improved safety outcomes for Networks NSW workforce and the community.

As an organisation NNSW's environmental strategic risk profile is regulated against the **Protection of the Environment Operations (POEO) Act 1997 (and general regulations)**, the incident reporting requirements of the **Protection of the Environment Legislation Amendment Act 2011 (PELA)** and the **Contaminated Land Act 1997**.

Environmental legislation in most jurisdictions exposes not only companies, but directors and persons concerned in the management of the company to liability for offences of the corporation.

A company (and hence its directors and managers) may also be liable for the actions of subcontractors in certain circumstances. This will usually be the case where inadequate instructions are given or if the contractor has not been properly supervised.

Broadly and of relevance to NNSW, contaminated land is dealt with by the Environment Protection Authority (EPA), under the Contaminated Land Management Act 1997 (CLM Act) to deal with site contamination that is significant enough to warrant regulation under the Act given the site's current or approved use, and local councils who deal with other contamination under the planning and development framework, including State Environmental Planning Policy No. 55 - Remediation of Land and the Managing Land Contamination - Planning Guidelines.

The issues of contaminated land can undoubtedly exert significant commercial, economic, resource, stakeholder and community (as a distinct stakeholder) pressures on an organisation and need to be considered at a strategic level.

The intent of the PELA is to improve the way pollution incidents are reported and managed. Provisions include a requirement for holders of Environmental Protection Licences (EPLs) to prepare, keep, test and implement a Pollution Incident Response Management Plan (PIRMP).

Under the POEO Act the proposal of a risk-based licensing scheme may see NNSW, as an environmental protection license (EPL) holder, faced with increased regulatory scrutiny. Further, changes to the **Environmental Planning and Assessment (EPAA) Act 1972** and the **EPAA Regulation 2000** will necessitate enhanced environmental compliance activity and assessment for NNSW when undertaking development, construction or expansion of new or existing electrical distribution infrastructure.

Managing environmental risks in a socially responsible manner and in accordance with legal requirements is a business imperative for NNSW. A process of consolidating and aligning our environmental policies and practices will be pursued across NNSW in 2014.

2.5 STRATEGIC CHALLENGES

The strategic challenges arising from industry, business and cultural contexts are summarised as follows:

- Transformational change across the network businesses has the potential to distract the workforce and lead to a reduction in personal, and hence organisational, safety and environmental focus;
- Disparate cultural maturity levels, varying leadership performance and change management capability;
- Human performance variation influences and contributes to Lost Time Injuries (LTI's), Total Recordable Injuries (TRI's) and Significant Electricity Network Incident (SENI's);
- Variation exists across the network businesses in the quality, content and implementation of their HSE Management Systems;
- There is both an opportunity and need for training and development in safety management for leaders, line management and supervisors; and
- Inconsistent management response within and across network business to unacceptable personal safety behaviours and individual performance management.

2.6 STRATEGIC MAP ALIGNMENT

The strategy map outlines and illustrates the interface between key NSW business outcomes and supporting business processes and enablers. The framework for the HSE Strategic Plan is based on the NSW strategy map in Table 1.

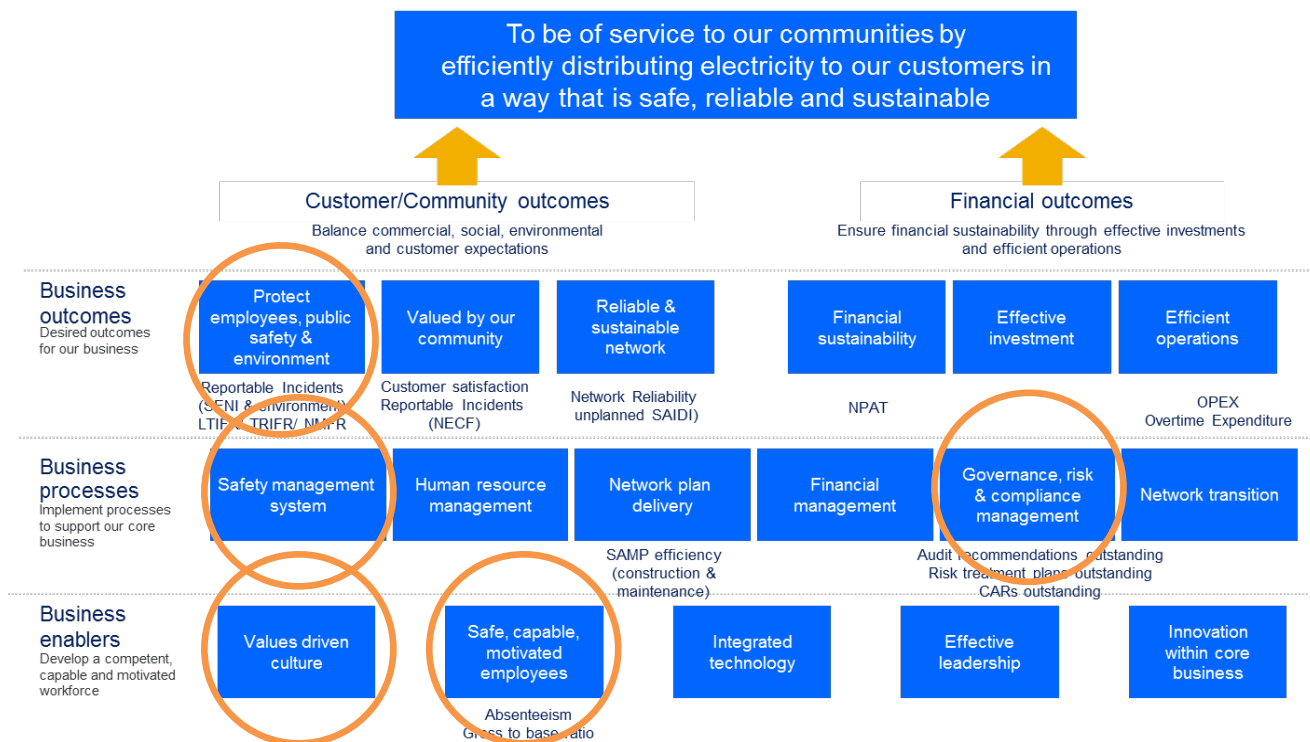


Table 1- Networks NSW strategy map

The NSW Group strategy map illustrates at all business levels the strategic partnership that Health Safety and Environment plays in contributing to the delivery of the organisation's purpose statement.

Partnering our business processes with our HSE Management framework transitions the organisation towards the highest HSE standards and is critical to the business being able to lead, manage and achieve its safety and environmental goals.

An overlay of good governance, supported by evidence and risk based decision making, transparent and proactive compliance management, will ensure safety and environmental outcomes are consistent with NSW strategic imperatives and compliant with our regulatory and legislative obligations.

03

HEALTH, SAFETY & ENVIRONMENT STRATEGIC PLAN

3.1 PLAN SUMMARY

The 2014 /15 HSE Strategic Plan builds on the 2013 /14 Business Plan. The purpose of the plan remains consistent and is supported by five key strategic focus areas, supported and underpinned by strategic goals and an integrated five year program of key initiatives.

PURPOSE	<i>To protect the safety of the public, our employees and contractors and to minimise impacts of our operations on the environment.</i>				
STRATEGIC FOCUS	MANAGE RISK EFFECTIVELY	ROBUST HSE MANAGEMENT SYSTEM	HSE LEADERSHIP	BUILD A POSITIVE CULTURE	RESOURCE EFFICIENCY
Goals	<p>Establish and operationalise prevention and mitigation controls of Network Fatal Risks.</p> <p>Increase hazard / risk awareness and preventative behaviours.</p>	<p>Establish and align better practice HSEMS framework and minimum Group Standards.</p> <p>Achieve and maintain HSEMS compliance with applicable legislation, regulation and industry codes.</p>	<p>Build safety leadership at all levels to improve HSE outcomes.</p> <p>Establish centres of excellence to partner and provide specialist HSE advice and support to the business.</p>	<p>Embed a “Fair and Just Culture” to support cultural and behavioural change to personal safety, and environmental stewardship.</p>	<p>Strengthen Environmental Stewardship</p>
Key Initiatives 2014-2020	<p>Establish the risk mitigation defence of Network Fatal Risks</p> <p>Establish a Network Fatal Risk audit and assurance program.</p> <p>Establish an environmental risk framework to limit Significant Hazardous Environmental Events</p> <p>Establish NFR ‘Rules We Live By and ‘Green Rules’ to guide positive behaviours and safe work and environmental practices.</p>	<p>Establish common HSE Management System Group Policies and Standards.</p> <p>Establish performance data collection, monitoring and reporting that is consistent across the networks.</p> <p>Establish assurance and benchmarking across the businesses and against external organisations.</p>	<p>Agree safety leadership expectations and align capability.</p> <p>Deliver safety leadership competency framework aligned to safety critical positions</p> <p>Develop Networks NSW framework for due diligence compliance and leadership.</p>	<p>Implement a ‘Fair and Just Culture’ incident investigation framework.</p> <p>Engage our workforce’s “Hearts and Minds” on our safety journey.</p> <p>Undertake safety culture assessment and develop roadmap</p> <p>Set HSE behaviour and cultural expectations</p> <p>Develop safety culture performance measures.</p>	<p>Evaluate opportunities for joint sourcing of waste management services.</p> <p>Establish a framework for evaluating resource efficiency projects</p> <p>Develop a Life Cycle Assessment Framework within the procurement process and of operational environmental impacts.</p>

3.2 STRATEGIC FOCUS

1. Manage Risk Effectively

A critical aspect of NNSW's Health Safety & Environment Management System is the identification, assessment and mitigation of our network fatal risks. Wherever there is a potential for our workforce or members of the public to be harmed in the course of our business undertakings, NNSW must act to eliminate the risk where possible and where the risk cannot be avoided NNSW must manage the risk to a level that is as low as is reasonably practicable ("ALARP").

Our objective is the elimination of high consequence life-changing events specifically those that may result in loss of life, whilst systematically reducing high frequency, low consequence injuries. NNSW has worked closely with the three network businesses to assess our Network Fatal Risks. This has resulted in the development and alignment of a comprehensive framework of NNSW Fatal Risk Controls, barriers and defences to prevent and mitigate those potential and hazardous events that could result in a fatality or permanent disability.

NNSW will engage with those who are most at risk to ensure the network fatal risk controls are functional, operational (work as stated) and practical. Our workforce will be engaged and empowered to develop NNSW "Rules We Live By" for each of the fatal risk areas, to further enact the fatal risk controls as living safety principles and guidelines.

The "**Rules We Live By**" will influence positive safety behaviours and shape our safety culture. These will also be fundamental to the fair and just culture process in determining the need for personal consequence management where the 'rules we live by' (having been determined by our workforce) have been breached. An environmental risk and stewardship focus will see the delivery of controls, barriers and defences framework to prevent and mitigate Significant Hazardous Environmental Events and the development and delivery of "Green Rules" for environmental protection in 2015 to interface with the "Rules We Live By".

2. Robust Health Safety and Environment Management System

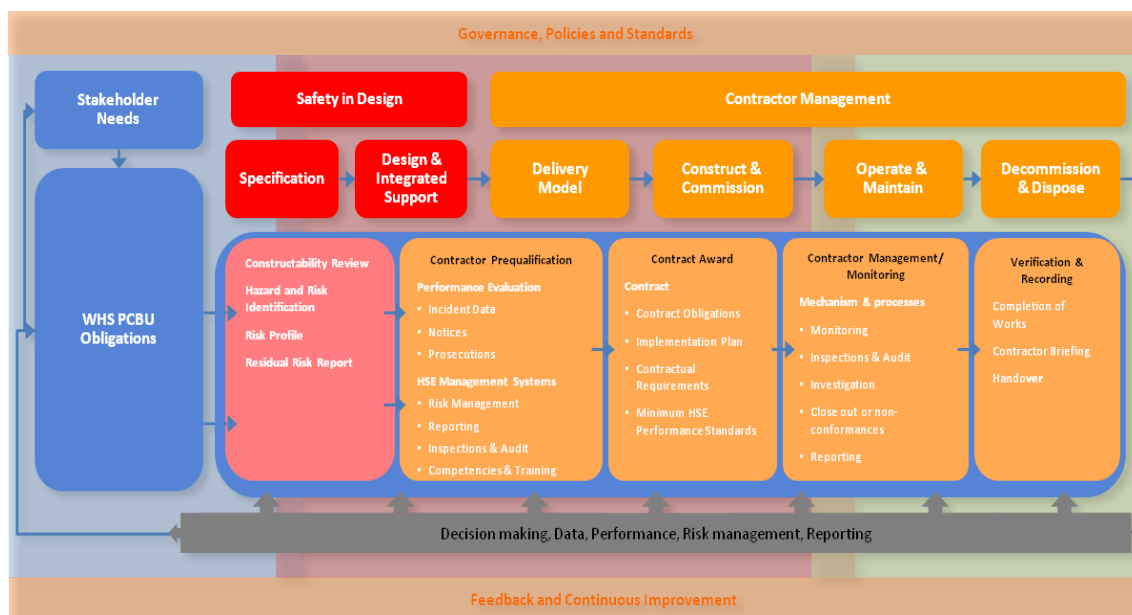
The network reform process provides opportunity to review the effectiveness of each businesses Health, Safety and Environment Management System against industry practice, legislative compliance and comparability specifically in the alignment, integration and development of better practice principles across the three Network businesses.

A review and development of minimum System Standards will and has focused on the following elements of the HSE Management System as a priority.

- Incident Management;
- Incident Investigation;
- Risk Management;
- Safety Leadership and Accountability;
- Health and Safety Training Competency and Behaviour;
- Audit and Assurance – Legal Compliance;
- Procurement and Contractor Management;
- Design, Construction and Commissioning;
- Workers' Compensation; and
- Fitness for Work, Mental Health and Wellbeing.

In 2014/15 NNSW will develop a robust procurement and contractor management framework in consultation with our industry partners, and in recognition of our obligations as persons conducting business or undertaking (“PCBU”) under the WHS Act 2011. This framework will take into account the broader lifecycle management of asset creation and maintenance, from safety-in-design, through to decommissioning and demolition, to discharge NNSW duty of care.

The framework will incorporate mechanisms and metrics for monitoring and assurance of contractor safety and environmental performance trending in a transparent manner, enabling effective governance arrangements and comparison with NNSW employee workgroups and other industry groups.



3. Health Safety and Environment Leadership

Continuous improvement in safety performance and effective implementation of HSE management systems requires strong safety leadership. As managers across the business lead, communicate and manage their teams to deliver cultural and performance outcomes we expect them to be leaders in HSE, to promote positive safety behaviours, and to be visible role models for others to follow.

Investment in safety leadership capability is a fundamental initiative with the HSE Strategic Plan. A review of existing capabilities has been undertaken and a Safety Leadership Competency Framework is under development to support leaders in safety critical roles in managing their teams to deliver safety excellence.

This framework maps the safety critical roles and the requisite safety management tasks, enables a common view of safety management performance and builds rigour and objectivity into the way safety leadership performance is measured. It provides a framework of expected knowledge, skills and behaviours that will enable the development of supporting training packages and competence assurance methodology for both current and new personnel. Particular emphasis will be given to field managers and supervisors as leaders who have critical influence on the safety performance and behaviours at the front line.

Implementation of the Safety Leadership Competence Framework provides a foundation for the further development of our leaders and a pathway to the positive cultural outcomes we seek.

4. Develop a Positive Culture

Safety and operational performance is significantly influenced by an organisations safety culture. Every individual across the network has a role to play in the creation and sustainability of NNSW safety culture. A key initiative within the 2014 – 2015 HSE Strategic Plan is the introduction of a safety culture assessment to determine the personal safety perception of those employed within the three network businesses in which to map against NNSW cultural ambition and to confirm the programs and initiatives designed to win the “Hearts and Minds” of our workforce on our safety journey.

NNSW's are developing a positive “Fair And Just” culture where an atmosphere of trust exists in which people are encouraged, motivated and expected to report safety related incidents, issues or information. Further people will be appropriately recognised, by their peers and NNSW management, and rewarded for their efforts, to enable the “reporting” and “mindfulness” aspects of a positive culture.

In turn people will also be clear about the difference between acceptable and unacceptable behaviour. Individuals under a ‘just culture’ are not blamed for unintentional errors, but are held accountable for gross negligence, wilful violations and destructive acts.

An essential feature of a Fair and Just culture is the effective implementation of a robust incident management framework consistently applied across NNSW to support the fair and just process following an incident. This involves a commitment to learn from our incidents through safety investigation so as to take the appropriate corrective actions to mitigate risk and to prevent the reoccurrence of similar events in the future.

A consistent, structured and cross-functional approach will help build a greater understanding of all relevant contributing organisational, task, environment, team and individual factors involved in safety and environment incidents and will enable personal consequence management to be enacted in a fair and reasonable manner.

5. Resource Efficiency

2014 has seen the reformation of the Electricity Network Environmental Group (“ENEG”) as the NNSW only (non-industry aligned at this point) intercompany resource to address common environmental initiatives or issues and ensure alignment with this plan.

Within each network business, dedicated environmental professionals have been appointed within specialist teams. A number of initiatives exist to enhance awareness of environmental roles and responsibilities, including the Environmental Training System (Ausgrid), the Training and Communication Plan (Endeavour Energy) and the Environmental Impact Assessment Education Program (Essential Energy). Training programs are supported by communication initiatives within each network business.

The establishment of NNSW creates an opportunity to strengthen environmental capabilities and promote greater alignment with goals. The development of working groups, sharing of specialist resources and promoting a responsive culture will contribute to performance improvements.

Resource efficiency refers to the creation of value while reducing environmental impact by optimising resources, an organisation can minimise the consumption of energy, water and the generation of waste.

The inclusion of resource efficiency in the HSE Strategic Plan reflects opportunities identified through the strategic review. NNSW will establish a framework for evaluating resource efficiency projects and resource Life Cycle Assessment in 2014/2015.

Life Cycle Assessment as an environmental management tool is used to aid understanding and compare the environmental impacts of a product or service 'from cradle to grave'. The technique examines every stage of the life cycle from raw materials acquisitions, through manufacture, distribution, use, possible reuse/recycling to final disposal. Every operation or unit process within a stage is included and for each operation within a stage, the inputs (raw materials, resources and energy) and outputs (emissions to air, water and solid waste) are calculated (the Life Cycle Inventory).

In subsequent years resource efficiency projects will be identified, evaluated and performance measures established.

Recognising the significant costs associated with waste disposal, opportunities for joint sourcing of waste management services will be evaluated through the NNSW Joint Venture Operating Committee.

Industry and government supported energy initiatives will be further identified and pursued.

04

KEY INITIATIVES

4.1 MEDIUM TERM INITIATIVES

The key initiatives in the HSE Strategic Plan are described in more detail below and will form part of the more comprehensive plan to be delivered over the medium term (1 – 5 years).

Initiative	Description	Timing
Manage Risk Effectively		
Establish the risk mitigation defence of Network Fatal Risks	Embed NNSW Network Fatal Risk Control Standards to provide mandatory requirements to prevent hazardous events from occurring with the preparedness measures in place to limit the consequences.	June 2015
Embed NNSW NFR within the HSE audit and assurance program	Embed NNSW NFR within the Annual Audit and Assurance Plans to verify the ongoing effectiveness and adherence to Network Fatal Risk Controls.	August 2014
	Ensure the audit schedule process continually risk assess maps and prioritises the NFR areas, for corrective action through the analysis of the integrity of the existing control environments.	June 2015
Establish NNSW Environmental Risk Profile	Establish an NNSW Environmental Risk Profile for Significant Hazardous Environmental Events using a consistent risk management framework (bow-tie).	September 2014
	Conduct gap analysis against environmental risk bow-ties and develop treatment action plans (TAPS).	June 2015
Establish safety “Rules We Live By” and environmental “Green Rules”.	Engagement of the NNSW workforce to develop Network Fatal Risk ‘Rules We Live By’ to guide proactive and mindful attitudes, behaviours and safe work practices. NFR 1. Uncontrolled Electricity, NFR 3 Motor Vehicle Accident and NFR 4 Fall from Height	December 2014
	Engagement of NNSW workforce to develop ‘green rules’ to guide proactive and mindful attitudes, behaviours and safe environmental practices and stewardship.	April 2015
Effectively Implement Group Standards for Health Safety Management Systems		
Establish and maintain common HSE Management System Group Standards and policies to define minimum requirements across the three network businesses.	Establish cross-functional working groups across the three network businesses providing independent peer reviews and sharing of learning’s, information and processes.	Ongoing
	Review HSEMS policies, standards and criteria for commonality across the three network businesses with the objective of applying better practice consistently.	Ongoing
	Embed and continuously improve the Incident Management Framework for NNSW incident investigation utilising a common incident severity classification, investigator competencies, causal factors analysis methodology and corrective action management processes to provide a structured approach and shared learning’s to prevent incident recurrence.	Ongoing
	Establish and embed an agreed risk based HSE Audit &	June 2015

Initiative	Description	Timing
	Assurance Schedule and supporting methodology, to ensure HSEMS systems and work practices are audited to assess conformance and compliance with controls and industry standards to drive continual improvement.	
	Establish a robust Procurement and Contractor Management Framework. This framework will take into account Safety in Design ("SID") and Life Cycle Assessment and management of asset creation and maintenance, through to decommissioning and demolition.	December 2015
	Establish a Design, Construction and Commissioning Standard to focus on the elimination of risk through Safety in Design	December 2015
	NNSW HSE to partner engineering establishment of an Electricity Network Safety Management System (ENSMS) and Plan consistent with AS 5577 requirements.	December 2014
Establish and maintain performance data collection, monitoring and reporting that is consistent across the networks.	Embed NNSW dual assurance health and safety performance metrics to monitor and evaluate success of key initiatives and control measures.	Ongoing
Establish and maintain benchmarking across the businesses and against external organisations	Establish a consistent Workers' Compensation Governance Framework, with the implementation of a workers' compensation and return to work performance monitoring mechanism to provide a structured and transparent approach to containing cost impacts.	Ongoing
	Ensure health, safety, environment and workers compensation performance data is analysed to understand comparability between businesses and external organisations for public safety risks, staff and contractor safety, environmental risk and workers compensation cost containment.	Ongoing
Health Safety and Environment Leadership		
Deliver integrated safety leadership and competency training programs aligned to safety critical positions	Establish tailored Frontline & Supervisory HSE training programs to strengthen front line management / supervisor HSE capability and competency.	September 2014
	Deliver Frontline and Supervisory HSE safety leadership competency training.	July 2015
	Develop and implement Safety Leadership Competency Framework aligned to safety critical positions.	December 2014
Develop Networks NSW framework for due diligence compliance and leadership.	Establish initiatives targeted at emphasising personal safety responsibility and accountability including the requirement of all leaders to have identified safety performance measures and a personal safety commitment statement as part of their 2014 –15 Mandate Letter.	Ongoing

Build a Positive Culture		
Build a positive culture.	In collaboration with Group People and Services establish and provide awareness of an agreed NSW "Fair and Just Culture" Program.	March 2015
	Embed a consistent NSW 'Fair & Just Culture' Incident Investigation Framework to support cultural and behavioural change to personal safety and environmental management across NSW.	August 2014
Engage our workforce's "Hearts and Minds" on our safety journey.	Undertake a safety culture analysis to determine the personal safety culture of those employed within the three organisations in which to map against Networks NSW cultural ambition and to identify priority improvement areas.	September 2014
Set and establish safety behaviour expectations	Develop an incident decision matrix to support a 'Fair and Just' process for reward, recognition and as a result of consequence management equitable disciplinary measures.	June 2014
Safety culture performance measure	Establish an annual Safety Culture Survey to understand the workforce's personal safety perception, their needs at the time and the climate of the "frontline" organisational workforce.	Annual
Develop Cultural & Human Factors awareness	Develop internal subject matter experts in human factors and safety behaviour.	Ongoing
Resource Efficiency		
Improve Environmental Stewardship	Assess the current status of monitoring of environmental aspects and impacts and the application of risk based decision making and the use of the hierarchy of control.	Ongoing
	Establish positive environmental stewardship by preventing pollution incidents	
Establish resource efficiency modelling	Assist in the development of a Resource Efficiency Projects Evaluation Framework	December 2015
Evaluate operational environmental efficiencies	Assist in the Investigation of joint sourcing of waste management services to minimise the consumption of energy, water and materials and the output of waste.	December 2014
Establish framework for evaluating energy efficiency projects	Utilise the Resource Efficiency Projects Evaluation Framework to guide the identification, evaluation and approval of "energy efficiency opportunity projects" with a focus on improving energy utilisation across the organisation. The aim being to realise an improved carbon footprint, with the strategic management of greenhouse gas emissions across the business to represent industry leadership.	Ongoing
Develop a Life Cycle Assessment Framework within operations and the procurement process.	This framework will interface with Safety in Design ("SID") and focus on environmental aspects and impacts in the management of asset creation and maintenance, through to decommissioning, demolition and disposal.	March 2015

4.2 ANNUAL ACTION PLAN

The following actions represent the subset of initiatives deemed an immediate priority to be delivered in the short term (next financial year). These annual actions will be assigned to appropriate senior managers and included in their individual list of “priority actions” to ensure their delivery.

INDICATIVE MILESTONES FY 2014-15				
ACTION	Q1 Sep	Q2 Dec	Q3 Mar	Q4 Jun
Establish a risk based Audit and Assurance Schedule				
Establish HSE Procurement & Contractor Management Framework				
Safety Culture Assessment – Priority Action Plan				
Implementation of the “Fair and Just” Program				
Establish NNSW Safety Leadership Competency Framework for Safety Critical Roles				
Deliver Frontline & Supervisory HSE Behavioural Training Programs				
Establish and implement Network Fatal Risk Controls				
Establish Network Fatal Risk “Rules We Live By” Stage 1 NFR 1, NFR 3, and NFR 4				
Embed Network Fatal Risk Controls within the HSE Audit and Assurance Plans				
Establish Significant Environmental Hazardous Event Risk Control Standards, conduct gap analysis against risk bow-ties and develop treatment action plans.				
Establish NNSW Environmental “Green Rules”				

Table 3: Indicative Milestones FY 2014-15

Priority Action	Measure	Indicative milestones				Ownership
		Q1	Q2	Q3	Q4	
Implement and act on the safety behavioural survey as a lead indicator	Undertake safety culture assessment to develop a roadmap map with agreed priority actions. Deliver the first stage of program.	X	X	X	X	GM HSE , GM Network Operations
Develop a Safety Leadership Competency Framework aligned to safety critical roles.	Develop a Safety Leadership Competency Framework. Prioritise and deliver competency training for front line supervision safety critical roles.	X	X	X	X	GM HSE, GM Network Operations Training & Development
Implement Contractor Safety Performance Reporting	Establish and implement agreed prioritisation of contractor safety performance reporting.	X	X	X	X	GM HSE, GM Network Development Chief Procurement Officer, Procurement Personnel
Operationalise Network Fatal Risk Management Controls	Align Safety Management Systems and Electrical Safety Rules with NNSW Network Fatal Risk Controls and operationalise six of the nine NFRs.	X	X	X	X	GM HSE, CE GM Network Operations
Define Group safety standards	Establish an agreed risk based HSE Audit & Assurance Schedule and supporting methodology.	X	X	X	X	GM HSE

Table 4: Priority Actions FY 2014-15

05

RISK MANAGEMENT

The management of risk is core to the delivery of the strategic objectives and plans of the Company. A comprehensive risk assessment has been performed on the HSE Strategic Plan in the context of the uncertainties and barriers to the successful delivery of the plan including the identification and assessment of potential emerging risks linked to the breakdown of the underlying assumptions and business value drivers that underpin the strategy.

5.1 ORGANISATIONAL RISK

A fundamental role of the HSE Strategic Plan is to ensure that all HSE hazards are identified and associated risks are assessed and managed to as low as reasonably practical ("ALARP"). The management of risk is core to the delivery of the strategic objectives and plans of NNSW.

Linkage to Business Risk category

Risk Category	Description
BR1 - Safety	Fatality/serious injury of workforce or member of public
BR6 - Environment	Significant environmental incident

5.2 RISK TO DELIVERY OF THE HSE STRATEGIC PLAN

The risk of non-delivery of the initiatives contained in the HSE Strategic Plan is included in the Corporate Risk Management Plan as *BR1.A – Failure to deliver the HSE Strategic Plan* and has been assigned a 'Medium' risk rating.

The causes, consequences and the controls put in place to manage these are presented below. Where control weaknesses were identified, treatment actions have been incorporated into the initiatives outlined in the Plan.

Risk Summary

Causes	Description
Competing priorities	Strong governance framework including Group level forums
Lack of effective leadership	Key stakeholder involvement in Strategy development
Changing internal/external environment	Implementation of the and Centre of HSE Excellence
Changing shareholder requirements	Partnering with key industry HSE thought leaders
Lack of staff capability	Employee relations, change management and communications strategies incorporated into implementation plans
Budgetary constraints	Effective performance management system that includes mandate letters, priority actions and scorecards

Consequences	Key Mitigative Controls
Commitment to safety not realised	Regular monitoring and reporting on initiatives contained in the Strategic Plan
Reputation/confidence loss with shareholders, customers and the regulator	Ability to modify initiative implementation strategy should targets be at risk Effective issues management strategy

The Group Risk Category Owner of BR 1.A – *Failure to deliver the HSE Strategic Plan* will monitor the strategic initiatives status using the following five Key Risk Indicators:

1. Fiscal YTD combined High Potential Incident Frequency rate (excluding near miss incidents);
2. Number of milestone actions at risk or overdue in relation to Group Standards for HSE;
3. Number of milestone actions at risk or overdue in relation to network fatal risk program;
4. Number of milestone actions at risk or overdue in relation to the safety leadership competency framework; and
5. Number of milestone actions at risk or overdue in relation to the project evaluation framework for potential resource efficiency projects.

These will be included in the NNSW Risk Management Report to be presented to the Board.

06

PERFORMANCE

6.1 CORPORATE SCORECARD

The effective implementation of this Strategic Plan will be measured in terms of the following Strategic Outcome targets:

Table 1: Excerpt from Networks NSW's Balanced Scorecard

2014/15 Corporate Scorecard	AUSGRID	ENDEAVOUR	ESSENTIAL
KPI	2014/15 TARGET	2014/15 TARGET	2014/15 TARGET
Safety Outcomes			
Lost Time Injury Frequency Rate (LTIFR)	≤ 2.0	≤ 2.0	≤ 2.0
Total Recordable Injury Frequency Rate (TRIFR)	≤ 11.7	≤ 22.8	≤ 22.8
Reportable Incidents – controllable SENI	≤ 49	≤ 18	≤ 11
High Potential Incident Frequency Rate (HPIFR)	monitor only	monitor only	monitor only
Customer/ Community Outcomes			
Reportable incidents – controllable environmental	≤ 6	≤ 1	≤ 4
Business Processes			
Corrective actions outstanding – Safety, Audit, Risk	0 ≥ 60 days	0 ≥ 60 days	0 ≥ 60 days

The FY15 scorecard has been refreshed since last year and contains new metrics to drive performance in safety and asset management plan delivery.

The process of setting scorecard targets is also the subject of consultation. In 2013/14 a “glide-path” for future years’ targets was agreed by senior management and these guidelines are tested against actual year end results before being applied.

Similar to the approach for target setting last year, it is proposed that these targets be assessed for reasonableness close to the end of the financial year, and finally determined by the CEO to ensure they incorporate an appropriate level of stretch based on year end actual performance. Once finalised, the scorecard targets will be presented to the board for ratification.

6.2 MEASURES OF SUCCESS

The measures of success for this plan as a whole will reflect both organisational performance as well as the delivery of strategic initiatives. In 2013/14, a framework was implemented for consistent monitoring, reporting and analysis of health and safety performance adopting an appropriate set of dual assurance (lead and lag) indicators in order to clearly understand high potential incidents, emerging risks and to measure the success of key initiatives within the HSE Strategic Plan.

These health and safety performance indicators outlined in Table 6, will be actively monitored by the Executive Safety Committees and reported to the Safety, Human Resources and Environment Board Sub-committee on a quarterly and annual basis.

Table 2 - Dual Assurance Health and Safety Performance Indicators

	NAME		MEASURE
LAG INDICATORS	LTIFR	Lost Time Injury Frequency Rate	Fiscal YTD: No. of LTI YTD*1,000,000/ average FTE YTD*(166.67hrs*no. of months FY YTD).
		Indicates how frequently lost time injuries have occurred per million hours worked. per million hours worked across NNSW and the network businesses.	
	LTISR	Lost Time Injury Severity Rate	Fiscal YTD: No. of Days Lost YTD*1,000,000/ average FTE YTD*(166.67hrs*no. of months FY YTD).
Indicates the severity of lost time injuries as days lost per million hours worked across NNSW and the network businesses.			
TRIFR	Total Recordable Injury Frequency Rate	Fiscal YTD: No. of TRI YTD*1,000,000/ average FTE YTD*(166.67hrs*no. of months YTD)	
	The frequency of recordable injuries per million hours worked; i.e. the total number of Fatalities, LTIs, MTIs and AWI's ; where LTI, MTI & AWI are certified by a workers' compensation medical certificate and liability or provisional liability is accepted by the WC insurer (excluding workplace first aid treatment incidents).		
LEAD INDICATORS	NMFR	Near Miss Frequency Rate	Fiscal YTD - No. of NM's YTD*1,000,000/ av. FTE YTD*(166.67hrs*no. of months FY YTD),
		The frequency of near misses i.e. the total number of near misses per million hours worked across NNSW and the Network businesses. (A near miss is an unplanned event that did not result in injury, illness or damage - but had the potential to do so).	
	NFRFR	Network Fatal Risk Near Miss Frequency Rate	Fiscal YTD: No. of NFRNM YTD/ *1,000,000/ average FTE YTD*(166.67hrs*no. of months YTD)
		The frequency of NFR near miss incidents that were assessed as a potential fatal occurrence against a million hours worked	
	HPIFR	High Potential Incident Frequency Rate	Fiscal YTD - The sum of all incidents with a NFR potential (Controllable SENI, Network Fatal Risk (NFR) First Aid Injuries (FAI) + NFR Medical Treated Injuries (MTI) + NFR Alternate Work Injuries (AWI) + NFR Lost Time Injuries (LTI)) *1,000,000/ av. FTE YTD*(166.67hrs*no. of months FY YTD).
		The frequency of all incidents (Controllable SENI, LTI, MTI, AWI & FAI) that had the potential to be a fatality or permanently disabling injury within the Network Fatal Risk classifications NFR 1-9 per million hours worked. Excludes Near Misses.	
	CARPR	Corrective Action Proportional Rate (%)	Rolling: No. CARs Closed on time / Total CAR closed (ICAM)* 100 rolling 12 months
		The percentage of corrective actions closed out on time post ICAM investigation against all CAR's	
	NCPR	New or Improved Control Proportional Rate	1. Improved/Total ICAM*100 rolling 12 months 2. New/Total ICAM*100 rolling 12 months 3. Improved + new/Total ICAM*100 rolling 12 months
The degree to which current controls are improved or new controls (improved barriers or defences) are introduced following an ICAM investigation.			
HoCPR	Hierarchy of Control Proportional Rate (%)	Rolling: Number of new controls that are Engineering Controls/Barriers or higher / Total No. Controls deployed* 100 rolling 12 months	
	A measure of the number of new controls deployed following an ICAM investigation that are Engineering controls / barriers or higher order defences (elimination and isolation) within the hierarchy of controls.		
LSVFR	Leaders Safety Visit Frequency Rate	The number of leader safety visits per 100 employees per month	
	The frequency of Leader safety interactions per 100 employees to demonstrate leadership commitment and visibility.		
SCS	Safety Culture Survey	Annual safety culture survey	
	Annual safety culture survey – safety climate assessment		

07

RESOURCE ASSESSMENT

7.1 PEOPLE REQUIREMENTS

Resourcing requirements to manage the implementation of key initiatives within this plan have been incorporated into the design of the HSE operating model covering both network business and group resources.

7.2 FINANCIAL REQUIREMENTS

The financial requirements to deliver this strategy are incorporated into existing budgets including:

- Health, Safety and Environment Strategy resources;
- Resources in the three network businesses; and
- Additional contractors / consultants required to deliver the Reform initiatives.

Any new initiatives will only be approved if there is a demonstrable net benefit across NNSW.

08

APPENDICIES

8.1 GLOSSARY & ABBREVIATIONS

ALARP	As Low As Reasonably Practicable; where each hazard control is evaluated to identify whether it is reasonably practicable to implement. A number of criteria need to be taken into account outside risk & consequence during this consideration: Legal requirements; contemporary good practice; expert judgement; Cost Benefit Analysis (CBA).
Business Enablers	Non-tangible elements of a company (separate from processes) that is required to deliver business outcomes.
Business Outcomes	The outcomes identified as being of greatest importance to the business. "Business Outcomes" have been identified in the Networks NSW strategy map.
SCI Business Plan	Also known as the SCI Private document, and an attachment to the SCI.
Better Practice	<p>The term 'better practice', is taken to refer to any well-defined and established standard practice adopted by an industrial/occupational sector, including 'learning's' from incidents that may not have filtered down into standards yet; "better practice" generally represents a preferred approach; however it is not the only approach that may be taken.</p> <p>While better practice informs, it neither constrains, nor substitutes for, the need for professional judgement. Better practice may change over time because of technical innovation, or because of increased knowledge and understanding.</p>
Business Processes	Any activity that transforms an input into an output.
Priority Action	A high priority action identified to deliver a strategic objective that is included in your Individual Priority Plan. Priority Actions are intended to be actions that will make a significant contribution to realising the Company's goals. They must be measurable and should incorporate an element of stretch.
Group Strategic Plan	<p>The plan endorsed by the Board of Directors detailing the Company's objectives, strategies, initiatives and performance scorecard</p> <p>The Group Strategic Plan provides a consistent framework for the development and consolidation of network business plans</p>
Company Scorecard	A list of financial and non-financial items that is used to measure the company's performance.

Culture	“Shared values (what is important) and beliefs (how things work) that interact with an organisation’s structure and control systems to produce behavioural norms (the way NNSW do things around here).” - James Reason
Fair & Just	According to James Reason (1997), the components of a safety culture include: just, reporting, learning, informed and flexibility cultures. Reason describes a Just Culture as an atmosphere of trust in which people are encouraged (even rewarded) for providing essential safety-related information, but in which they are also clear about where the line must be drawn between acceptable and unacceptable behaviour.
Key Performance Indicator (KPI)	A measure of performance with set targets aligning to business’s objectives and priority actions. Quantitative and qualitative measures to monitor the performance of those activities that are instrumental in reaching Company objectives.
Lost Time Injuries (LTI)	An injury or illness that results in time lost from work of one full day or shift, or greater excluding recess claims.
Lost Time Injury Frequency Rate (LTIFR)	Indicates how frequently lost time injuries have occurred - LTIs per million hours worked. The calculation is the number of LTIs in previous 12 months *1,000,000/ average FTE FYTD *(166.67hrs*no. of months FY YTD).
Mandate Letters	Letters signed by all contract managers and their managers outlining performance requirements and at-risk remuneration components. The mandate letter includes annual individual scorecards and priority action plans.
Medically Treated Injuries (MTI)	Medically Treated Injuries are a count of visits to medical practitioners where a WorkCover medical certificate has been issued and includes occupational illnesses such as skin cancer.
Purpose statement	Statement outlining the organisation’s strategic intent.
Reasonably practicable	<p>The concept of is central to the strategic Plan. It allows the Network operating businesses to set goals for their own safety performance rather than following prescriptive requirements.</p> <p>This means that the operator has to show, through reasoned and supported arguments, that there are no other practical measures or the cost of the measures, as a test, are grossly disproportionate to the benefit that could reasonably be taken to reduce risks further.</p>
Safety Critical Role	<p>Roles that are not only operationally critical to safety through competence, subject matter expertise or technical and non-technical skills but have the most influence in driving and maintaining a safety culture and what behaviours should be undertaken.</p> <p>It should be noted, by definition, safety critical roles are not to be</p>

	interpreted as purely HSE roles.
Statement of Corporate Intent (SCI)	A document prepared annually for the NSW Treasury and used in the state budget setting process. Comprised of a Public and Private (Business Plan) document. The SCI sets out the key policies (including risk management), financial, performance targets and business directions that have been agreed to by the Board of Directors of the Company.
System Average Interruption Duration Index (SAIDI)	Network reliability measure that reports the annual average time that customers experience sustained loss of supply. Excludes momentary interruptions.
System Average Interruption Frequency Index (SAIFI)	Network reliability measure that reports the annual average number of incidents of customers experiencing sustained loss of supply. Excludes momentary interruptions.
Significant Electrical Network Incidents (SENI)	A significant electricity network incident is one which involves the electricity network and meets one of the following criteria: serious electricity network accident, serious electrical accident, actionable safety incident and actionable asset incident where prevention of the incident was within the organisation's control.
Strategic objectives	The objective that a Strategic Plan is trying to deliver.
Strategic Plan	A plan that discusses and outlines the strategy for Networks NSW in a particular area. There are five strategic plans – Health, Safety and Environment, Customer Value, Finance, Human Resources, Technology.
Strategy Map	A diagrammatical representation of the organisational strategy and the supporting capabilities, processes and priority actions. The strategy map is a tool used to clarify strategic direction for management.
Total Recordable Injuries (TRI)	Total number of injuries or illnesses certified by a workers' compensation medical certificate.
Total Recordable Injury Frequency Rate (TRIFR)	Total number of injuries or illnesses certified by workers compensation medical certificates per million hours worked. The calculation is the number No. of TRI FYTD*1,000,000/ average FTE FYTD*(166.67hrs*no. of months FYTD)
Values	The high-level organisational behaviours that guide decision-making and policy.

<END OF DOCUMENT>

ISSC 3 GUIDELINE FOR MANAGING VEGETATION NEAR POWER LINES



*Integrating Community, Safety
and Environmental Values*

December 2005

Vegetation Management Plan



UNCLASSIFIED

CEOP8008

PREPARED BY: MANAGER NETWORK RISK STRATEGY

AUTHORISED BY: MANAGER MAINTENANCE

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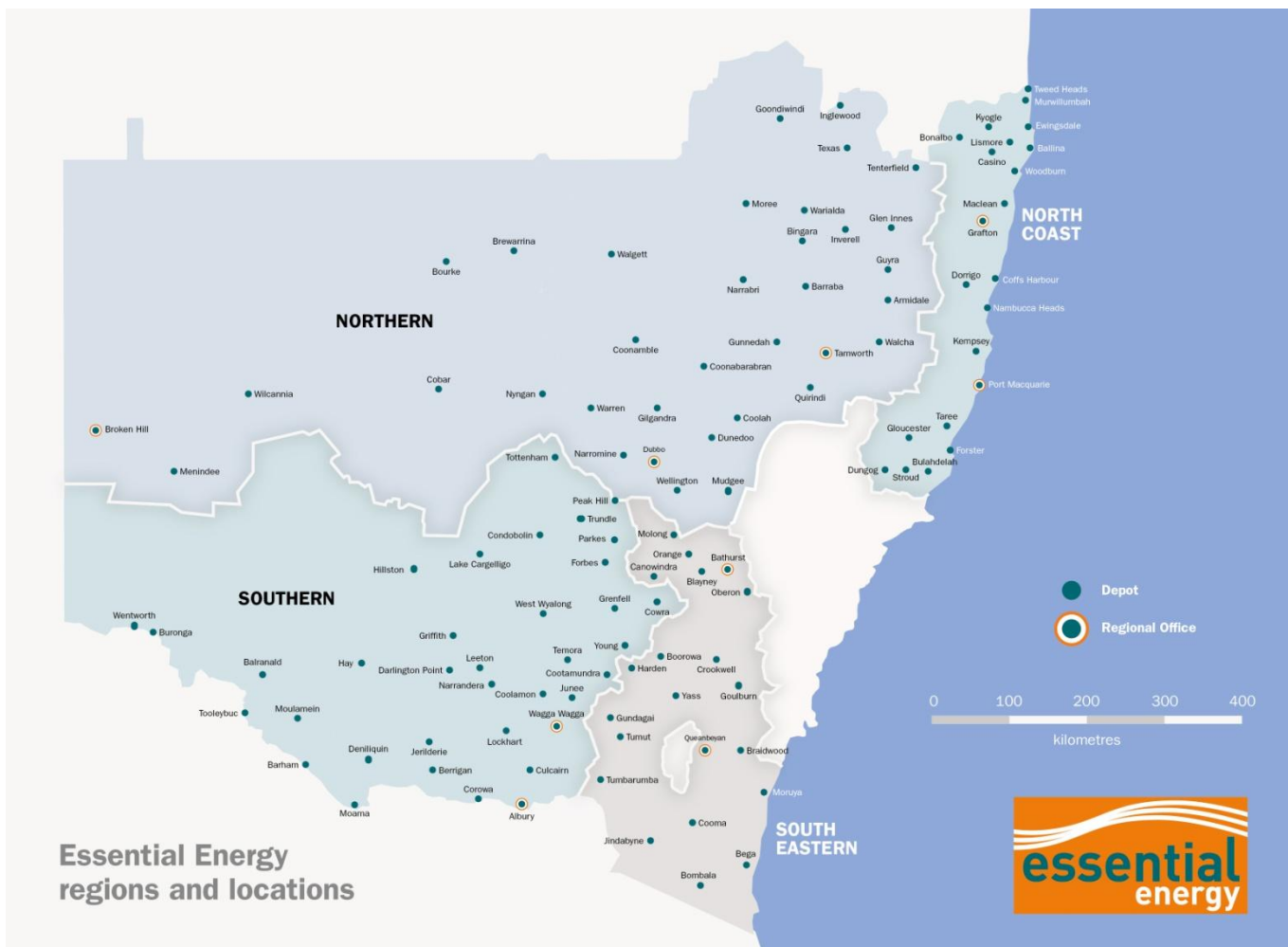
1 INTRODUCTION

Essential Energy recognises the amenity value of trees and other vegetation and their importance to our environment. However, vegetation must be managed near powerlines to maintain safety to individuals and the environment whilst maintaining the quality and reliability of the electricity supply. It can be a challenging task to achieve the balance between maintaining safety requirements, protecting infrastructure and minimising the environmental impact.

Essential Energy’s Vegetation Management Plan details the requirements and methodology of vegetation control near powerlines. The plan is Essential Energy’s Tree Management Plan for the purpose of the *Electricity Supply (General) Regulation 2001 (NSW)*.

Essential Energy’s Vegetation Management Plan has been prepared in consideration of the relevant legislation and industry guidelines.

ESSENTIAL ENERGY NETWORK AREAS and REGIONS



UNCLASSIFIED**1.1 Consultation**

The review of this plan is undertaken in a way that gives an opportunity to comment on the proposed plan to all relevant stakeholders, including the relevant council or councils for the areas in which it is to operate, the residents and local community groups. The consultation includes:

- Direct consultation with Councils and Regional Advisory Groups (who represent the local communities) and other identified community groups.
- Written notice to the relevant Essential Energy customers.
- Publication in a local newspaper as well as being placed on exhibition with the relevant Local Councils.

This plan is also made available to the general public via the Essential Energy website and on request at any Essential Energy Service Centre or by calling 13 23 91.

1.2 Feedback and Review

Periodical reviews will be conducted to promote opportunities for continual improvement of the Vegetation Management Plan consistent with the consultation above. However, any interested parties may provide relevant comment and feedback on this plan at any time. These will be considered during the periodical reviews.

Written submissions should be addressed to:

Ian Fitzpatrick
Manager Network Risk Strategy
P.O. Box 718, Queanbeyan NSW 2620
Telephone: (02) 60423336 Mobile: 0419418236
E-mail: Ian.Fitzpatrick@essentialenergy.com.au

2 OBJECTIVES

The objective of this Vegetation Management Plan is to establish the manner in which vegetation near existing powerlines will be managed in order to:

- Minimise danger to the public posed by trees in close proximity to powerlines.
- Improve system reliability by reducing vegetation related interruptions to the electricity supply.
- Reduce the risk of fires caused by trees coming into contact with electricity wires.
- Minimise environmental impact.
- Reduce the risk of vegetation causing damage to, or interfering with powerlines.
- Provide an approach consistent with industry practices and legal requirements.

This plan (CEOP8008) does not deal with vegetation management for the construction of *new* powerlines. This is dealt with separately in CEOP2010 – Vegetation Clearing Guidelines for New Powerlines.

UNCLASSIFIED**2.1 Legislation**

There are various Acts and Regulations associated with the management of vegetation. Those of most relevance to Essential Energy's electricity networks are referenced in section 21 REFERENCES.

Specific legislation includes:

- The Electricity Supply Act 1995 Section 48 – Interference with electricity works by trees. This contains requirements for maintaining vegetation and powers of a distributor to ensure it does not cause interference with electricity assets.
- The Electricity Supply (General) Regulation 2001 part 10 deals with tree preservation and tree management plans associated with electricity works. Its purpose is to deal with;
 - 1 minimising the extent of damage to trees near powerlines;
 - 2 the use of tree management plans in managing the vegetation near powerlines;
 - 3 the consultation associated with managing trees near powerlines.

3 PURPOSE

The purpose of this Vegetation Management Plan is to:

- Ensure proper guidelines and methodology are in place to promote Best Practice in the maintenance of vegetation under or near powerlines
- Ensure that those guidelines and methodology minimise the dangers to the public, vegetation management workers and electrical maintenance workers
- Assist those involved in the management of vegetation to understand Essential Energy expectations and obligations
- Detail responsibilities for maintaining clearance between powerlines and vegetation
- Ensure compliance with appropriate legislation including the *Electricity Supply (General) Regulation 2001* and *State Environmental Planning Policy (Infrastructure) 2007*.
- Provide requirements for the clearing of vegetation prior to the installation of new overhead and underground powerlines

UNCLASSIFIED**4 SAFETY**

Safety is a core value of Essential Energy. Essential Energy's Health and Safety Policy, details the broad guidelines, safety requirements and objectives. Trees near powerlines, are a safety risk. The dangers include:

- Falling branches or trees bringing down live power lines
- Ignition of bushfires with subsequent impact to property, individuals and the environment.

And to a lesser extent

- Children climbing trees near powerlines
- Electric shock potential from property owners clearing vegetation near powerlines.

Essential Energy invests a significant component of its operational budget on the management of trees and other vegetation to address such risk where possible. The community, councils, and private landowners also have a role in managing the risks.

4.1 Landowner/Occupier's Safety Responsibilities

The landowner/occupier, should monitor the clearance between powerlines and vegetation to ensure the clearance space is free of vegetation at all times. Refer to the following section *Line Clearances*.

Essential Energy should be contacted for advice if the clearance space is compromised. Where the landowner/occupier is responsible for the management of the vegetation, Essential Energy should be contacted to advise of an authorised contractor who can carry out the work.

Trimming or removal of trees near powerlines is extremely dangerous and should not be attempted by untrained persons. Unauthorised persons should not do any trimming or removal works within the restricted approach distances set out in the WorkCover Code of practice: *Work Near Overhead Power Lines 2006 Chapter 5*. All other trimming and removal works near powerlines must have regard to the WorkCover Code and be carried out in accordance with *AS4373 (2007) Pruning of Amenity Trees*.

Copies of this code are available at www.workcover.nsw.gov.au

Only authorised vegetation management workers may carry out work on trees in close proximity to powerlines, that is, where any part of the tree is within 3m of a conductor or any branch at any distance overhanging conductors.

Where this is the case, Essential Energy will provide advice and a list of powerline authorised vegetation management contractors. In some cases the work to clear a tree to a safe distance from the powerline may be provided by Essential Energy without charge.



4.2 Vegetation Management Worker's Safety Responsibilities

Vegetation management workers must be appropriately qualified and authorised to carry out vegetation control work where the tree, the workers or the equipment is to come within 3 metres of any powerlines. While carrying out management measures vegetation maintenance workers must not endanger themselves or members of the public. All appropriate Legislation, Codes of Practice and Essential Energy Safety Procedures shall be followed.

4.3 Planters' Safety Responsibilities

Those planting trees and other tall growing vegetation should realise their safety responsibilities and not create a potential safety problem. Planting near powerlines could have safety and economic consequences in the future. Planting guidelines are contained in this plan.

The costs associated with managing vegetation near powerlines can be significant. These costs have a direct impact on the price of electricity for all consumers and potentially may expose the person who has control of the vegetation to removal expenses.

4.4 Clearing Requirements for the maintenance of Underground Lines

Clearing shall be carried out to allow for the installation of replacement lines and to limit the potential effects of roots with connection boxes, conduits and cables.

The clearing zone shall allow adequate working clearance for excavation, construction and backfill equipment. The clearing zone width will vary according to the construction methods and is at the discretion of the project manager.

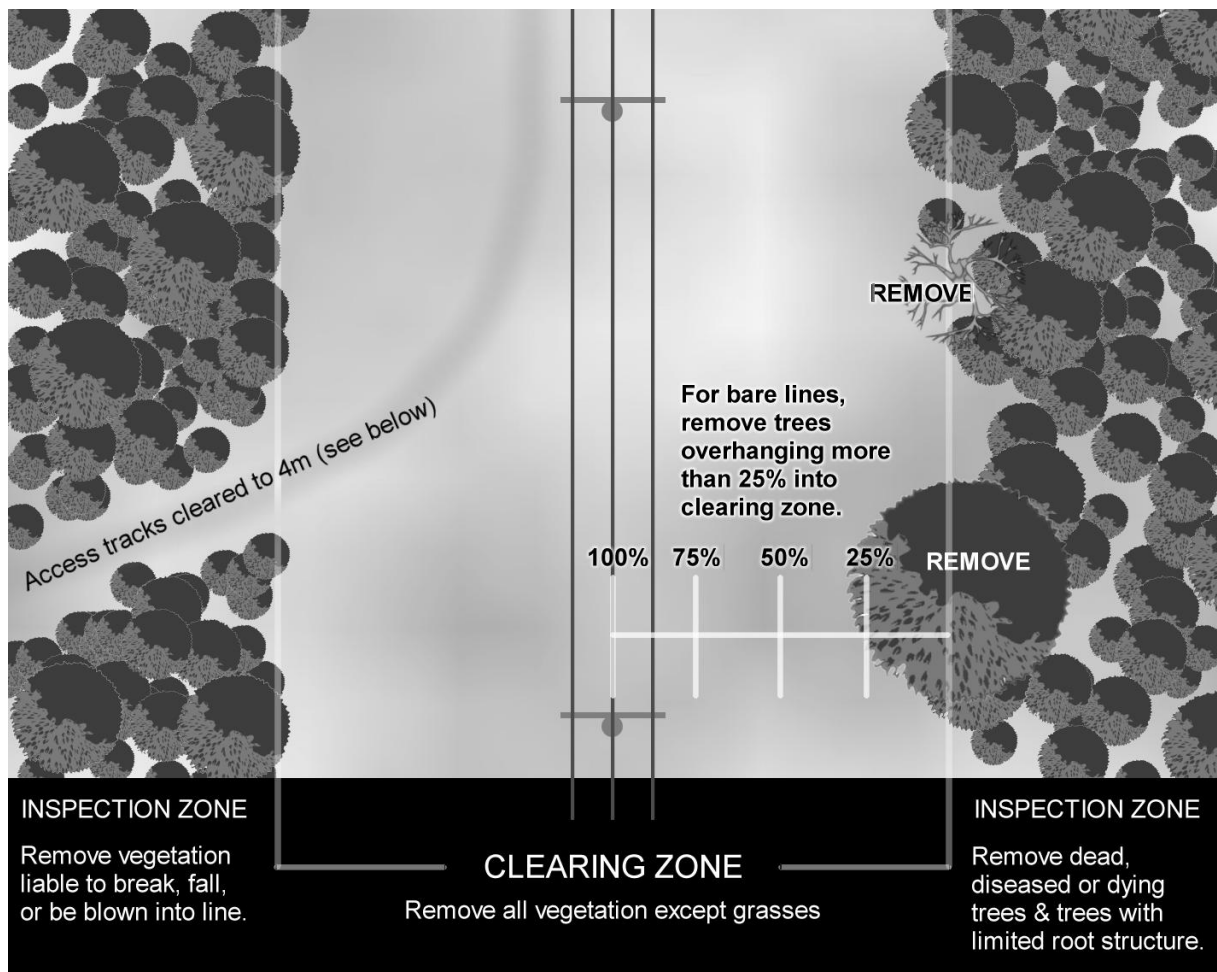
Tree roots can extend beyond the drip line of trees up to 5 times the drip line radius. The roots of some species can interfere with connection boxes, conduits and cables, and ficus species (figs) are an example of this type of vegetation. Horticultural advice should be sought in these circumstances.

At the completion of the works the area shall be rehabilitated to prevent corrosion.

4.5 Clearing Requirements for Existing Overhead Lines

Many factors affect the extent of clearing including the length of the span, the conductor material, the amount of sag on hot days with heavily loaded lines, the amount of conductor swing, the degree of whip of adjacent trees on a windy day, the type of vegetation and regrowth rates, the terrain etc.

The following (Figure 1) provides the general requirements for clearing for overhead power lines. This should be read in conjunction with the clearance distance tables in section 5.

UNCLASSIFIED**Figure 1****4.6 Clearing Zone**

All vegetation except grasses is to be removed from the clearing zone except below:

- Low growing species shall be retained at river or creek crossings
- All vegetation in deep valleys where the conductors will be above the maximum height of the prevailing vegetation and the clear space will never be compromised can be retained (except for construction access requirements)
- Low growing species may be retained for the first 5 metres of the corridor adjacent to main roads for a visual buffer zone providing this does not restrict access to assets
- Stumps shall be retained where there is the possibility of erosion.

In long spans, the cable may blow out a considerable distance (easement width shall allow for any conductor blow out) and vegetation should be cleared in accordance with Tables 1 & 2 Vegetation Clearances.

The power line shall generally be installed in the centre of the clearing zone. Where the powerline traverses the side of steep slopes the Level 3 Accredited Service Provider may specify an appropriate offset.

UNCLASSIFIED**4.7 Inspection Zone**

Trees within this zone should, wherever justified from a practical, safety and economical position, be a distance from the powerline equal to or greater than their potential height i.e. it is desirable that a 20 metre tree should not be within 20 metres of the line. The topping of tall trees is not considered a suitable solution to reducing their potential threat to the powerline. Vegetation liable to break, fall or be blown into the line in this zone shall be removed where possible. This includes dead, diseased and dying trees with limited root structure.

Trees within this zone that overhang or could overhang into the clearing zone past the first one quarter of the width of the clearing zone for bare conductors shall be removed (see figure 1).

Low growing species (>3m tall) may be allowed in this zone at the discretion of Essential Energy.

4.8 Covered Conductor Thick (CCT) and Aerial Bundled Conductors (ABC) including Service Lines

CCT and ABC are used to limit the extent of clearing and to provide a safe method of overhead distribution. To ensure safety, allow construction and limit Essential Energy's future clearing costs a clearing zone width of 6 metres applies.

Overhang is permissible in urban areas, providing the minimum clearance distances in Table 2 are maintained in all directions and they are considered structurally sound by visual inspection and are in low bushfire risk zones.

4.9 Easement Corridors

For details about easement widths or corridor requirements for powerlines refer to CEOP8046 Network Planning: Easement Requirements Section 8.

The distances specified in tables in CEOP8046 take into account not only vegetation interference potential but other factors such as access to infrastructure, structure encroachments, and public safety associated with stray currents.

4.10 Stays

Vegetation is to be cleared to a width of 5 metres along the line of the stay and for a radius of 3 metres around the stay peg. Deep disturbance of soil at the stay position is to be avoided.

4.11 Site Specific Tree Clearing Management Plan

A site specific 'Tree Management Plans' may be designed to address unique site conditions. These require appropriate risk assessment to be carried out and must be approved by Essential Energy.

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CEOP8008

5 LINE CLEARANCES EXISTING LINES

5.1 Maintaining Existing Lines

The following two pages contain Tables and Drawings outlining the minimum clearances to be achieved when undertaking maintenance trimming or removals. These are consistent with expectations under the regulations and industry guidelines (ISSC3) – *Guide to Maintaining Safety Clearances Near Powerlines*).

Exceptions to the Rule

In the past a small proportion of easements have been granted for some powerlines with specific special vegetation clearance terms e.g. commercial macadamia tree plantations. Essential Energy inherited these site conditions from other authorities and in some cases these specified clearances do not satisfy the current general standards for minimum vegetation clearances as highlighted in the tables in section 5. Whilst it is not desirable to have terms that are inconsistent with the standards, the legal terms of those easements continue to apply. Essential Energy may over time risk assess these sites and renegotiate these terms with the landowners.

New Powerlines

The focus of this plan (CEOP8008) is on vegetation maintenance associated with *existing* power lines. For the vegetation requirements for *new* power lines refer to CEOP2010.

UNCLASSIFIED**5.1.1 Table 1 Vegetation Clearances – Existing Bare Conductors**

Voltage	Spans 0-100m	Spans 100-200m	Spans 200-300m	Spans > 300m See note 3
Urban LV	1.0	2.5	4.0	
Rural LV	3.0	3.0	4.5	
Urban HV (1kV - 66kV)	2.5	3.5	5.0	
Rural HV 1kV – 22kV	3.0	4.0	5.5	10.0 (note 3)
Rural HV 33kV & 66kV	3.5	4.5	6.5	15.0 (note 3)
Urban & Rural 132kV	4.5	5.5	7.0	22.5 (note 3)

Note:

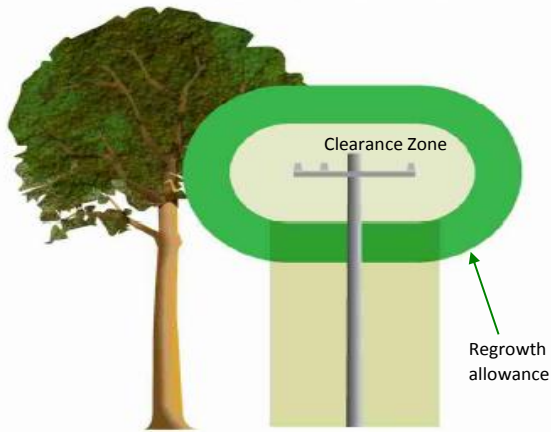
- 1 All distances are to the “nearest conductor”**
Allowance for bushfire prone plus sag and sway are included in the distances specified.
- 2 Allowance for regrowth (between cycles) must be added to the values in the table**
Allowance for regrowth should be estimated by delegated persons or Cutting crews based on consideration of risk factors such as; *species, growth rates, seasonal factors & environment, tree health, potential movement (whip), and period between cutting cycles.*
- 3 Spans over 300m**
Longer spans can sag and swing considerable distances. Long spans in excess of 300m represent 10% of all rural spans. In these cases clear trees to corridor width unless 1. Horizontal Clearance – their full mature height will be less than the distance to the conductor i.e. they cannot touch the line should they fall, 2. Vertical Clearance – the full mature height of a tree under the line will not exceed 3m and does not inhibit access for maintenance vehicles. Any alternative clearances should be based on design calculations to ensure the sag and sway are considered.
- 4 Determining span length**
Where the span length is unknown it can be estimated on site or with the aid of range finding binoculars. The most common span distances are indicated in grey shaded cells.
- 5 Hazard trees**
Whilst carrying out vegetation inspections attention should be given to trees outside the clearance zone that have a high likelihood of contact with conductors. For practical application, this is an assessment of vegetation in visibly poor health or of poor structural integrity in the view of the inspector. It would not be practical or environmentally appropriate to trim or remove all vegetation outside the clearance zone with potential to fall on a line as this is difficult to predict without extensive investigation of each plant.

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5.1.2 Drawing 1 – Existing Bare Conductors

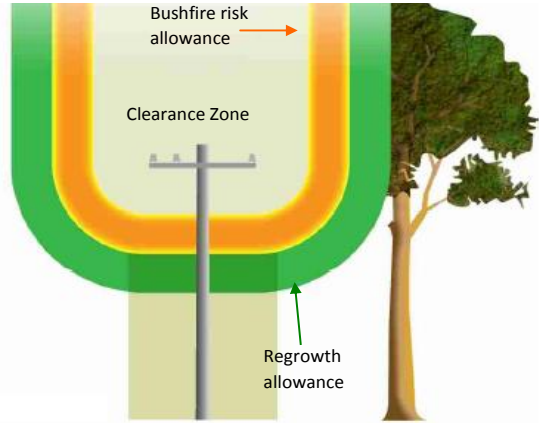
Urban or Low Bushfire Risk.

Clear to minimum distances specified in Table 1.



Rural or High Bushfire Risk.

Table 1 rural distances include bushfire risk allowance. Regrowth must be added. Remove overhangs in targeted high risk areas, in all other situations remove where practical.



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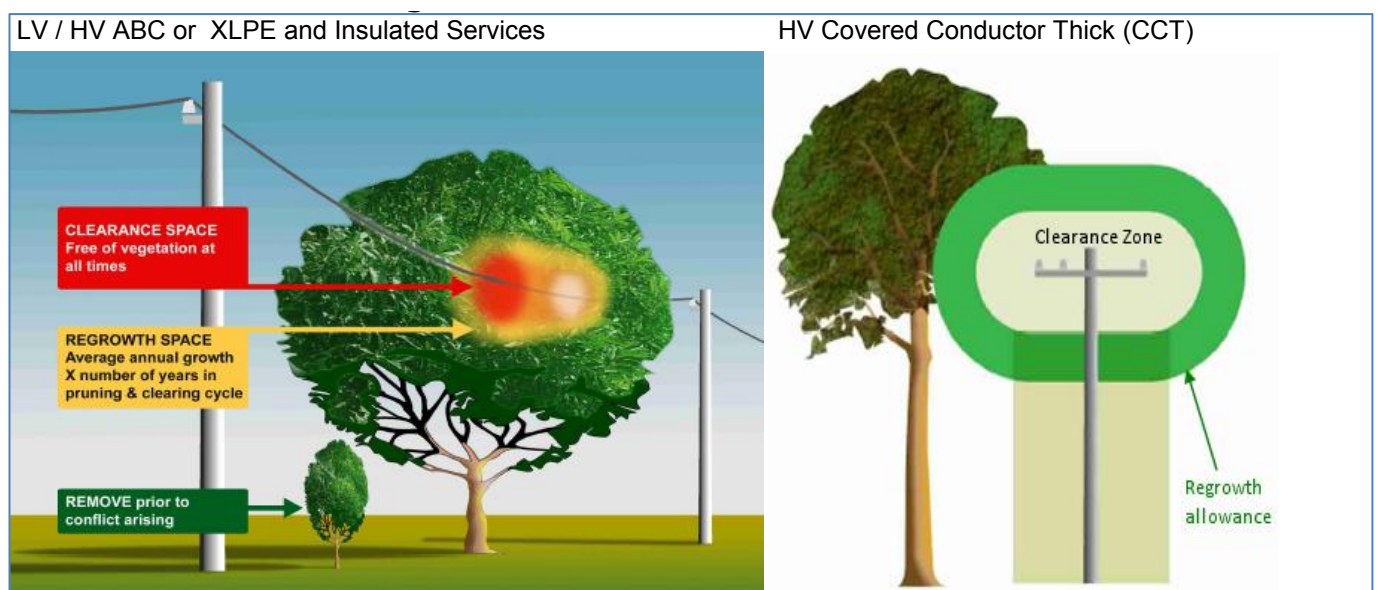
Table 2 Vegetation Clearances – Existing Insulated Conductors

Voltage	Spans 0-100m	Spans 100-200m
Urban LV Service Lines	Not touching	N/A
Urban LV Insulated Mains	0.5	1.0
Urban HV CCT / ABC	1.0	1.5
Rural LV Insulated	1.0	2.0
Rural 1kV – 33kV CCT / ABC	2.0	3.0

Note:

- All distances are to the “nearest conductor”.**
Allowance for bushfire prone plus sag and sway are included in the distances specified.
- Allowance for regrowth (between cycles) must be added to the values in the table.**
Allowance for regrowth should be estimated by delegated persons or Cutting crews based on consideration of risk factors such as; species, growth rates, seasonal factors & environment, tree health, potential movement (whip), and period between cutting cycles.
- Determining span length.**
Where the span length is unknown it can be estimated on site or with the aid of range finding binoculars. The most common span distances are indicated in grey shaded cells.
- Overhang trees & branches.**
Overhang is permissible in urban areas, providing the minimum clearance distances in the table are maintained in all directions and they are considered structurally sound by visual inspection and are in low bushfire risk zones.
- Grey Shaded cells.**
Grey shaded cells indicate the most common span distance for insulated conductors (0-100m range).

5.1.3 Drawing 2 – Existing Insulated Conductors

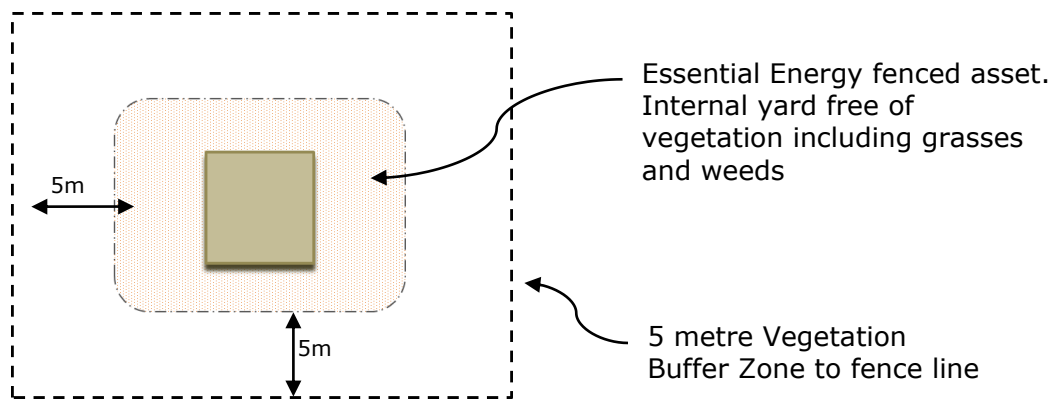


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6 FENCED ASSETS, POLES, STRUCTURES AND WATER CROSSINGS

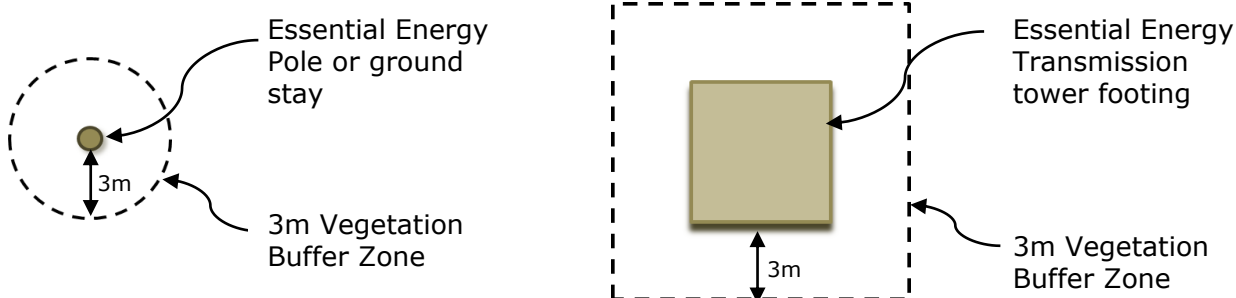
6.1 Fenced Assets and Padmount S/S

Fenced asset sites in rural areas should retain a Vegetation Buffer Zone of 5 metres free of flammable trees & shrubs. Grasses and small non-flammable shrub species are acceptable. The internal yard area of the asset should be free of all vegetation including grasses and weeds.



6.2 Poles and Structures

Where vegetation is interfering with a pole, structure or stay wire or any attachment on a pole or structure, a minimum clearance of 3 metres is to be achieved in all directions around the pole, structure or stay wire and attachment. Where it is impractical for this clearance to be achieved, vegetation is to be trimmed so that the pole or structure can be safely accessed. Vegetation should be trimmed to enable each pole or structure to be safely accessed from a ladder and to enable a below ground line inspection of the pole or structure to be carried out without hindrance from roots or branches. Trees and tree branches should be trimmed where necessary to prevent unauthorised access to pole steps or other pole attachments that are normally out of reach.



UNCLASSIFIED**6.3 Buffer Zones**

The purpose of a 'Buffer Zone' around assets is to reduce risk that highly combustible fuel loads pose to assets in the event of a fire occurring. These risks include:

- The effects of radiant heat on electrical assets from wildfires
- Fire compromising the integrity of security fences
- Fires occurring inside fenced areas spreading.

Less combustible vegetation is permitted in these zones subject to risk assessment by delegated persons. For example, grasses of low height or certain shrubs and trees species may actually provide some level of protection from fires.

Replacement of unsuitable (highly flammable) species with suitable species should be considered where appropriate.

Buffer zones in urban areas may not be practically possible.

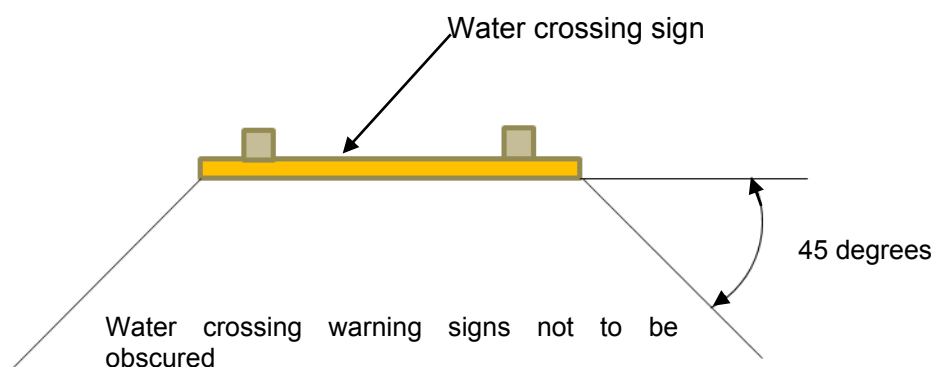
6.4 Water Crossings

Water crossing signs are located adjacent to bodies of water, to warn of the presence of underground or overhead powerlines crossing the body of water.

All vegetation is to be cleared to ensure that the entire face of a water crossing sign is visible to watercraft:

- From any point within 45 degrees from each side of the surface of the sign
- From water level to 5 metres above the surface of the water, where the sign faces the surface of the water.

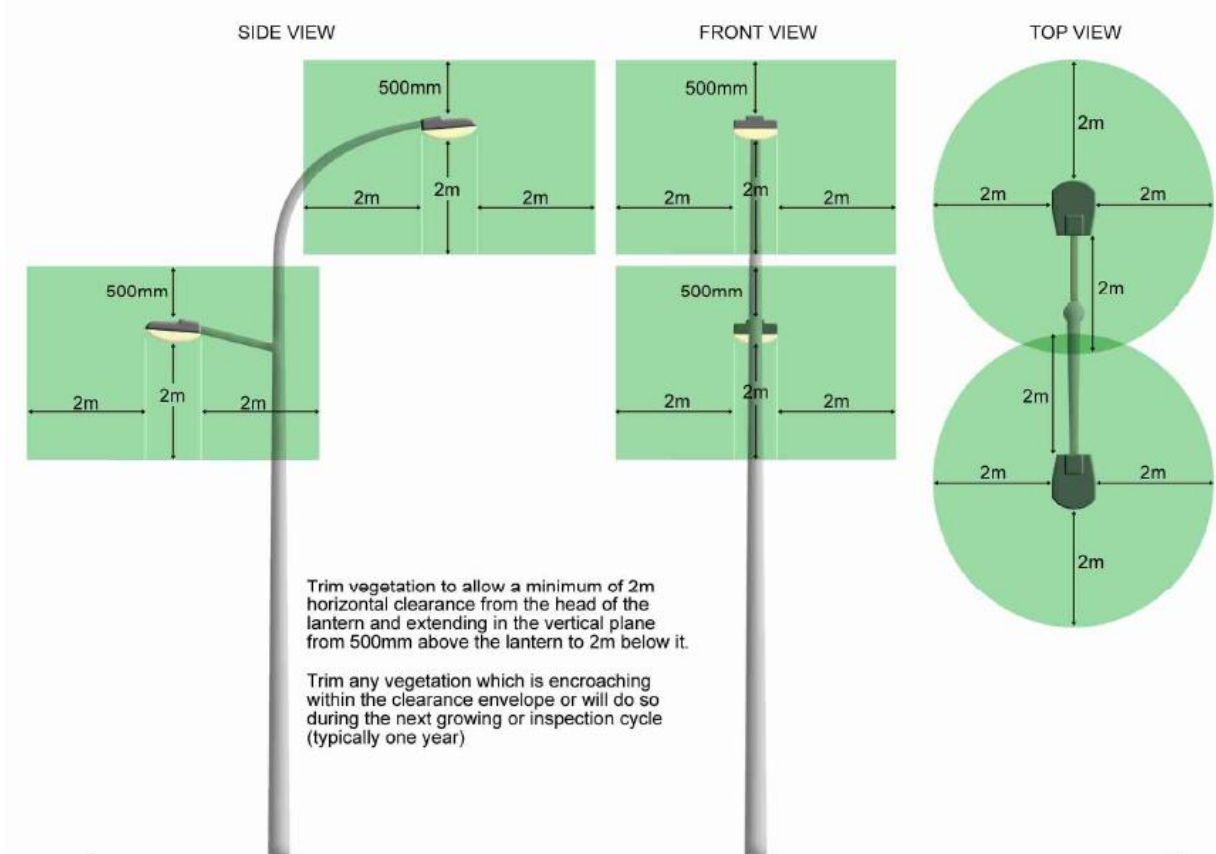
Trim any vegetation which is encroaching or will encroach or obscure during the growing / inspection cycle.



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7 STREETLIGHTING CLEARANCES

The primary purpose of the Streetlighting, to enhance public safety through appropriate street illumination levels, should be taken into consideration when pruning where public streetlighting exists. The following requirements for clearing around the lamps is taken from ISSC3 and provided as a guide. The councils have ultimate responsibility for street lighting levels and fund their operation therefore, where they specify clearing requirements different to those indicated below, these should be given consideration.



8 ENVIRONMENTAL

Essential Energy’s Environmental Management System (EMS), certified to international standard *ISO 14001*, includes Essential Energy’s Environmental Policy and, applies broadly to all functional areas including vegetation management. The EMS requires Essential Energy to identify the environmental issues relating to the activities Essential Energy carries out and to use a risk assessment process to determine the significance of Essential Energy’s impact.

In relation to vegetation management, the environmental risks have been considered and reflected in the standards and procedures set out in this Vegetation Management Plan. In certain circumstances Essential Energy has to balance the safety requirements with the environmental sensitivities. Often the most appropriate option to resolve clearance issues is dependent on the environmental value of the flora in question. For example trees with lesser environmental or heritage value may be trimmed while those with more significance may involve relocating or insulating the line.

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Good vegetation management practices, including removal of a small number of trees or branches, can actually provide greater protection of the wider environment by avoiding potential bushfire damage associated with powerlines.

Essential Energy will carry out vegetation management near powerlines in compliance with applicable statutory obligations and in accordance with this Plan.

Essential Energy has developed several internal manuals for guidance in regard to environmental matters. Although these manuals are relevant to this Plan they do not form part of the Plan. These manuals may be amended at any time. If this occurs this Plan will be deemed to refer to the latest version of these manuals. Generally an amendment to these manuals will not require an amendment to this Plan (unless the change materially affects any provision of this Plan).

Document ID	Title
CECM1000.01	HSE Manual: Management System Core Components
CECM1000.03	HSE Manual: Incident Management
CECM1000.10	HSE Manual: Hazardous Materials
CECM1000.13	HSE Manual: Bushfire Prevention & Survival
CECM1000.70	HSE Manual: Environmental Impact Assessment NSW
CECM1000.71	HSE Manual: Environmental Impact Assessment QLD
CECM1000.72	HSE Manual: Air
CECM1000.73	HSE Manual: Water
CECM1000.74	HSE Manual: Noise
CECM1000.75	HSE Manual: Waste
CECM1000.76	HSE Manual: Land Use
CECM1000.77	HSE Manual: Flora & Fauna
CECM1000.79	HSE Manual: Cultural & Heritage
CECM1000.80	HSE Manual: Resource Conservation
CECM1000.81	HSE Manual: Pesticide Notification Plan
CECM1000.90	HSE Manual: Handbook
CECP1000	Corporate Policy: Safety, Security, Health & Environment Policy
CEOP2010	Operational Procedure: Vegetation Clearing Guidelines for New Powerlines

8.1 Heritage Sites

Essential Energy seeks to preserve natural and cultural heritage features including Aboriginal sites, and non-aboriginal historic structures and memorial gardens, parks, tree plantings and landscapes including those heritage listed where these are known or identified and brought its attention. This includes trees listed singly, in groups, avenues, streetscape plantings or conservation areas on the State Heritage Register under the NSW Heritage Act 1977, covered by tree protection orders, listed on significant tree registers, heritage schedules or in “Special Character Areas” on local and regional environmental plans (LEPs and REPs) and development control plans (DCPs) prepared under the Environmental Planning and Assessment Act 1979, listed on the Register of the National Estate by the Australian Heritage Commission and classified by the National Trust of Australia).

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Works shall cease where there are finds of Aboriginal artefacts or other archaeological artefacts. They shall be reported to Essential Energy, National Parks and Wildlife Service and the Heritage Office for the appropriate action.

Council trees could be protected under Tree Protection Orders, Significant Tree Registers, and heritage schedules as either items or in conservation areas, in “Special Character Areas”, in bushland or scenic protection zones on LEPs. They could also form a key part of areas controlled by development control plans (DCPs).

Significant, special character, protected, memorial and heritage trees may require more frequent trims to minimise impact or the consideration of alternative solutions as detailed in the section of this plan called *Alternatives to Pruning*.

Consent is required from the relevant body to excavate in areas where archaeological relics are known or likely to be disturbed or damaged.

8.2 Threatened Species

Where Essential Energy is made aware of, or identifies, the existence of threatened species, every reasonable effort will be made to minimise the impact or manage the situation.

Management of corridors under powerlines can sometimes provide suitable conditions for threatened grass or herb species.

8.3 Protection of Flora and Fauna

Essential Energy vegetation management workers shall conduct activities in accordance with CECM1000.77 Flora and Fauna

8.4 Bush Fire Prevention

Recurring Bush fires can be devastating for the environment and personal life and property. One of the primary reasons for vegetation control near powerlines is to reduce the potential ignition of bush fires caused by trees interfering with electricity lines. Whilst Essential Energy encourages clear corridors under powerlines, it does not always directly control fuel build up as this is dependent on occupational land uses and the environmental conditions.

Essential Energy works cooperatively with NSW Rural Fire Services to manage the bush fire risk. Landowners and rural fire services sometimes rely on powerline corridors as strategic fire breaks or fire prevention operations.

Clear corridors also assist in protecting infrastructure from potential damage caused by fires.

8.5 Erosion and Sediment Control

Vegetation management works will be carried out to minimise disturbance to low growing species, vegetative ground covers and topsoil, to prevent or minimise erosion.

If there is the possibility of erosion, the stumps and the root structures of vegetation to be controlled should be retained.

Where the site is left exposed and has the potential to erode then appropriate measures will be implemented in accordance with recognised mitigation practices, this may include re-seeding the area.

It is recognised that the disturbance of acid sulphate soils can be an issue and vegetation management works shall be carried out to minimise soil disturbance.

UNCLASSIFIED**8.6 Roadside Management**

Essential Energy will endeavour to work within the principles and guidelines of the NSW Roadside Environment Committee, as roadside linear corridors can have high conservation value in some locations. Essential Energy continues its involvement as an active member of the NSW Roadside Environment Committee.

8.7 Use of Herbicides

Tree stumps, which cannot be removed, shall be cut at ground level and treated by cut stump application.

All suckers, saplings or immature trees in the clearing zone shall be treated by herbicide to prevent regrowth. This is best done when the vegetation is actively growing and shall be carried out to the manufacturer's recommendations using a herbicide suitable and registered for the vegetation involved.

In some instances herbicide application may not be appropriate at the time initial clearing works are undertaken. In such instances, the Project Manager is to specify an appropriate follow up period for the customer to carry out herbicide control of suckers and regrowth. The follow up period specified will generally not exceed twelve months from the date the clearing was carried out.

8.8 Pollution Control

Disposal of any material by Essential Energy's vegetation management workers must be in accordance with legislative requirements.

Watercourses and water bodies shall not be polluted by rubbish, felled or cut vegetation, toilet waste, silt, fuel spillage, herbicide, herbicide containers, etc. Refuelling operations or decanting of herbicides should be conducted at least 30 metres away from watercourses.

Spillage of herbicides or fuels should be avoided, but where a spillage or leakage has occurred, the applicable Essential Energy Procedure shall be followed to ensure adequate control measures are implemented and the appropriate notifications are carried out.

8.9 Waste

Debris may be left in rural situations to decompose naturally, where it will not pose a safety, fire or vehicle access risk. The mulching or removal of debris may be required in some situations. The mulch generated may be left on site to stabilise the site.

Allowing debris from cutting activities to create a fuel load hazard underneath lines should be avoided.

The burning of debris is to be used as a last resort and the requirements of bush fire regulations need to be followed. Where debris from exotic and/or invasive weed species is likely to self-propagate then the resultant debris should be removed to the local landfill site or treated to prevent propagation.

8.10 Animal and Crop Diseases/Pathogens

Essential Energy will endeavour to prevent or minimise the spread of organisms that cause crop or animal diseases when carrying out vegetation management works. Refer to CECM1000.77 Section 6.2.

UNCLASSIFIED**8.11 Weeds**

Essential Energy aim is to prevent or minimise the spread of noxious weeds (NSW) and declared plants (QLD) when carrying out vegetation management works. Essential Energy's Noxious Weeds management procedures are referred to in the CECM1000.77 Section 6.1.

For specific detail in regard to weeds in NSW refer to the NSW Department of Industry & Investment website. The following provides assistance in identification of declared weeds: <http://www.dpi.nsw.gov.au/agriculture/pests-weeds/weeds/profiles>.

8.12 Noxious Weed Management for new line routes

The following categories of noxious weeds shall be eradicated prior to any works commencing as maintenance works can be difficult or more expensive:

- In New South Wales noxious weeds categorised as W1 or W2 weeds
- In Queensland declared plants categorised as P1, P2 or P3 weeds and

Clearing works shall be carried out to minimise the spread of all noxious weeds and in accordance with Essential Energy's procedure for preventing the spread of Noxious Weeds, Plant and Animal Diseases.

8.13 Mangroves

Essential Energy shall follow the requirements of its permit to trim mangroves; the Department of Primary Industries Division of Fisheries and Aquaculture issues the permit under the *Fisheries Management Act 1994*. All trimmings will be removed from the tidal zone. Machinery is not permitted to enter the intertidal zone unless with the consent of the District Fisheries Officer. Trimming shall otherwise be carried out in accordance with the requirements of this Vegetation Management Plan.

8.14 Vegetation at Rivers, Lakes and Creeks

Tall growing saplings up to 3 metres that are likely to cause interference or damage to powerlines in the future are to be removed and/or treated with an appropriate herbicide to prevent regrowth, whilst root structures are to be retained.

The Office of Environment and Heritage may give approval for the removal of mature trees if the surrounding vegetation is sufficient to prevent erosion. Otherwise the tree should be trimmed. Where trimming of any tree is too dangerous to do, the tree shall be topped to chest height and treated with an appropriate herbicide. It may be necessary to establish low growing vegetation to stabilise the area prior to the removal of mature trees.

UNCLASSIFIED**8.15 State Environmental Planning Policy (SEPP) and Commonwealth Protected Areas**

Essential Energy's aim is to carry vegetation management works in these areas in accordance with this Vegetation Management Plan and appropriate legislation.

The following are those NSW SEPP's that apply:

- SEPP 14 Coastal Wetlands
- SEPP 26 Littoral Rainforests
- SEPP 44 Koala Habitat Protection
- SEPP 71 Coastal protection.

Areas of national environmental significance protected by Environmental Protection and Biodiversity Conservation Act 1999 (Commonwealth) including Commonwealth lands, RAMSAR wetlands and World Heritage sites.

These areas may require specific approvals before works can commence.

8.16 National Parks

Vegetation control in lands reserved and dedicated National Parks will be carried out in accordance with this Vegetation Management Plan and in accordance with the agreement "NSW Electricity Association - Procedures for Power Line Maintenance in National Parks" where such agreements exist.

8.17 State Forests

Vegetation control in State Forests will be carried out in accordance with this Vegetation Management Plan and in NSW in accordance with Essential Energy's Occupation Permit.

8.18 Railways Land

It may be necessary for Essential Energy to liaise with the relevant Rail Authorities to obtain access to the rail corridor prior to performing vegetation management on rail property to ensure rail safety requirements are met. Refer to CEOP2407.

8.19 Dead Trees or Branches

Where dead trees or branches are in the immediate vicinity of powerlines, they should be lopped to a height at which if they fell would not cause a potentially dangerous situation and damage the powerline. This will allow the remainder of the tree to stand for any fauna that may wish to inhabit it. If any fauna already inhabit branches that are to be removed then work should be delayed until the fauna has moved, unless there is an immediate threat to the powerline. Timber removed by lopping may be left on site for habitat depending on property owner requirements.

8.20 Maintenance of Local Aesthetic Qualities

It is recognised that maintaining the local aesthetics of an area is important. However, many trees do not lend themselves to trimming in a manner that is visually pleasing. Similarly what is pleasing to one person may be unattractive to another. Also further trimming of most species to make them aesthetically pleasing will result in accelerated growth and a dangerous situation. The aesthetic considerations need to be balanced with the safety and regulatory expectations with the latter being the priority. Where the aesthetic outcomes cannot be agreed by stakeholders, the alternatives to trimming should be considered.

The priority of all tree pruning is to minimise the risk of contact between trees and overhead powerlines and to do as little damage to the tree as possible.

UNCLASSIFIED**8.21 Pruning Method**

Essential Energy will use arboriculture techniques recognised as best practice for the control of vegetation types under or near powerlines. This will include trimming to comply with Australian Standard AS4373 – Pruning of Amenity Trees wherever possible.

This is discussed in further detail in Essential Energy procedural guideline CEOP2021: Removing Vegetation near Overhead Powerlines

8.22 Revegetation of Cleared Areas

All clearing works shall be carried out to limit the possibility of erosion in accordance with Essential Energy's Erosion and Sediment Control procedure.

Therefore all exposed areas shall be re-established with grasses, preferably those native to the area. This will also limit the establishment of noxious weeds, the possibility of bushfires, facilitate the ease of access for routine and emergency maintenance and also provide grazing areas for native animals, birds and insects.

8.23 Clearing Methods and Debris Disposal

Vegetation shall be cleared and debris shall be disposed of prior to the power line being constructed. This shall be carried out to meet all relevant legislation requirements and debris should be recycled where possible. Management of debris should be considered in the Environmental Impact Assessment.

9 PLANTING GUIDELINES

There is an increasing public awareness of environmental issues and emphasis on planting trees to reduce the carbon footprint. This can lead to the planting of inappropriate trees in unsuitable locations. Essential Energy is concerned with those planted under or near powerlines.

Planting of inappropriate species can jeopardise public safety when powerlines are damaged by trees or when the public attempt to trim or remove trees near powerlines. Under NSW legislation, the planting of inappropriate species may also make the planter responsible for future trimming and/or removal costs, and could lead to claims for damages caused by the planting. It is therefore in everybody's interests to reduce the potential costs and the associated dangers by reducing the number of inappropriate plantings. Under the *Electricity Supply Act 1995 (NSW)* if a person plants a tree or permits a tree to be planted which could or does interfere with powerlines, any costs incurred by Essential Energy to prune or remove the tree may be passed onto that person and may be recovered as a debt in court. Without limitation, Table 4 in Part 8.5.1 sets out species which must not be planted near powerlines.

Planting the wrong tree in the wrong place can also have environmental consequences. Bush fires have been caused by vegetation coming into contact with powerlines resulting in a loss of flora, fauna, life and property.

Essential Energy encourages the planting of trees and other tall growing vegetation safe distances away from powerlines allowing them to grow to their full potential. Refer to the table *Trees Unsuitable for Planting Under/Near Powerlines* in this plan.

UNCLASSIFIED**9.1 Rural Areas**

The property owner and Councils are encouraged to plant all tree species, other than grasses, away from powerlines in rural areas as these areas represent the greater risk in regard to bushfire potential. Access to powerlines is also required by Essential Energy crews for routine maintenance and repairs. Private land owners/occupiers, Landcare or other interest groups planting or conducting revegetation projects should do so in locations where planting will pose no risk to powerlines or require costly maintenance and management into the future.

Essential Energy will make its delegated persons available for advice or consultation when individual or group are planning new plantings.

The planting of low growing species (3m or less) near powerlines may be permissible in some instances provided they do not and will not interfere with powerlines or pose a risk of bush fire or to public safety and will not restrict access to powerlines for maintenance or repairs.

9.2 Urban Areas

Essential Energy will endeavour to work cooperatively with Councils to ensure plantings and electrical infrastructure can co-exist taking into account security of supply and community safety.

Many Councils have entered into “In Principle Agreements” with Essential Energy to highlight the agreed goals and approach to be adopted.

In most urban areas powerlines are accessible from the street pavement. This allows low growing plants to be planted under or near powerlines. These plants will require maintenance trimming if they enter powerline clearance zones. As the mature height of individual plants can vary significantly it is best to plant away from powerlines. Accordingly, Essential Energy encourages the public to consult with Council when planning to plant on streets or in public areas.

9.3 State Forests Agro forestry Ventures

A minimum agreed corridor width of 32 metres applies. Specific tree plans can be developed for specific sites to ensure the safety and integrity of the powerlines.

9.4 Orchards

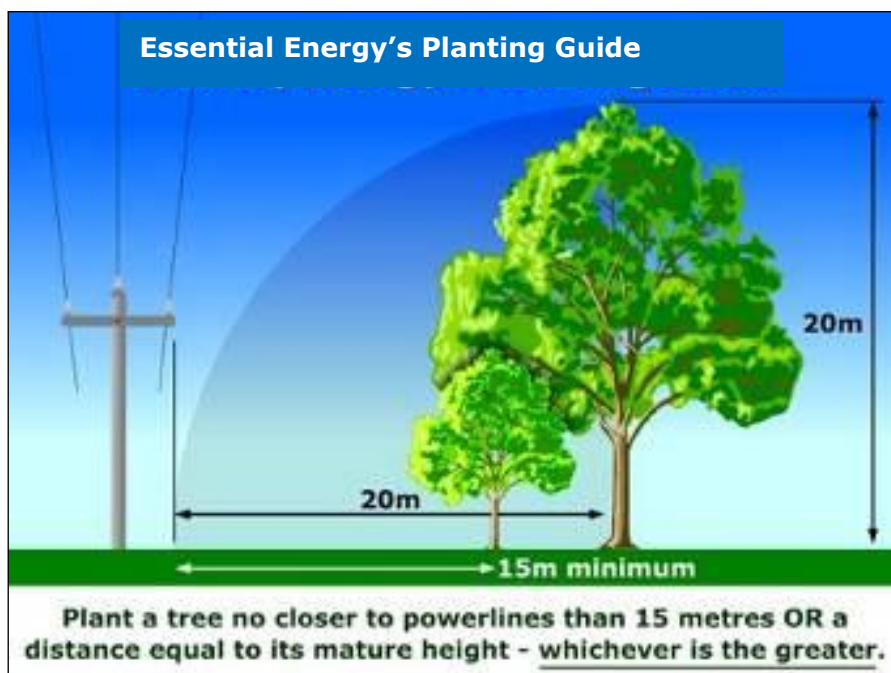
Generally, orchards trees should not be planted directly under existing powerlines as the future maintenance of clearances will be required in most circumstances with potential costs being at the property owners expense. Commercial tree crops under powerlines restrict the distributor’s access to poles and powerlines by heavy vehicles and place farm workers at greater risk of electrocution when working on trees near powerlines.

The minimum corridor width for the voltage should be maintained free of trees. Typically for distribution high voltage powerlines this is a 20m buffer zone (i.e. 10m either side of the powerline) refer to CEOP8046 section 8.

UNCLASSIFIED**9.5 Essential Energy's Planting Guide**

Simple Tips:

- Look up before you plant
- Consider how big the tree or vegetation will grow in the future and what will be affected
- Plant taller varieties furthest away from the powerlines using the Planting Guide
- Planting on streets and footpaths should not be carried out without Council approval
- When planting, remember that access to powerlines is required for maintenance and repairs in the future
- It is recommended to plant away from the underground pits, pillar boxes and padmount transformers so roots don't become a problem
- This guide also applies to planting trees near Aerial Bundled Conductor (ABC) powerlines
- Essential Energy can provide guidance when planting. Local nurseries should also be consulted
- Essential Energy considers the trees listed in Table 4 and other tall growing species (whose height may exceed 3m) as unsuitable under or near powerlines.



UNCLASSIFIED**9.5.1 Table 4 - Trees Unsuitable for Planting Under/Near Powerlines**

The majority of trees are unsuitable for planting under or near powerlines due to the dangers involved and insufficient room for the tree to grow. Table 4 provides a list of some common species that are unsuitable under or near powerlines.

TABLE 4 – TREES UNSUITABLE FOR PLANTING UNDER/NEAR POWERLINES			
Botanical Name	Common Name	Botanical Name	Common Name
Acacia species (large)	Wattle	Jacaranda mimosifolia	Jacaranda
Acer species	Maples – not Japanese	Ligustrum species	Privet
Acmena species (large)	Lillypilly or Bush Cherry	Liquidamber species	Liquidamber
Alnus species	Black & Evergreen Alder	Lophostemon confertus	Brush Box
Araucaria species	Bunya-Bunya, Hoop or Norfolk Island Pine	Magnolia grandiflora	Bull Bay Magnolia
Bambusa species	Bamboo	Melaleuca species (large)	Paper barks
Banksia species (large)	Banksia	Melia azedarach	White Cedar
Betula species	Birch	Palm species	Palm
Brachychiton species	Lace-Dark, Flame & Kurrajong	Pinus species	Pine
Caesalpinia ferrea	Leopard tree	Platanus species	Plane tree
Casuarina species	She-Oaks	Populus species	Poplar
Cedrus species	Cedar, also Fir & Spruce	Quercus species	Oak
Celtis species	Nettle-tree	Salix species	Willow
Cinnamomum camphora	Camphor Laurel	Schinus species	Pepper-corn tree
Cupressus species	Cypress trees	Stenocarpus spinuatus	Qld. Firewheel tree
Delonix rigia	Poinciana or Flamboyant	Syncarpia glomulifera	Turpentine
Erythrina species	Coral-tree	Syzygium species	Lillypilly or Bush Cherry
Eucalyptus species	Gum trees	Tamarix aphylla	Athel pine
Ficus species	Fig trees	Tilia species	Linden or Lime tree
Fraxinus species	Ash	Tipuana tipu	Race-horse tree
Gleditsia species	Honey Locust	Ulmus species	Elm
Grevillea robusta	Silky Oak	Zelkova serrata	Japanese Elm
Hymenosporum flavum	Native Frangipani		Tall growing fruit and nut trees

UNCLASSIFIED**10 UNDERGROUND POLICIES, NEW AND AUGMENTED CONSTRUCTION WORK**

Councils typically require undergrounding of electrical services in 'Greenfield' urban developments which is generally accepted by developers and the community. This prevents interference with vegetation and is less restrictive on property owners when considering landscaping or tree planting.

Whenever arrangements for new overhead construction are made, powerline routes should avoid tall growing vegetation otherwise corridor clearing works should be undertaken and be sufficient to minimise future maintenance problems. Trees, saplings and some undergrowth shall be removed to ensure specified corridor widths.

For existing developments, underground cable or overhead insulated systems (i.e. aerial bundled conductor) should be considered when replacing or augmenting existing bare conductor overhead mains.

11 PUBLIC EDUCATION

Essential Energy will continue to develop increased customer awareness of safety issues mentioned in this Plan in relation to the planting and control of vegetation near powerlines.

In this regard Essential Energy's education program may include:

- Planting guidelines
- Posters
- Newspaper articles
- Tips on Essential Energy accounts
- Liaison with landowners/occupiers, State Government bodies, Bush Fire Management Committees, Landcare, Garden Clubs, Progress Associations, Tidy Towns, Koala Societies, Beautification Committees, etc. as appropriate
- Attendance at community or other groups meetings
- Attendance at field days e.g. AgQuip, tree fairs etc.
- Qualified employees to assist the community with any problems or inquiries they may have in relation to vegetation control near powerlines; and
- Any other opportunity to educate the community.

UNCLASSIFIED**12 METHODOLOGY OF VEGETATION CONTROL****12.1 Qualification of Employees**

For those positions involved directly with the management of vegetation either by Essential Energy or by contractors working for the landowner/occupier, pre-requisites should include the following:

- Formal qualifications in either horticulture or arboriculture attained from an accredited institution. The “Tree Care for Electricity Workers” course as taught by Ryde TAFE College or equivalent shall be the minimum acceptable standard. This applies to positions that manage and oversee trimming crews in the field and to those carrying out the work.
- All necessary qualifications as required by contractual, statutory or safety requirements to carry out the work safely and in a tradesman like manner.

12.2 Pruning or Clearing Cycles

The frequency of clearing cycles is based on practical factors including regrowth rates, fire risk, climate, type of vegetation, recurrent costs, conservation considerations etc. Typically a two to three-year cycle is considered as reasonable industry practice in rural areas.

Large urban areas are often put on annual maintenance cycles to meet council expectations and provide more attention to suburban powerlines with smaller clearance zones.

Essential Energy may vary cycles as required using a risk management approach or in consultation with stakeholders.

12.3 Urgent or Emergency Trimming

Trees and other vegetation may need to be controlled or removed under emergency conditions to maintain safety and to maintain or restore the electricity supply particularly after storm events. Where possible, trees in this category shall be assessed individually to determine the appropriate action.

When assessing work requirements under emergency conditions, changed environmental factors may need to be considered. Examples of these conditions would be storm events, and natural disasters.

Trees trimmed under emergency conditions may require some form of follow up remedial pruning after the event.

The land owner/occupier should be notified as soon as practical when Essential Energy removes vegetation under emergency conditions.

12.4 Consultation with Land Owner/Occupier

Except in the case of an emergency Essential Energy will usually liaise with and notify the landowner/occupier impacted about impending works. Essential Energy understands the sensitive nature of trimming or removal works and will endeavour to resolve issues in a cooperative manner with the landowner/occupier in order to comply with its statutory responsibilities. If persons decline permission to take appropriate actions, Essential Energy may need to use its legislative powers to carry out the work to maintain safety and avoid impact to supply. The work will be done in accordance with this plan and the owner may be responsible for the associated costs in some cases.

UNCLASSIFIED**12.5 Notification of intended vegetation works**

Essential Energy notifies land occupier of its intention to carry out vegetation works at specific sites.

The process for this includes:

- Monitoring conditions - An initial site inspection to scope the required work
- Authorised delegated persons advising occupiers of the work scope identified in the form of verbal discussions onsite where the occupier or representative is available and/or by notification letter
- Notification letters provide details of the work requirements and include delegated person contact details providing an opportunity for the occupier to discuss the matter further. In cases where full private tree removal is identified, customer consent is sought prior to works commencing
- Property occupier notification is provided before the intended work commencement date.

12.6 Dispute resolution

Essential Energy has a documented policy for dealing with customer concerns or complaints – refer to policy guideline CEOP2042: Customer Complaint Handling.

This process endeavours to capture the details of the enquiry, ensure escalation if required, and monitors progress and corrective actions. With respect to vegetation issues, the sensitivity is recognised.

In general, the first point of contact is Essential Energy delegated persons who typically resolve most issues on site. For a smaller number of issues that are not able to be resolved in the first instance, they are escalated to their team coordinator.

If this does not reach a resolution the matter is further escalated to senior managers. In the rare cases where a matter still remains unresolved the customers are able to refer the matter to the industry ombudsman. If the situation is dangerous or of an urgent nature, Essential Energy will enforce its rights to enter the property and address the situation or, consider other actions to make the situation safe, such as disconnection.

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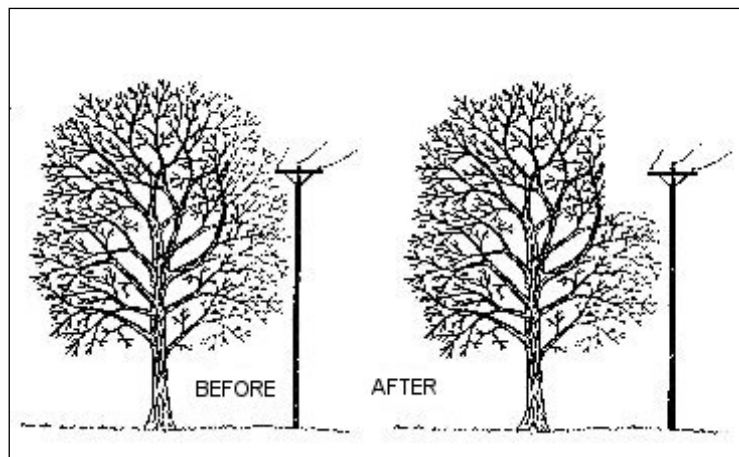
13 PRUNING PRACTICES

Trees are to be pruned to acceptable arboriculture standards set forth by Australian Standard AS 4373 “Pruning of Amenity Trees”, and as trained by TAFE – “Tree Care for Electricity Workers” Course or equivalent. Where these methods prove inappropriate, e.g. species that require pruning more frequently than is practical or acceptable, alternatives to pruning shall be considered.

Pruning is defined as the selective removal of branches from a tree to obtain a desired end, i.e. to provide the required clearance from powerlines. The aim of the pruning methods should be to work with the natural habit of each tree. The techniques for this are described in more detail in the Essential Energy’s policy guideline CEOP2021: *Removing Vegetation Near Overhead Powerlines*.

The branches to be trimmed will generally be taken back to branch collars therefore clearance distances may be in excess of minimum distances specified.

Formative pruning techniques are generally employed for street trees.



14 UNSTABLE AND HAZARDOUS TREES (HAZARD TREES)

Trees of any species and diameter originating from fallen decaying logs, stumps or other unstable rooting positions, any trees with obvious symptoms of advanced decline, i.e. excessive dieback; sparse leaf cover; major decay fungi in evidence etc., within the inspection space that could otherwise damage the powerline shall be actioned.

In practice, and as mentioned in the note 5 of the clearance Table 1, many trees exist outside the clearance zone at a height that if they were to fall would potentially contact the powerline. It is not environmentally appropriate, economical, nor practical to remove such trees where they appear to be in good health and therefore a low risk.

Trees or branches identified as potentially high risk by delegated persons will be considered for trimming or removal.

UNCLASSIFIED**15 ALTERNATIVES TO PRUNING**

There are a number of methods of maintaining clearance between powerlines and vegetation; the most common method used is pruning. Alternative methods should be considered if they are economically feasible or where the vegetation concerned is of significance or heritage value or listing. Likewise prior to removing a tree other options should be considered. Owners of trees are encouraged to consider alternatives to pruning or removal. Essential Energy may also benefit by considering alternatives to pruning to decrease maintenance costs and increase reliability of supply.

15.1 Electrical Options

The following electrical options may be considered as alternatives to pruning or removal:

- The use of conductors such as aerial bundled cable to minimise the amount of trimming
- Relocating powerlines to avoid vegetation
- Under grounding mains to eliminate the problem
- Offsetting cross-arms to one side to increase clearances; and
- Using taller poles.

Where landowners or Councils seek to implement any electrical options, Essential Energy should be consulted. Essential Energy may give consideration to contributing to the cost of the work if it reduces the cost of future vegetation control and improves the reliability of the electricity supply.

15.2 Non-Electrical Options**15.2.1 Tree Transplanting**

Tree transplanting is an option that can be implemented in addition to tree replacement. Certain species lend themselves very well to being transplanted. Small plants that are planted near powerlines should be transplanted away from powerlines at the earliest opportunity.

Essential Energy recognises this option is outside its expertise and does not perform this type of work. Where a Land owner/occupier is considering the transplantation option, they should seek the advice of an appropriate horticultural expert, and discuss their requirements with Essential Energy to determine if supply needs to be isolated for workers engaged in this activity.

15.2.2 Removal

Trees may be removed when necessary to protect the safety of persons and powerlines, or property. Where there is no immediate threat to safety alternative strategies need to be considered and where these alternatives are not feasible in the circumstances (including economically feasible) the tree may be removed.

Essential Energy may issue a notice to the landowner/occupier to remove a tree if the tree is or may be a continual threat to the safety and the integrity of the powerline or requires more regular management.

UNCLASSIFIED**15.2.3 Removing trees**

Essential Energy will seek the removal of trees where:

- Other options including undergrounding of powerlines, replacement with ABC, relocation of powerlines, or transplanting the tree are not economically feasible
- Safety is compromised
- The electricity works and supplies are threatened
- There is an inappropriate species eg. those listed in Section 7.5.1
- The trees do not respond to directional pruning
- The trees cannot be maintained for appropriate periods of time due to their growth rates
- The health of the tree is such that to leave it would pose a threat to the power line and to the safety of the community; and
- The aesthetics of the tree are such that continued trimming irreparably damages it.

Council and/or Essential Energy may carry out further consultation with adjoining landowner/occupiers and/or the community where specific street trees are to be replaced or removed.

When the need for the removal of a tree on private land is identified, Essential Energy will firstly notify and seek to consult with the property owners/occupiers. However, if the owner/occupier planted the tree after the installation of the line and/or has not maintained safety clearances, Essential Energy may arrange for the work to be done and could charge the owner/occupier for the costs incurred in accordance with the *Electricity Supply Act 1995*.

Where tree management works need to be undertaken in an emergency (such as potential damage, interference or destruction of Essential Energy infrastructure increasing the risk to public safety or bush fire) trees may be removed or trimmed without notice.

Protected trees or other vegetation should not be removed before the appropriate consultation and statutory approvals, where required, have occurred.

Where trees are removed the stump shall be appropriately treated.

15.3 Unsuitable Species

Young trees, with vigorous growth rates or whose mature height will infringe the clearance space, are best removed or relocated at an early stage. Essential Energy needs to commit significant resources and costs every year to managing inappropriately planted trees. The operating costs to manage these will continue to increase without a cooperative approach by land occupiers.

UNCLASSIFIED**15.4 Strategies for Removals**

The following are strategies that may be used to facilitate the removal process:

- Replanting with a suitable species prior to removal of the inappropriate species
- For a group of trees a staged removal with staged replacement is preferable as this reduces the visual impact
- Removal of the tree and subsequent replacement
- Replant on the other side of the street prior to any removals; and
- Essential Energy encourages Council and other groups to consult with the local community when removals of trees are being considered.

15.5 Replacement of Trees

Essential Energy encourages the replacement of trees that are removed provided that the trees are planted away from powerlines. Essential Energy endeavours to work with property owners and Councils to formulate action plans to identify and replace inappropriate trees.

Tree replacement arrangements should not perpetuate the problem, but solve it. Replacement plants shall be planted in accordance with Essential Energy's Planting Guide.

Essential Energy will assist with the supply and replacement of trees that have been inappropriately planted after the powerline was first constructed. Any replacement will generally be of a small size as these plants generally establish better, faster, and after several years will outgrow in size an initial larger plant.

Essential Energy encourages the replacement of trees with species that are native to the area; this will assist in the preservation of the ecological integrity of the area.

16 PROCESS FOR SAPLINGS AND REGROWTH CONTROL

It is essential that saplings and regrowth of tall growing species are controlled before maturing to a point where more extensive works are required which is costly and resource intensive.

Vegetation may be retained in the following situations:

- Low growing species, particularly at creek or river crossings. However the requirements for access for maintenance or repairs may take precedence
- Low growing species for the habitat of threatened species
- In steep gullies, (particularly where the connectivity of wildlife habitat and erosion prevention are of major importance) where the power line will be well above the maximum height of the prevailing mature vegetation and the clearance space will not be compromised; and
- If there is no immediate threat to safety or the powerline, vegetation may be retained temporarily where the vegetation is being used for the rearing of young fauna.

The methods to be deployed for Sapling/regrowth control are described in detail in the policy guideline CEOP2021: *Removing Vegetation Near Overhead Powerlines*.

UNCLASSIFIED**17 ACCESS FOR MAINTENANCE OR REPAIRS**

Heavy vehicle access is required to powerlines allowing for routine and emergency maintenance. This access is prescribed in the Electricity Supply Act 1995. Access requirements should be taken into consideration when planting commercial crops.

Where access tracks exist these should be cleared to ensure heavy vehicle access.

18 AUDITING PROCESS

Essential Energy audits this plan to ensure it fulfils its expectations and the legislative requirements field based audits which relate to the work activities are also conducted.

The plan is audited internally in conjunction with the Bushfire Mitigation Plan audit as it forms a critical component of that plan.

Clearances achieved by cyclic trimming are audited annually by pre-summer aerial patrols in rural areas. Field audits of the corridors and work standard are conducted by Supervisors or designated field auditors.

Arboreal Contractors are predominantly engaged to conduct trimming. Those working for Essential Energy are audited as part of the contract management process for compliance to the plan and contract conditions. Particular attention is paid to compliance with the pruning and removal of trees.

For trees that have been pruned, the auditor will consider:

- Customer relations
- Arboriculture techniques (quality of pruning)
- Clearances achieved
- Debris disposal and tidiness of sites
- Environmental considerations
- Sapling and regrowth removal; and
- Herbicide use.

UNCLASSIFIED**19 TREE TRIMMING CONTRACTORS WORKING FOR ESSENTIAL ENERGY**

Under some circumstances Essential Energy may decide to engage private contractors to undertake vegetation management works on behalf of Essential Energy. A standard evaluation of these contractors is conducted to ensure works are carried out in a professional and tradesman like manner with due consideration for safety, value, and the environment.

This evaluation includes but is not limited to:

- Appropriate qualifications & experience
- Health and Safety credentials
- Environmental credentials
- Management capability
- Community relations

20 RESPONSIBILITIES / ALLOCATION OF COSTS**20.1 Essential Energy**

In NSW, Essential Energy accepts the cost generally for tree trimming or removal work in rural and urban areas and on private or public lands. This is at Essential Energy's discretion as the Electricity Supply Act 1995 only requires Essential Energy to fund works associated with naturally propagated trees (Vegetation that has been naturally propagated, including by birds or animals), and those trees that were established before the powerline.

In the Queensland franchise area, Essential Energy carries out vegetation management affecting the network assets on the same basis as it does in NSW.

Essential Energy reserves its right to pass on costs where circumstances allow. Those parties planting trees near powerlines that ultimately cause a need for maintenance works should be aware that they may be called upon to meet these costs.

20.2 Site Specific Tree Plans**20.2.1 Councils – In Principle Agreements**

Essential Energy seeks to work with Councils in a cooperative manner to ensure effective vegetation management in the best interests of the community as a whole. It will endeavour to enter into "In Principle" agreements regarding vegetation management near powerlines.

Under NSW legislation, Councils are responsible for control costs for vegetation, on land under their control (including road reserves and parks) that:

- has been planted and allowed to grow directly under or alongside powerlines and
- where the vegetation could destroy, damage or interfere with Essential Energy's electricity works: or
- could make Essential Energy's electricity works become a potential cause of bush fire or potential risk to public safety.

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Where Councils carry out vegetation control works near powerlines, the clearance requirements in this Plan should be observed or as otherwise required by the NSW legislation as it applies to Councils.

20.2.2 Australian Macadamia Society – Charter in relation to management of Macadamia trees under powerlines

The Essential Energy executive on 12/12/2012 approved a charter in relation to management of Macadamia trees under powerlines with the Australian Macadamia Society to address specific issues associated with these commercial plantations. This sets out the expectations and responsibilities of parties involved and the agreed approach to maintenance of power lines at these sites.

20.3 Private Landowners/Occupiers

Under NSW legislation, private landowners are responsible for trimming and removal costs for vegetation on their property where the vegetation has been planted and allowed to grow directly under or alongside powerlines.

Essential Energy contractors and employees may provide a quotation to the landowner/occupier for work required. The landowner/occupier is at liberty to engage an appropriately authorised independent contractor to carry out this work.

Landowners are encouraged to underground private lines to reduce the risks and costs associated with trees. This is provided in the form of underground conversion incentive offered by Essential Energy.

Where landowners engage contractors to carry out vegetation control works near powerlines, the clearance requirements in this plan should be observed or as otherwise required by the NSW legislation WorkCover Code of Practice: *Work near Overhead Power Lines 2006* and *AS 4373 (2007) Pruning of Amenity Trees* as it applies to private land owners/occupiers.

Burning off stubble, sugar cane or other vegetation as a farming practice in the vicinity of powerlines can impact the security of the powerline. Burning off under or near powerlines is not condoned by Essential Energy as this activity has been responsible for damage to poles and lines as well as causing loss of supply. Land holders or occupiers should consider the risks and put appropriate controls in place.

UNCLASSIFIED**21 KEY TERMS AND DEFINITIONS**

Accredited Service Provider (ASP): A contractor accredited under Part 10 of the 'Electricity Supply (General) Regulation 2001 (NSW)' for undertaking contestable works.

Aerial Bundled Conductor: A covered multi-core cable used in substitution for multiple bare single conductors.

Authorised: Refers to be authorised by Essential Energy.

Clearance Zone: The space surrounding a power line, which should be kept clear of vegetation.

Contestable Works: Works (including design), funded by the developer, required to enable a new or altered connection where the developer may choose the ASP (Designer or Constructor) to carry out the works.

Council: The Council of a local government area.

Drip line radius: The radius around the outer edge of the tree at ground line.

Fenced Asset: Any ground mounted asset with fencing e.g. Substations, Regulator, and Switching Station.

HACCP: Hazard Analysis Critical Control Point is a pro-active process control system by which food quality is ensured.

Heritage Listed: Refers trees listed singly, in groups, avenues, streetscape plantings or conservation areas on the State Heritage Register under the *NSW Heritage Act 1977*, covered by tree protection orders, listed on significant tree registers, heritage schedules or in "Special Character Areas" on local and regional environmental plans (LEPs and REPs) and development control plans (DCPs) prepared under the Environmental Protection and Assessment Act, listed on the Register of the National Estate by the Australian Heritage Commission and classified by the National Trust of Australia.

Inspection Zone: The area outside the clearance space that may also need clearing to maintain safety and electricity supply.

Naturally Propagated: Vegetation that has been naturally propagated, including by birds or animals.

Nominated Essential Energy Officer or inspector: That person who has delegated authority from Essential Energy to carry out various activities relating to Vegetation Clearing Management including inspection and/or scoping of works.

Occupier: The person(s) who is in actual occupation of the land.

Overhang: The side branches of a tree that could grow above and overhang the powerlines.

Overhead: In relation to a powerline, means a powerline that is above ground level.

Powerline: An electric line, structures and equipment used for or in connection with the supply of electricity, which ordinarily operates at voltages up to 132 kilovolts but does not include telecommunication cables.

Private Electric Line: Any overhead electric line that is the responsibility of the landowner/occupier. This typically includes overhead mains beyond the customer distribution board.

Regrowth: means saplings, suckers and other vegetation which has grown or regrown after previous control works.

Rural Area: Any area that is not an urban area.

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Sapling: An immature tree.

Service Line: An overhead or aerial powerline between Essential Energy's distribution mains and the customer's consumer terminals used to supply low voltage electricity to the customer.

Sensitive Areas: Includes riparian areas, threatened species habitat, wetlands, cultural heritage sites, etc.

Threatened Species: A species specified in the *Threatened Species Conservation Act 1995*.

Tree: A plant taller than 3 metres, or having a canopy more than 3 metres in diameter or having a trunk with a circumference at a height of 1 metre from the ground of more than 0.3 metres. May include shrubs and other plants for the purposes of the *Electricity Supply Act 1995 (NSW)*.

Vegetation: All plant life including, but not limited to, trees, palms, vines, shrubs, grasses such as bamboo but not lawns.

22 REFERENCES

CECM1000.70 - HSE Manual: Environmental Impact Assessment NSW

CECM1000.81 - HSE Manual: Pesticide Notification Plan

CEOP2010 – Vegetation Clearing Guidelines for New Powerlines

CEOP2021 – Removing Vegetation Near Overhead Powerlines

CEOP8022 - Bushfire Risk Management Plan

CEOP8029 - Network Management Plan

Acts, Regulations and Other References

National

Environmental Protection and Biodiversity Conservation Act 1999 (Commonwealth)

Australian Heritage Commission Act 1975

New South Wales

Electricity Supply Act 1995

Electricity Supply (General) Regulation 2001

Electricity Council Guideline EC22 – Community and Environmental Considerations

Environmental Planning and Assessment Act 1979

Fisheries Management Act 1994

Heritage Act 1977

Native Vegetation Act 2003 & Native Vegetation Regulation 2013

National Parks and Wildlife Act 1974

National Parks and Wildlife Regulation 2002

Noxious Weeds Act 1993

Occupational Health and Safety Act 2000

Rural Fires Act 1997

Soil Conservation Act 1938

State Environmental Planning Policies including SEPP (Infrastructure) 2007

Threatened Species Conservation Act 1997

Australian Standard AS4373 – Pruning of Amenity Trees

Code of Practice for the Amenity Tree Industry (NSW)

ISSC3 - Guidelines for Managing Vegetation Near Power Lines

Urban Erosion and Sediment Control Field Guide (NSW Office of Environment and Heritage)

Queensland

Electricity Act 1994 (Qld)

Environmental Protection Act 1994

Electricity Safety Act 2002

Electrical Safety Regulation 2002

Code of Practice – Working near Exposed Live Parts Electrical Safety Act 2002

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23 ATTACHMENT A – ESSENTIAL ENERGY VEGETATION MANAGEMENT PLAN PURPOSE STATEMENT**Essential Energy Vegetation Management Plan Purpose Statement**

The purpose of the Vegetation Management Plan CEOP8008 is to:

- Ensure proper guidelines and methodology are in place to promote Best Practice in the maintenance of vegetation under or near powerlines with minimum danger to the public, vegetation management workers and electrical workers
- Ensure compliance with appropriate legislation.

Essential Energy has a responsibility to maintain clearance between powerlines and vegetation. This responsibility is stated in *The NSW Electricity Supply Act 1995* Division 2 Part 48: Interference with electricity works by trees.

The importance of the Vegetation Management Plan CEOP 8008 being a compliant plan is highlighted by Clause 43(k) of the *State Environment Planning Policy (Infrastructure) 2007* (ISEPP) which provides that development (in this case, the clearing of trees) is “exempt development” under the *Environment Planning and Assessment Act* (EP &A Act), but only if carried out in the following circumstances:

- 1 For the purpose of vegetation management that complies with a tree management plan prepared in accordance with clauses 103 & 104 of the *Electricity Supply (General) Regulation 2001*; or
- 2 Vegetation management that is exempt under Clause 21: Maintenance of Public Utilities-Electricity Transmission of the *Native Vegetation Regulation 2005*.

Native Vegetation Act – Exclusions

The Native Vegetation Act 2003 No. 103 does not apply to the following types of clearing of native vegetation:

- (g) Any clearing that is, or is part of, an activity carried out by a determining authority within the meaning of Part 5 of the *Environmental Planning & Assessment Act 1979* if the determining authority has complied with that part.

The Environmental Planning & Assessment Act 1979 Part 5 (110) defines a determining authority to be a public authority (110E) (e) a statutory State owned corporation within the meaning of the *State Owned Corporations Act 1989*. Essential Energy falls under the state owned corporation umbrella.

The Native vegetation management NSW guidelines available at www.nativevegetation.nsw.gov.au states that Public Utilities such as Essential Energy, can undertake clearing to maintain public utilities (electricity, water, gas and electronic communication) without approval. Such clearing includes minimising fuel loads under powerlines to reduce the chance of smoke from a fire causing a line trip. Maximum distances for clearing depend on the nominal operating voltage of the powerline.

Note: Tree lopping is not considered ‘clearing’ under the *Native Vegetation Act* unless it results in the death of the tree.

UNCLASSIFIED**24 REVISIONS**

Issue Number	Section	Details of Changes in this Revision
5	All	Insertion of new table of powerline clearances. Various other section changes in consideration of the Black Saturday Royal Commission findings and to align with industry guidelines. Updated to new template in line with Essential Energy branding requirements.
6	All	<p>Section 1 expanded on advice from Norton Rose to strengthen compliance with Acts & Regulations.</p> <p>Section 4 expanded to provide additional information about clearance & clearing zones consistent with CEOP2010.</p> <p>Section 5.2 deleted Corridor Guidelines for New Lines & easements. Refer CEOP2010.</p> <p>Inserted new Section 6 Fenced Assets, Poles and Structures.</p> <p>Section 7 expanded. 7.1.3, 7.2.3 & 7.2.4 added. 7.8 expanded, use of herbicides.</p> <p>Section 19 Review of Vegetation Management Plan deleted. Refer Section 1.1 & 1.2</p> <p>Removed content relating to “new line construction” as per advice from Norton Rose.</p> <p>Added minor feedback from Norton Rose particularly associated with Consultation process/contact.</p> <p>Section 19.2 Site Specific Tree Plans. 19.2.1 expanded 19.2.2 added.</p>
7	<p>Introduction</p> <p>6.3, 6.4</p> <p>2.0 Objectives</p> <p>2.1 Legislation</p> <p>4.9 Easements</p> <p>7 Streetlight Clearances</p> <p>8.2 Threatened species</p> <p>8.18 Rail Lands</p> <p>9.4 Orchards</p> <p>12.5</p>	<p>Map revised to 4 region model.</p> <p>Section 6.3 Buffer Zones added, was Water Crossings</p> <p>Objectives were updated to highlight the plan scope does not include requirements for new lines.</p> <p>Legislative references relocated to sect 21 references and updated to highlight ESA & ES Regulation requirements.</p> <p>Sect4.9 removed table for easements/corridors and replaced with reference to CEOP8046 Easement requirements to ensure alignment.</p> <p>Sect7 – Streetlight Clearances. This is a new section added to provide guidance for trimming around streetlights.</p> <p>Reworded sect 8.2 to indicate Essential Energy will use its best endeavours for known threatened species.</p> <p>Sect8.18 made more general to cover the various authorities that may be contactable.</p> <p>Sect9.4 revised - minor rewording to include consideration of safety for farm workers.</p> <p>Sect12.5 removed the reference to 2-4weeks notification period required by VIC ESV and now refers to the notification being prior to the works.</p>



FIRE SEASON RISK

A REGIONAL RISK PROFILE

Essential Energy has determined that an interim methodology to profile the regional fire risk is required while work continues on alternative industry specific models in lieu of current NSW models (using RFS/LGA HBPA data). This document outlines the risk profile that has been established for the fire season based on available data and indicators. Whilst this places particular attention on some regions, it should be noted that there is ongoing fire mitigation activities conducted in all regions.

FIRE SEASON RISK

A REGIONAL RISK PROFILE

Overall Regional Risk Ratings for the purpose of prioritising resource allocations taking all 3 factors into consideration with weighting toward fire start consequence & frequency. Refer to Appendix A – Profile Map.

1. South Eastern
2. Southern
3. Central Western
4. North Western

Climatic Conditions

- Extract of extreme fire weather map (AON Benfield) – this indicates SE region has large areas deemed “very high” for bushfire potential. This is the highest rating for NSW regions.
- Southern and Central regions experience a higher average number of Total Fire Ban days per year. This is significantly higher than the averages per year for regions in the northern and far western parts of the state.
- 2011-12 seasonal outlook is for weak La Nina conditions with wetter conditions in the north of the state and average rainfall and warmer temperatures in the southern and western parts. Above average grass fuel loads exist in most parts of the state due to conditions over the previous months.

Fire Start Frequency

- This highlights regions in the southern & central parts of the state have much higher frequency than other parts, particularly when seasonally adjusted for high risk times of the year (quarters 1 & 4).

Expert Opinion

- Risk Frontiers were engaged to provide models for EE consideration. Their modeling suggests SE region has greatest potential for consequential loss when taking into account multiple factors including historic events, fire weather, housing density in proximity to power lines and bush land.

RISK FACTORS EMPLOYED

3 base data sets were considered;

Climatic Conditions (pg2,3)

- Aon/Benfield report indication of extreme fire weather locations.
- Average number of TFB days experienced for the last 7 yrs.
- Season Forecast Data

Fire Start Frequency (pg4,5)

- Network related fire ignitions reported over the last 7 yrs.

Expert Opinion (pg6)

- Preliminary assessments provided by Risk Frontiers using a range of data sets including; consequential loss & historic fire events.

CLIMATIC INDICATOR

HISTORIC PATTERNS OF BUSHFIRE POTENTIAL ZONES

Map of bushfire potential zones in Australia (Johnson et al., 1995) – taken from AON Benfield report prepared for NSW Distributors.

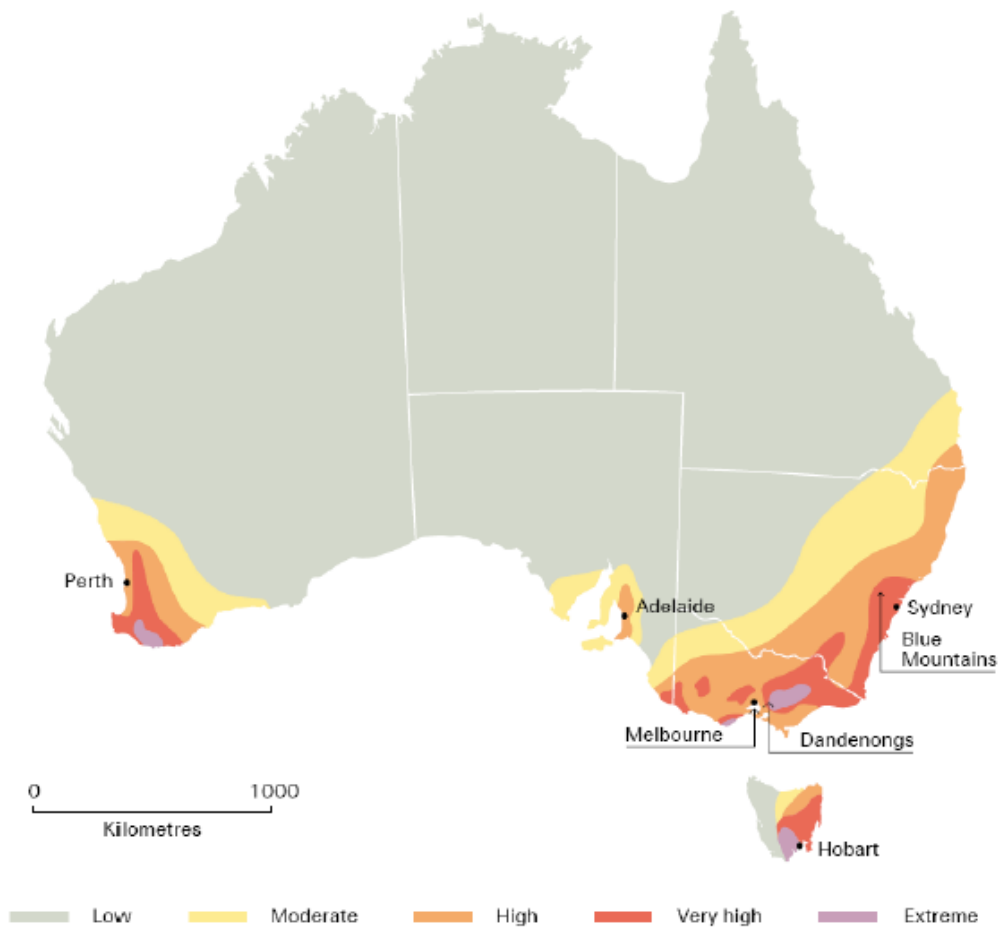
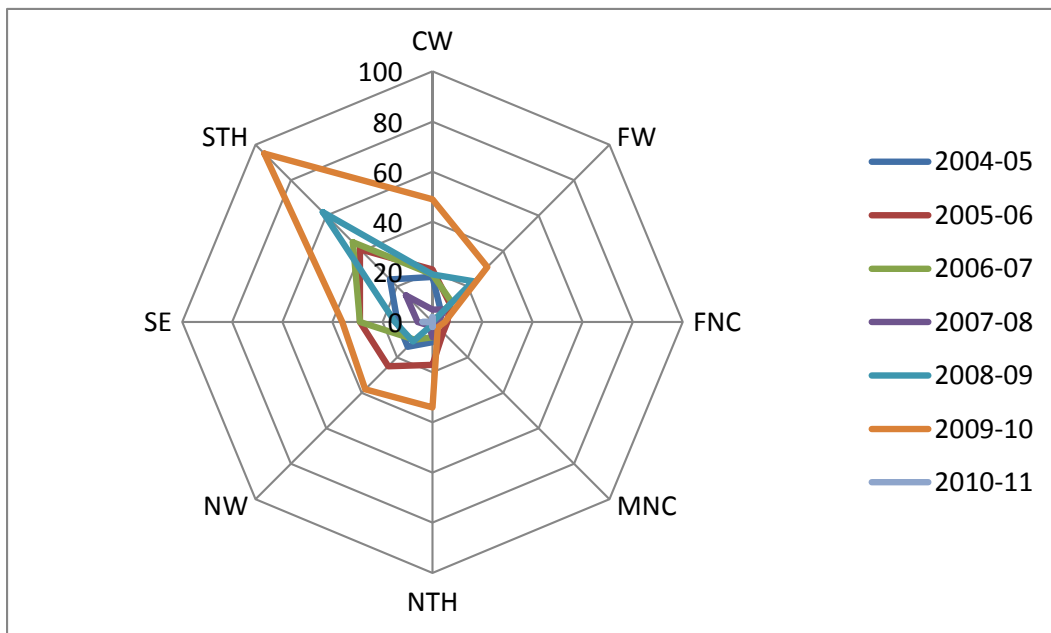
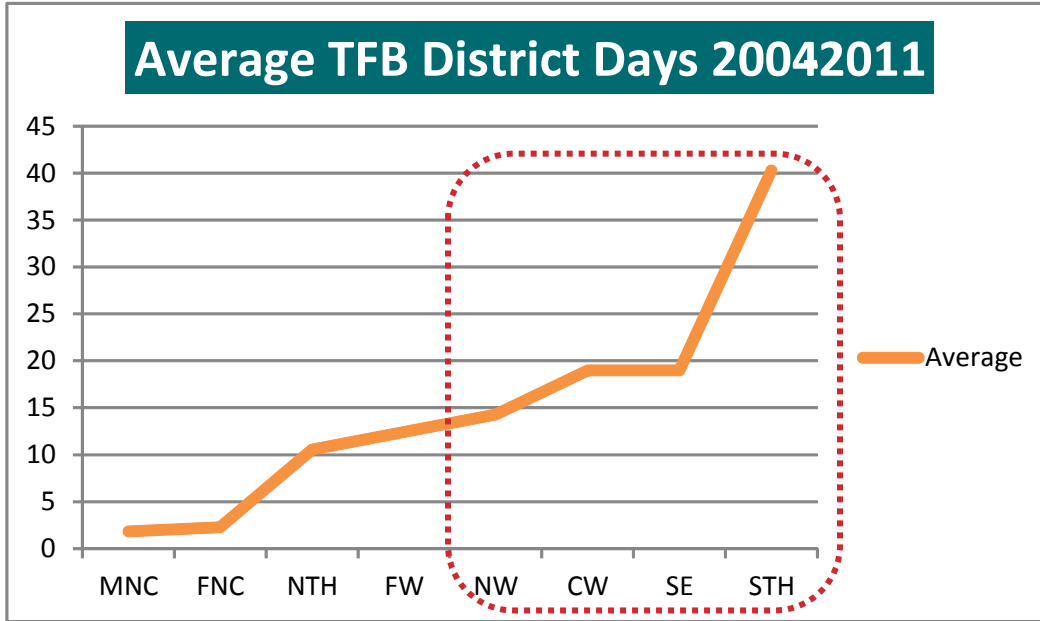


Table 1, Definition of bushfire potential zones (Johnson et al., 1995)

Zone	Definition
Low	Combination of heavy continuous grass and extreme fire weather is rare
Moderate	Predominantly in light-grass fuel loads or where extreme fire weather is relatively uncommon
High	Predominantly in grassland fuels or forests and woodlands with grass understoreys, extreme fire weather somewhat variable within zone
Very High	Moderate forest fuels and extreme fire weather is experienced within all parts of this zone
Extreme	Heavy forest fuels and extreme fire weather is very common within all parts of this zone

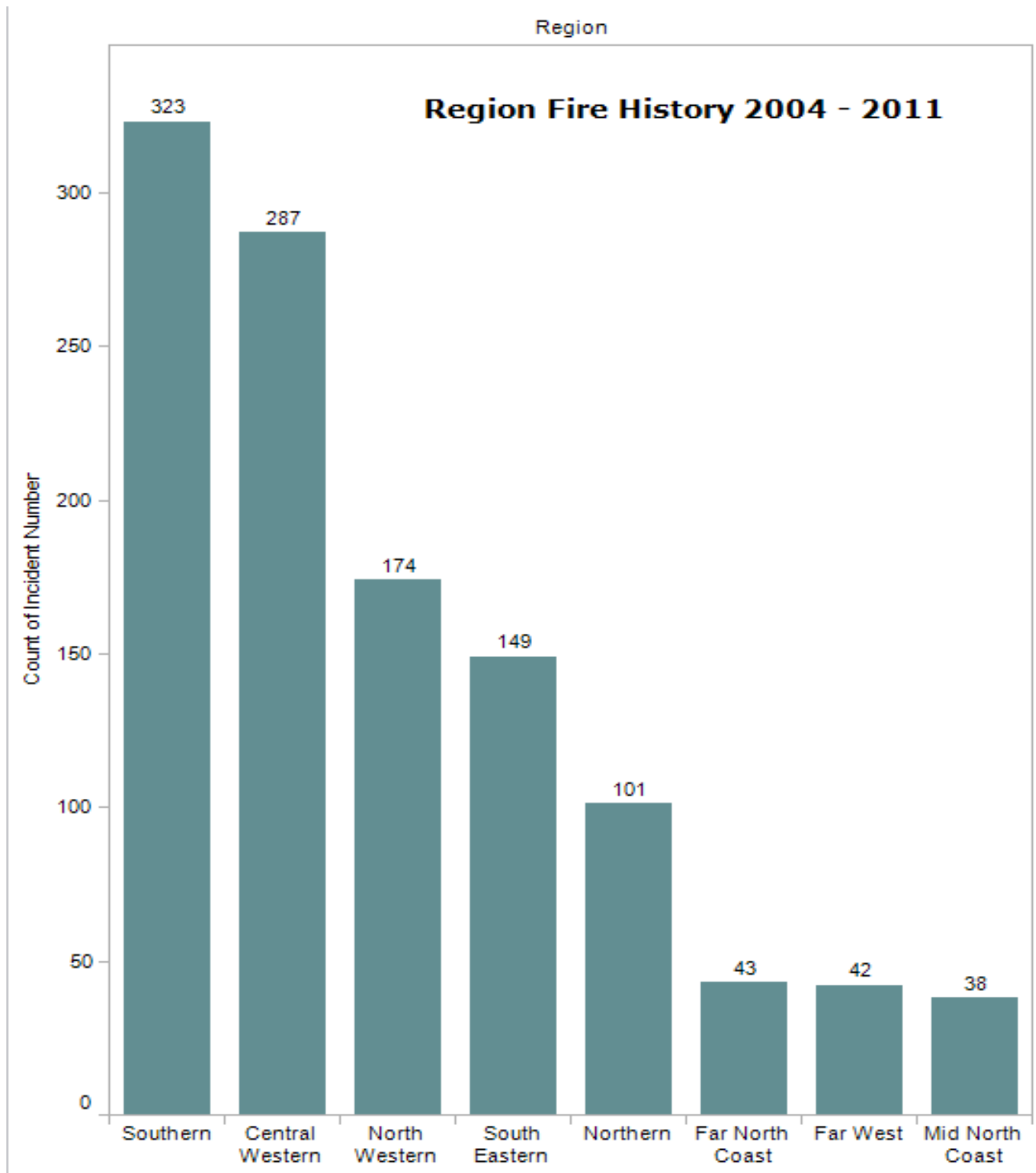
CLIMATIC INDICATORS – TOTAL FIRE BAN DAYS EXPERIENCE



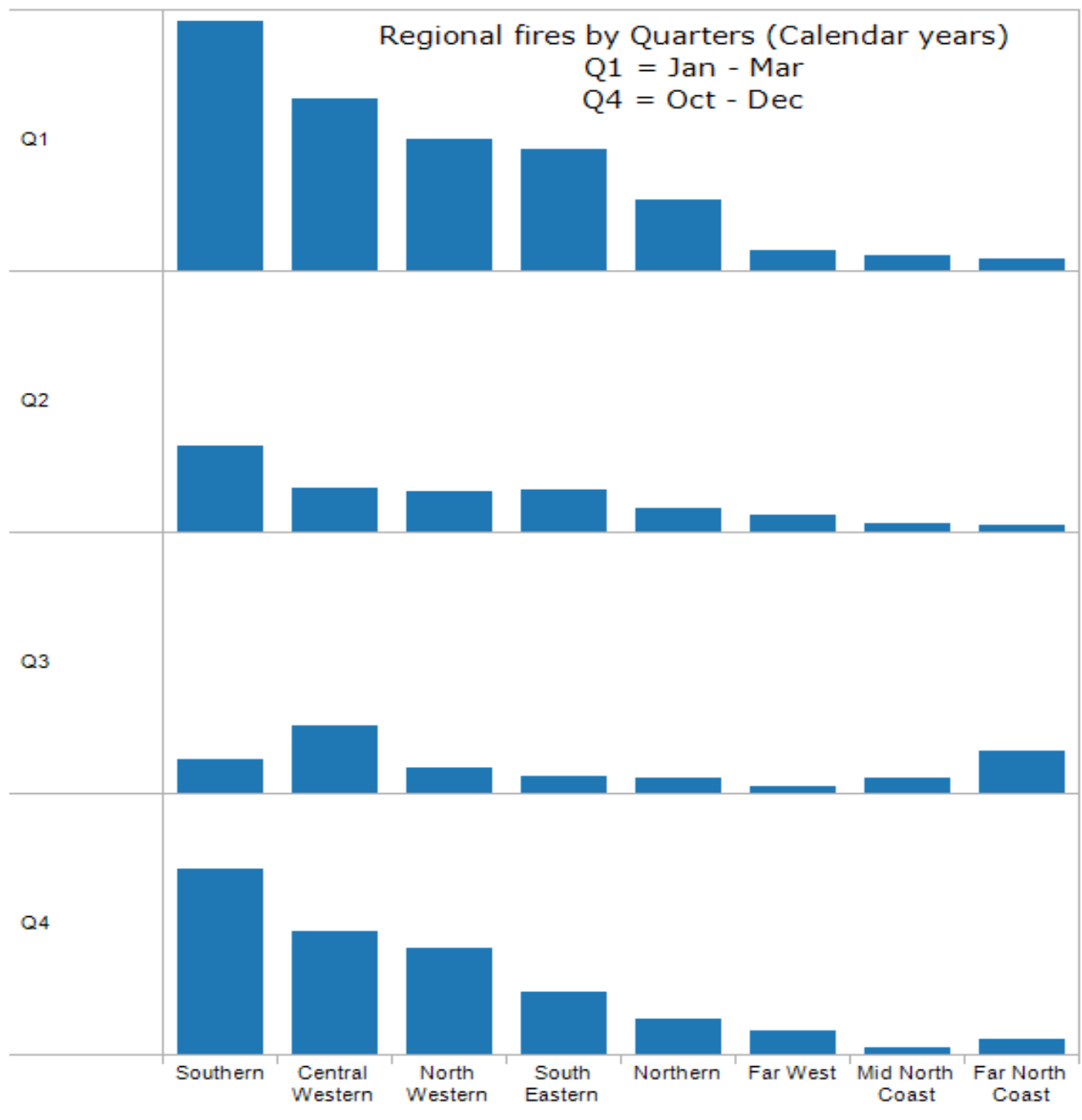
Region	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average	Total
MNC	3	6	0	1	0	3	0	2	13
FNC	3	6	0	2	0	5	0	2	16
NTH	8	17	6	6	1	34	2	11	74
FW	5	10	11	7	23	31	0	12	87
NW	14	25	10	2	11	38	0	14	100
CW	18	21	19	5	19	49	2	19	133
SE	14	29	29	6	15	36	4	19	133
STH	24	41	45	15	62	95	0	40	282

NW,CW,SE,STH all have cumulative total TFB days in excess of 100.

NETWORK FIRE START FREQUENCY BY REGION



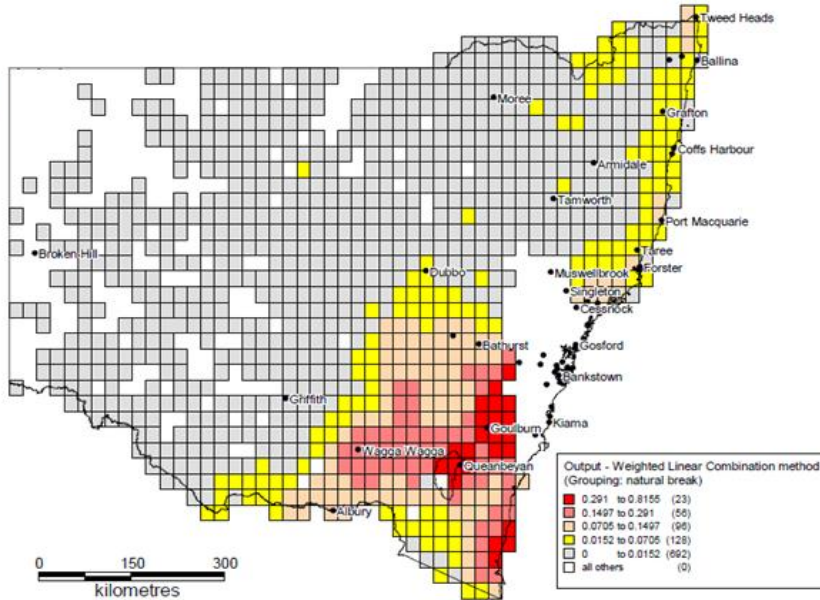
NETWORK FIRE START FREQUENCY BY REGION – SEASONALLY ADJUSTED



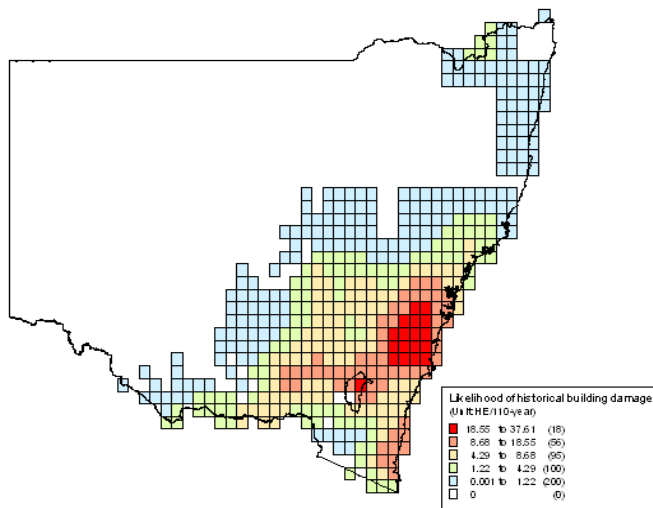
EXPERT OPINION

Risk Frontiers Presentation

Method 2: Weighted Linear Combination



E1: Interpolated spatial pattern of historical building damage



Kernel smoothing of affected locations: a 25km wide Gaussian distribution centred at each location affected by bushfire in the past 110 years

OTHER CONSIDERATIONS

Essential Energy took account of the following facts when determining the region risk profiles.

- South Eastern region population grows significantly in the summer danger period with tourist visitations in comparison with other high risk regions STH & CW.
- Given that Victoria has in general, a higher fire risk profile than NSW, EE has taken into consideration that we have regions located on the NSW/VIC state border (SE & STH & FW) with two of the three (SE & STH) having similar high risk climatic conditions, available fuels, and terrain.
- The South Eastern region sits within the Australian Alpine region with history of significant fires that are difficult for agencies to access and control
- Fires initiated in NSW around the state border have potential for spreading into Victoria (an area of even higher risk and sensitivity particularly given the recent Royal Commission and subsequent class actions cases against distributors).

Essential Energy is endeavouring to implement a new risk methodology in the future based on work of expert fire behavioural consultants.

APPENDIX A – PROFILE MAP > REGIONAL FIRE RISK



APPENDIX B – RELATED STRATEGY

Annual Aerial Patrol – Pre-Summer Bushfire Risk Strategy

The purpose of the annual aerial patrol is to provide a quick overview of the network prior to the fire seasons in order to identify and address any obvious defects that have occurred since the last groundline inspections, with potential to cause a fire. This is typically targeted at assets in remote locations where line defects or a fire start may go unnoticed for long periods of time, creating the potential for very large fires. Whilst the annual patrol provides other benefits to the network owner, these are secondary to the fire mitigation purposes.

The benefits include:

- Fire risk mitigation
- Reliability improvement
- Audit of vegetation conditions
- Top down view of pole top component conditions
- Detection of line or easement encroachments

The risk management approach to defect rectification is as follows in Table 1 – AP Defect Rectification Methodology

Table 1 – AP Defect Rectification Methodology

REGION	RISK RATING	DEFECT RECTIFICATION	TARGET COMPLETION DATE
North Coast	Low	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5m (11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st October</p> <p>BOM fire season: From Spring</p>

Far West (Low)	Low	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5m(11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st October</p> <p>BOM fire season: Summer</p>
Far West (Mod)	Moderate	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5m(11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st October</p> <p>BOM fire season: Summer</p>
Northern	Moderate	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5m(11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st October</p> <p>BOM fire season: Spring-Summer</p>

Southern (Mod)	Moderate	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5m(11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st November</p> <p>BOM fire season: Summer</p>
Southern (high)	High	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5, 1.5-3m (11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st November</p> <p>BOM fire season: Summer</p>
South Eastern	High	<p>Action the following Aerial Patrol defects:</p> <p>*Touching conductors HV/LV</p> <p>*0-1.5, 1.5-3m (11kV – 33kV) in HBPA's</p> <p>*0-1.5, 1.5-3m (11kV – 33kV)</p> <p>*0-1.5, 1.5-3m (66kV)</p> <p>*0-1.5, 1.5-3, 3-6m (132kV)</p> <p>Action the above defect categories for <u>all</u> VMA's in this region that are <u>not</u> groundline pre-listed between 1st January & 31st July for cyclic programs.</p>	<p>1st November</p> <p>BOM fire season: Spring-Summer</p>

Comment

“**Overhangs**” in all areas will be deferred to the next routine maintenance cycle.

“**1.5-3m**” sightings in Moderate & Low areas are deferred to the next routine maintenance cycle except those in RFS HBPA’s.

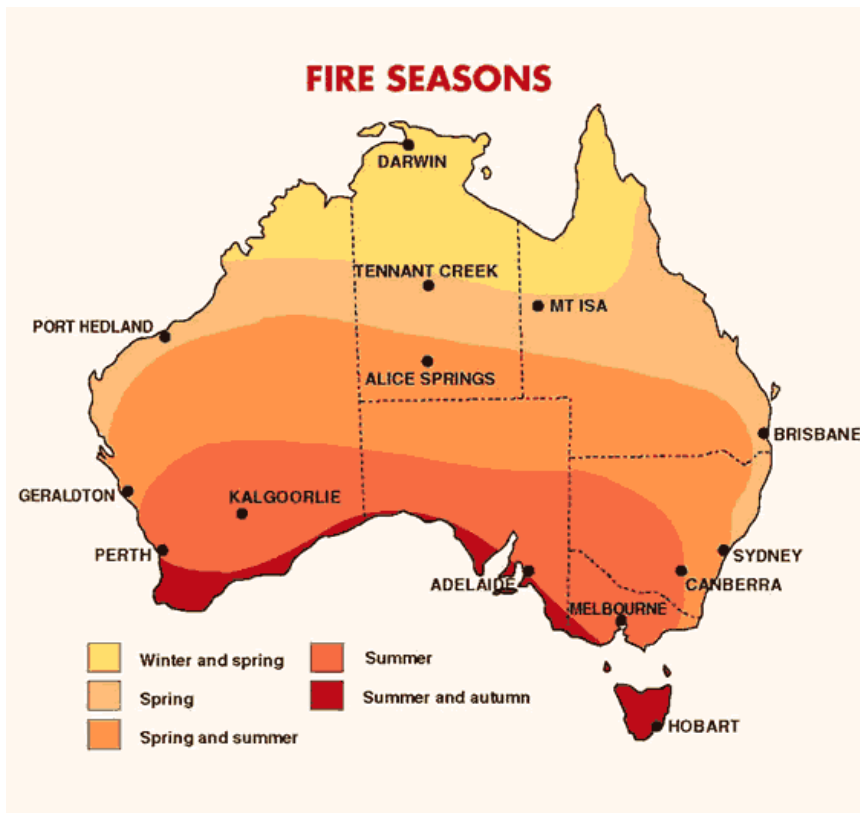
Low Voltage

After a two year trial of identification of LV vegetation defects by aircraft the “0-1m LV” has been removed from the AAP requirements due to the potential noise complaints and breach of CASA regulations. The AAP contractors will report any observation of vegetation touching LV mains. The risk will be managed by close monitoring of LV by groundline inspections and an increased focus on fitting of LV spreaders.

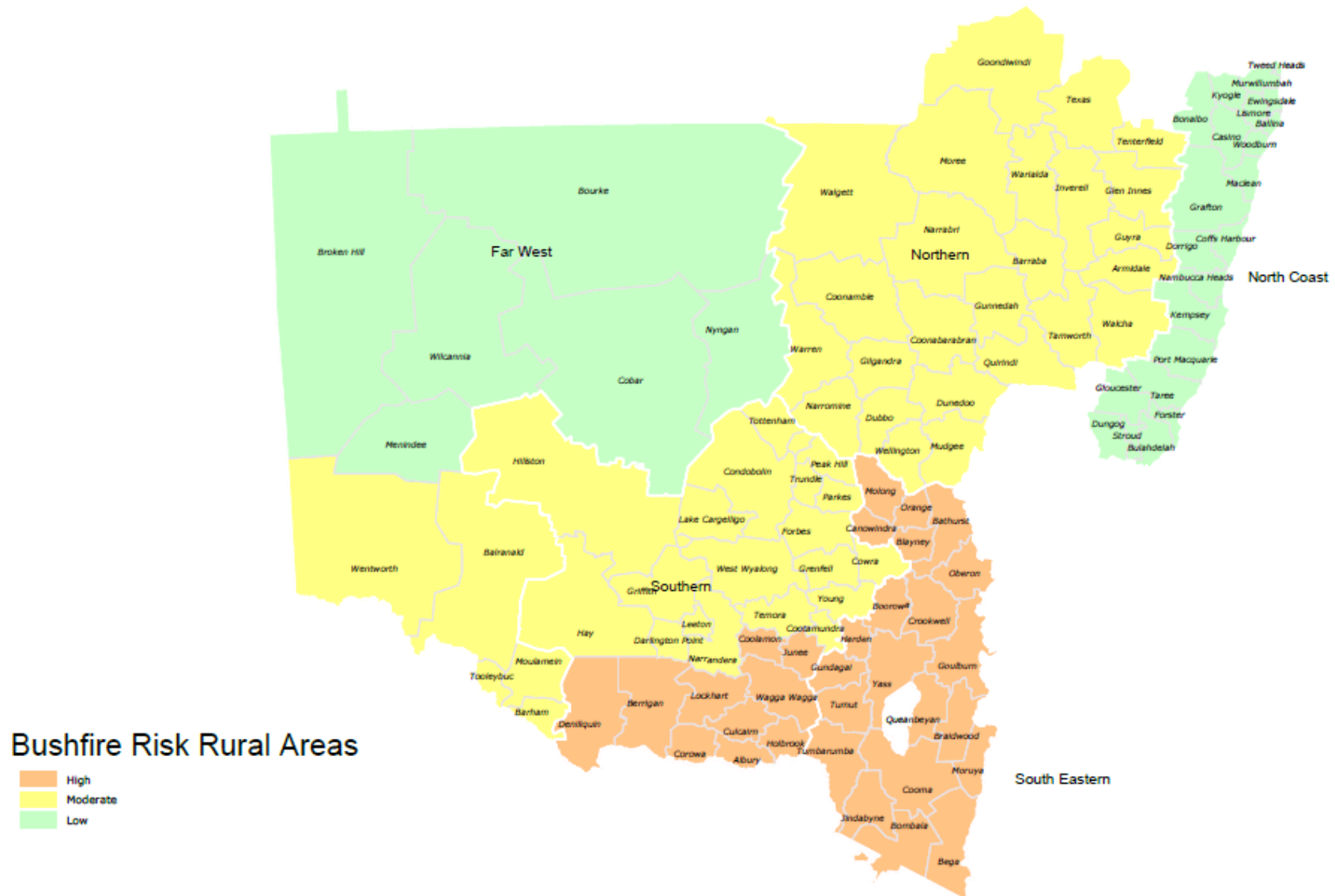
Target Dates

The target dates are taking into account (i) the BOM Australian Fire Seasons Map (ii) the RFS declarations & TFB activity, and (iii) the historical network fire start activity. Note: The RFS declaration dates are not fixed and vary each year depending on recommendations of the BFMC’s.

FIRE SEASONS – BOM Information



ESSENTIAL ENERGY Regional fire risk profile map



Appendix 12

Image 1: High Resolution Pole Top Photograph of Defective Timber Cross Arms - Defects Clearly Identifiable

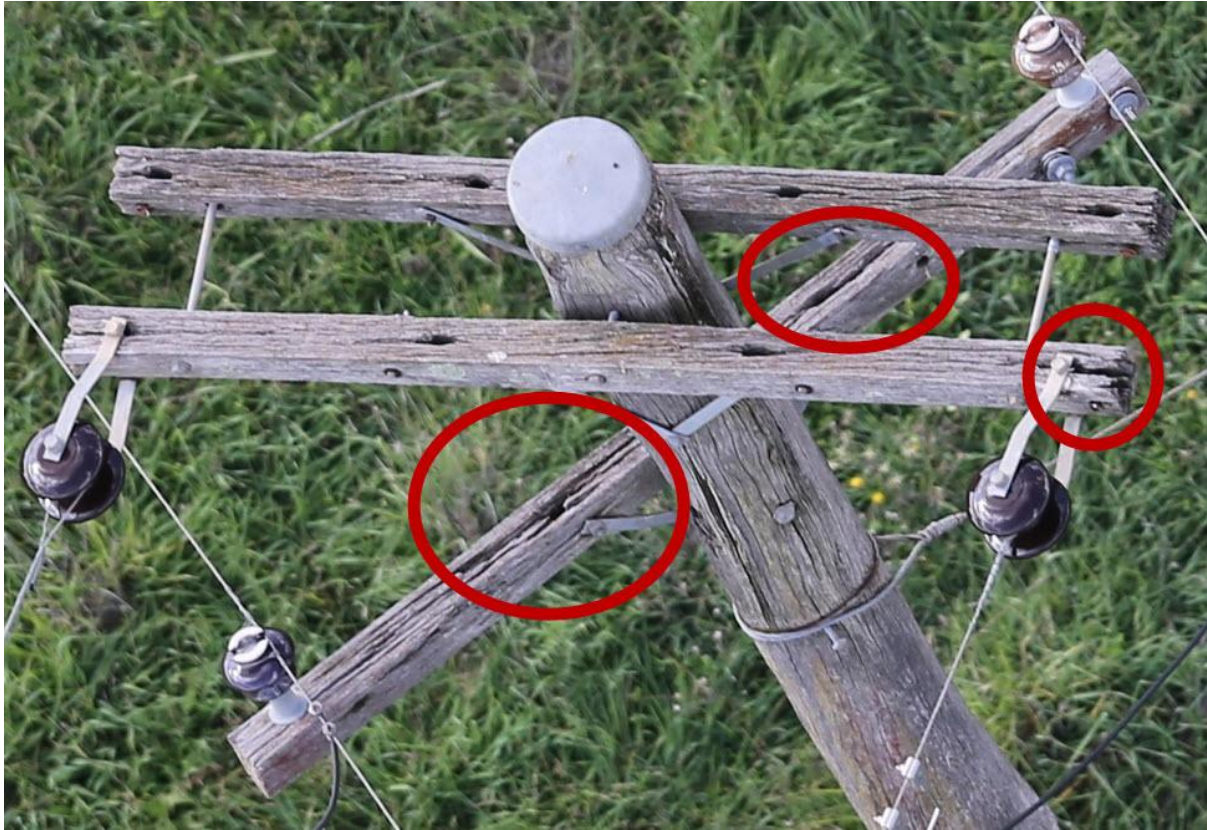
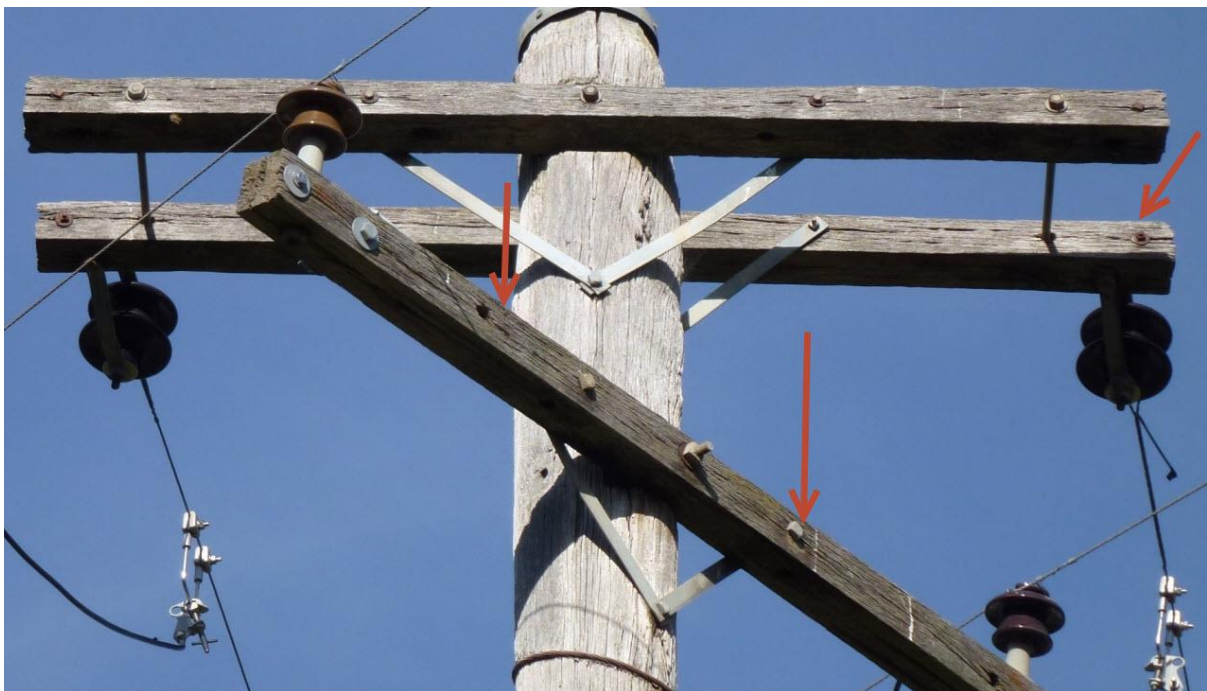


Image 2: Photograph of the Same Cross Arms taken from the ground - Defects not identifiable





CREW STRUCTURE & EQUIPMENT GUIDELINES FOR COMMON FIELD TASKS

Task	Crew Mix Recommendations						Plant Recommendations						Notes
	Total	PLW	APP PLW	OR	EW	ET	DL	EWP	OR	LINE TRUCK	OR	UTE	
Dress pole													
Urban Substation (complex)	3	1	1		1							1	Or 4 x 4 as substitute for LT
Substation (Rural and Urban non complex)	2		1		1							1	Or 4 x 4 as substitute for LT. EW can complete this task unsupervised by tradesman
Pin	2		1		1							1	Or 4 x 4 as substitute for LT. EW can complete this task unsupervised by tradesman
Strain	2		1		1							1	Or 4 x 4 as substitute for LT. EW can complete this task unsupervised by tradesman
Stand pole (HV Pin)													
Deenergised	4	1	2		1		1	1				1	Or 4 x 4 as substitute for LT. EW can be used as digger lifter operator /ground sparrow
Energised HV (Liveline)	4	3			1		1	1				1	Or 4 x 4 as substitute for LT. EW can be used as digger lifter operator /ground sparrow
Energised LV Pin	4	2	1		1		1	1				1	Or 4 x 4 as substitute for LT. EW / App can be used as digger lifter operator /ground sparrow
Sub Pole (Urban Complex)	4	2	1		1		1	1				1	
Sub Pole Rural/Urban Non Complex	3	1	1		1		1	1				1	
Straighten Pole													
	2	1	1		1		1					1	EW can be substituted for App (>1st yr)
Crossarm change													
Energised HV	3	3						1				1	Or 4 x 4 as substitute for LT
Energised LV	4	1	2		1			1				1	Or 4 x 4 as substitute for LT
Deenergised HV / LV	3	1	1		1			1				1	Or 4 x 4 as substitute for LT
Guy Wire Replacement													
	2	1	1		1			1				1	Or 4 x 4 as substitute for LT. Can also sub App for EW
Guy Rod Replacement													
	2	1	1		1		1						
Earth Testing / Replacement													
Testing distribution sub	2		1		1	1						1	EW can be substituted for App (>1st yr)
Testing Swer subs	2		1		1	1						1	EW can be substituted for App (>1st yr)
Earth install (no connection)	2		1		1							1	
Earth install (connection)	2		1		1	1						1	EW can be substituted for App (>1st yr)
Streetlighting M&R													
	2		1			1		1					
Metering (32 day) F&E													
	2		1		1	1						1	EW can be substituted for App (>1st yr)
Service Installations													
	2		1		1	1				1		1	EW can be substituted for App (>1st yr), 4x4 substituted for LT
EDO Refurbishments													
	3	1	1		1			1		1		1	Or 4 x 4 as substitute for LT
Transformer replacement / upgrade													
	3	1	1		1		1	1		1		1	Or 4 x 4 as substitute for LT
Pit and Pillar inspections													
	2		1		1	1						1	

NOTES:

- 1 - Where Depots DO NOT have an ET, they can use a qualified PLW instead
- 2 - 1st year apprentices cannot be used as safety observers, and have limited use in the field. Should not be included as a number in a field crew mix indicated above
- 3 - Only 4th year apprentices can dress a pole unsupervised by a qualified staff member
- 4 - Where there is a **Yellow** box, either a APP PLW or a EW can be utilised for that task. Not both. The same applies to Line Trucks & Utility Vehicles.
- 5 - If a Depot does not have an APP PLW available, an EW can be used instead.
- 6 - An apprentice can only receive an Access Permit after they have received training and obtained

LEGEND

- PLW - Powerline Worker
- ET - Electrical Technician
- APP PLW - Apprentice Powerline worker
- LT - Line Truck
- EW - Electrical Worker
- DL - Digger Lifter
- EWP - Elevated work platform



DECISION

Fair Work Act 2009
s.185—Enterprise agreement

Essential Energy
(AG2014/1651)

ESSENTIAL ENERGY ENTERPRISE AGREEMENT 2013

Electrical power industry

SENIOR DEPUTY PRESIDENT HAMBERGER

SYDNEY, 9 JULY 2014

Application for approval of the Essential Energy Enterprise Agreement 2013.

[1] An application has been made for approval of an enterprise agreement known as the *Essential Energy Enterprise Agreement 2013* (the Agreement). The application was made pursuant to s.185 of the *Fair Work Act 2009* (the Act).

[2] I am satisfied that each of the requirements of ss.186, 187 and 188 of the Act as are relevant to this application for approval have been met.

[3] The, Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU), the Australian Municipal, Administrative, Clerical and Services Union - New South Wales Local Government Clerical, Administrative, Energy, Airlines & Utilities Branch (USU), and Association of Professional Engineers, Scientists and Managers, Australia being bargaining representatives for the Agreement, have given notice under s.183 of the Act that they want the Agreement to cover it. In accordance with s.201(2) of the Act I note that the Agreement covers the organisations.

[4] The Agreement is approved and will operate from 16 July 2014. The nominal expiry date of the Agreement is 30 June 2015.



SENIOR DEPUTY PRESIDENT

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Essential Energy Enterprise Agreement 2013

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SECTION 1 - ADMINISTRATIVE PROVISIONS

1.1 TITLE

This Agreement is a single enterprise agreement made in accordance with Section 172 of the Fair Work Act 2009 (Cth) and shall be known as the Essential Energy Enterprise Agreement 2013 (the Agreement).

1.2 PARTIES

The parties to this Agreement are:

- Essential Energy
- Essential Energy employees as defined in Clause 1.3 (Coverage)
- Communications Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia New South Wales Divisional Branch (CEPU NSW)
- Electrical Trades Union of Australia, New South Wales Branch (ETU NSW)
- Australian Municipal, Administrative, Clerical & Services Union NSW United Services Branch (USU),
- Association of Professional, Engineers, Scientists & Managers, Australia NSW Branch (APESMA)

1.3 COVERAGE

This Agreement applies to Essential Energy and its employees who are paid a base weekly rate of pay up to and including Pay Point 44 as contained in Section 6 Clause 6.12 (Table 1: Essential Energy Rates of Pay) of this Agreement. Employees whose base weekly rate of pay is above Pay Point 44 will not be covered by the terms of this Agreement and shall instead be in accordance with a Total Remuneration Package (TRP) contract of Employment.

Under the terms of this Agreement, Essential Energy will not offer Total Remuneration Package (TRP) contracts to any new employees whose base weekly rate of pay is up to and including Pay Point 44 as contained in Section 6 Clause 6.12 (Table 1: Essential Energy Rates of Pay) of this Agreement.

This Agreement otherwise governs all employment, wages and conditions of the employees to whom this Agreement applies.

1.4 EXCLUSIONS FROM COVERAGE

This Agreement operates to the exclusion of and supersedes or replaces the following Awards and Agreements in their entirety:

- Electrical Power Industry Award 2010
- Essential Energy Enterprise Agreement 2011
- Country Energy Enterprise Award 2007
- Country Energy Enterprise Agreement 2009
- Country Energy Managers & Specialists Enterprise Agreement 2009
- Country Energy Human Resources Adviser Enterprise Agreement 2008
- Country Energy Technical Training Enterprise Agreement 2008
- Country Energy Service Delivery Area Managers Enterprise Agreement 2006
- Country Energy Personal and Executive Assistants Enterprise Agreement 2009

This Agreement includes Section 7 (Agreed Varied Conditions for Particular Classifications). Where there is any inconsistency between these Schedules and the terms and conditions of this Agreement, the Schedules shall take precedence to the extent of the inconsistency.

1.5 DATE AND PERIOD OF OPERATION

This Agreement shall take effect from the first full pay period beginning seven (7) days after Fair Work Australia approves the enterprise agreement. Thereafter, this Agreement shall remain in force until 30 June 2015 and will continue to operate until it is replaced by a new Agreement or terminated in accordance with the Act.

1.6 OBJECTIVES

The agreed objectives of this Agreement are:

- a) Demonstrated high value commitment to Occupational Health and Safety from Essential Energy employees.
- b) Achievement of Essential Energy's corporate business objectives and strategies.
- c) Delivery of quality customer service and continuous improvement programs.
- d) Development of the highest quality training, career opportunities and occupational health and safety programs and policies.
- e) Recognition of the contributions of all employees to improvements in safety, productivity, efficiency and competitiveness, and their participation in the achievement of these objectives.
- f) To provide terms and conditions of employment in conjunction with operational policies and procedures.

1.7 POLICIES AND PROCEDURES

All operational policy and procedures relating to conditions of employment shall be developed or altered in accordance with the consultation process set in Section 1 Clause 1.13 (Consultation and Communication) of this Agreement. All such policies will be made available at all Essential Energy locations for access by all employees.

1.8 FUTURE NEGOTIATIONS

At least three (3) months before the nominal expiry of this Agreement the parties will commence negotiations for a replacement Enterprise Agreement.

1.9 DEFINITIONS

Act means the Fair Work Act 2009.

Dismissal means termination of employment for misconduct, inefficiency, incapacity, unsatisfactory performance or repeated absences from work.

Medical Certificate means a certificate provided by a registered or licensed health practitioner under a law of a State or Territory that provides for the registration or licensing of health practitioners.

1.10 SAFETY

The health, safety and wellbeing of Essential Energy employees are of paramount importance. Essential Energy's Health and Safety Policy embodies the following commitments to employee safety:

- a) To ensure the safety of all employees Essential Energy will provide a safe working environment in accordance with relevant Work Health and Safety legislation.
- b) All employees will work in a safe manner as required under the Work Health and Safety Act and regulations as varied from time to time.
- c) Employees are required to wear appropriate personal protective clothing and use safety equipment for the purpose for which they are provided, and observe all health and safety policies and procedures.
- d) Essential Energy commits to the payment of an Electrical Safety Rules Allowance paid for all purposes of the Agreement as described in Section 6 Clause 6.16 (Electrical Safety Rules Allowance Guideline) and Clause 6.15 (Essential Energy Electrical Safety Rules Allowance).

1.11 ANTI-DISCRIMINATION

- a) It is the intention of the parties to seek to prevent and eliminate discrimination on the grounds of race, sex, age, marital status, family responsibilities, disability, trade union membership or activity, homosexuality, transgender identity, national extraction or social origin.
- b) The parties have obligations to take all necessary steps to ensure that the operation of the provisions of this Agreement is not directly or indirectly discriminatory in their effect.
- c) Under the Anti-Discrimination Act 1977, it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.
- d) Nothing in this Clause is to be taken to affect:
 - (i) Any conduct or act which is specifically exempted from anti-discrimination legislation
 - (ii) Offering or providing junior rates of pay to person's under 21 years of age
 - (iii) Any act or practice of a body established to propagate religion which is exempted under Section 56 (d) of the Anti-Discrimination Act 1977

- (iv) A party to this agreement from pursuing matters of unlawful discrimination in any State or Federal jurisdiction

This Clause does not create legal rights or obligations in addition to those imposed upon the parties by the legislation referred to in this Clause.

1.12 INDIVIDUAL FLEXIBILITY ARRANGEMENT

- a) An employer and employee covered by this Enterprise Agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the agreement if:
- (i) the agreement deals with one (1) or more of the following matters:
 - arrangements about start and/or finish times where requested by an employee and mutually agreed with the employee's immediate supervisor
 - the taking of accumulated rostered days off
 - (ii) the arrangement meets the genuine needs of the employer and employee in relation to one (1) or more of the matters mentioned in paragraph (a); and
 - (iii) the arrangement is genuinely agreed to by the employer and employee.
- b) The employer must ensure that the terms of the individual flexibility arrangement:
- (i) are about permitted matters under section 172 of the Fair Work Act 2009; and
 - (ii) are not unlawful terms under section 194 of the Fair Work Act 2009; and
 - (iii) result in the employee being better off overall than the employee would be if no arrangement was made.
- c) The employer must ensure that the individual flexibility arrangement:
- (iv) is in writing; and
 - (v) includes the name of the employer and employee; and
 - (vi) is signed by the employer and employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and
 - (vii) includes details of:
 - the terms of the Enterprise Agreement that will be varied by the arrangement; and
 - how the arrangement will vary the effect of the terms; and
 - how the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and
 - (viii) states the day on which the arrangement commences.
- d) The employer must give the employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.
- e) The employer or employee may terminate the individual flexibility arrangement:

- (i) by giving no more than 28 days written notice to the other party to the arrangement; or
- (ii) if the employer and employee agree in writing – at any time.

1.13 CONSULTATION AND COMMUNICATION

1.13.1 Consultative Committee Formation

Essential Energy will form Consultative Committees from time to time consisting of representatives of Essential Energy employees, the unions and Essential Energy management.

During the term of this agreement, proposed changes (other than in direct response to a statutory obligation) that will materially impact employees will be subject to consultation using Consultative Committees.

Consultative Committees will seek to apply interest-based techniques to assist in understanding the interests and concerns of Essential Energy employees, the unions and Essential Energy management.

As part of the formation of any Consultative Committee, the Committee will establish an agreed consultation plan, clearly describing the subject nature of the consultation, the intended consultative process steps and the timetable for completion of these steps.

Should the representatives on a Consultative Committee be unable to agree upon a consultation plan as described in this clause, they will have recourse to the Dispute & Grievance Resolution Procedure (Clause 1.15).

1.13.2 Consultative Committee Objectives

The objectives relate to major and strategic issues that may affect the relationship between Essential Energy and its employees and include:

- a) to enable Essential Energy to keep its employees, and the unions representing them, informed;
- b) to enable unions and their members to keep Essential Energy informed;
- c) to enable employees to have input to the decisions of management;
- d) to facilitate the exchange of views between employees and management;
- e) to provide a forum for the exploration and understanding of "best practice" and its application within Essential Energy;
- f) to act as a 'think tank' to raise ideas and concepts and provide a forum to discuss improvements in Essential Energy's performance and efficiency;
- g) to enable the establishment of mechanisms to gauge and report upon productivity improvement.

1.13.3 Disputes

At any time during the process outlined in this clause either party may refer the matter to the Dispute and Grievance Resolution Procedure (Clause 1.15 of this Agreement) for resolution.

1.14 WORK PRACTICE CHANGE

1.14.1 Continuous Improvement and Best Practice

Essential Energy seeks continuous improvement and best practice in all that we do. Essential Energy employees, the unions and Essential Energy management commit to actively supporting and contributing to the "process" of change.

The primary focus for improvement will be upon internally developing and implementing efficiencies to address Essential Energy's performance challenges while ensuring safety, cost effectiveness and service to our customers. Our collective aim is to be safe, competitive and achieve best practice with the goal of achieving sustainable internal employment levels.

As part of the search for continuous improvement and best practice, Essential Energy will seek to benchmark across regions and depots for best practice and to identify and prioritise the areas where productivity improvement can or should be achieved.

The parties including relevant work groups/employees may, via the consultative process in this agreement, utilise external benchmarking prior to market testing to permit internal efforts to improve efficiencies and become more competitive.

1.14.2 Change Following Consultation

Any change will only occur following the consultation process outlined in Clause 1.13 (Consultation and Communication).

Consistent with the overall intent of this clause Essential Energy employees, the unions and Essential Energy management will seek to adopt ways to most efficiently utilise the resources and time commitment required from those involved in consultation processes (such as shop floor people, line management, delegates, union officials and senior managers).

1.14.3 Assessment Criteria

Assessment criteria will include but is not limited to:

- safety;
- hardship;
- workload;
- job security;
- building mutual respect and job satisfaction;
- tangible productivity improvement; and,
- any other legislative requirements.

1.15 DISPUTE & GRIEVANCE RESOLUTION PROCEDURE

1.15.1 Dispute Resolution Procedure

The dispute resolution procedure will be used to deal with all disputes arising out of the employer-employee relationship.

While a dispute is being dealt with under the dispute resolution procedure the status quo is to be maintained; that is the situation that existed immediately prior to the issue that gave rise to the dispute.

While a dispute is being dealt with under the dispute resolution procedure work is to continue as normal. The process will not be accompanied by industrial action.

Disputes should, as far as possible, be resolved at their source and at the lowest possible level.

Disputes should remain in the part of the organisation concerned without interference from employees not involved.

All those involved in dealing with a dispute should adopt an interest-based approach. They should appreciate the interests and points of view of the other parties, approach discussions in good faith, work co-operatively to try and resolve the matter, and arrange and attend meetings without unnecessary delay. Essential Energy will, where possible, take the needs of employees into account when making decisions.

1.15.2 Local Matters

Tier 1: Resolution of local matters will be sought at their source with the involvement of the following:

- the employee(s) concerned and the union delegate (if requested by the employee(s));
- the supervisor and manager (if required);
- the relevant union(s).

Tier 2: If the issue or dispute is not resolved at the local level, it may be referred to the corporate level with involvement of the following:

- the union organiser(s), relevant local delegate and employee(s) concerned if necessary;
- Executive Manager(s) affected local manager(s), General Manager People & Services and Manager Employee Relations.

An independent third party facilitator may be engaged to assist in resolving the issue or dispute, if agreed by all affected parties.

Tier 3: If the issue or dispute remains unresolved, it may be referred to the Fair Work Commission for conciliation and/or arbitration, by either Essential Energy and/or the relevant union(s) with the rights of the parties to appeal being reserved. If both parties agree, a person other than the Fair Work Commission can be asked to deal with the issue or dispute, as provided for under s. 740 of the Fair Work Act 2009.

1.15.3 Corporate-wide Issues

Tier 2: Claims or issues may be raised by either:

- Employee(s);
- Relevant Union(s); or
- Essential Energy.

Resolution of the issues raised should involve:

- Relevant member(s) of Executive Management and any other necessary resources, and
- Union Organisers and relevant Delegates to ensure input reflects the organisation or the issues raised.

Tier 3: If the issues remain unresolved the matter may be referred to the Fair Work Commission for conciliation and/or arbitration with the rights of the parties to appeal being reserved. If both parties agree, a person other than the Fair Work Commission can be asked to deal with the issue or dispute, as provided for under s. 740 of the Fair Work Act 2009.

1.15.4 Other Agreed Initiatives

There will be joint training of union delegates and line managers in dispute resolution.

The parties will work together actively to identify any "grey areas" in the agreement and seek to agree on the correct interpretation before disputes arise. The Manager Employee Relations will collate the various interpretations made by the Fair Work Commission (FWC) of provisions in the agreement and share these with the unions, together with all workgroup arrangements and other understandings. The Employee Relations team will circulate a regular update providing information on pay and conditions issues.

1.16 PAYMENT

- a) Employees shall be paid fortnightly and pay shall be available at the commencement of business on Thursdays by direct crediting of pay to an employee's nominated Bank, Building Society or Credit Union account.
- b) Essential Energy shall deduct out of an employee's pay such amounts as the employee requests, in writing, in respect of contributions or payments for approved purposes.

1.17 DEDUCTION OF UNION MEMBERSHIP FEES

- a) The union shall provide the employer with a schedule setting out union weekly membership fees payable by members of the union in accordance with the union's rules.
- b) The union shall advise the employer of any change to the amount of weekly membership fees made under its rules. Any variation to the schedule of union weekly membership fees payable shall be provided to the employer at least one month in advance of the variation taking effect.
- c) Subject to a) and b) above, the employer shall deduct union weekly membership fees from the pay of any employee who is a member of the union in accordance with the union's rules, provided that the employee has authorised the employer to make such deductions.
- d) Monies so deducted from the employee's pay shall be forwarded regularly to the union together with all necessary information to enable the union to reconcile and credit subscriptions to the employee's union membership accounts.
- e) Unless other arrangements are agreed to by the employer and the union, all union membership fees shall be deducted on a fortnightly or monthly basis in line with the relevant employee's pay arrangements.

- f) Where an employee has already authorised the deduction of union membership fees from his or her pay prior to this clause taking effect, nothing in this clause shall be read as requiring the employee to make a fresh authorisation in order for such deductions to continue.

1.18 CLASSIFICATION AND RATES OF PAY

The classification of all roles shall be determined by the major and substantial functions and duties of a position in accordance with the position description.

The corresponding weekly rates of pay in Section 6 Clause 6.12 (Table 1: Essential Energy Rates of Pay) of this Agreement shall apply to employees in their respective classifications. The rates are inclusive of annual leave loading. The rates are inclusive of a loading for work performed in the following circumstances: confined spaces, underground work, working at heights, wet and dirty places, and use of power tools.

1.19 CALCULATION OF SERVICE

An employee's service with Essential Energy for all purposes of this Agreement shall be taken to be that period from the date of commencement to the date of termination of employment, such dates to be inclusive provided that entitlements due under this Agreement shall be subject to the deduction of any entitlements taken or represented by payment in lieu thereof made to the employee upon termination of employment or upon transfer from one body to another.

Periods included:

- a) Service with Essential Energy shall include that period with the former electricity distributors Advance Energy, Great Southern Energy and Northpower provided service is unbroken by a period of employment or absence outside the service of any such body. Service shall include periods of service which has been previously recognised by those bodies.
- b) Employment with a Group Training Company during the term of an Apprenticeship/Traineeship for the period/s hosted by Essential Energy or the former electricity distributors as listed above.
- c) Approved periods of leave with pay.
- d) Periods of approved personal leave with pay.
- e) Periods of absence for which the employee is entitled to Accident Pay and/or Workers Compensation.
- f) Periods of leave without pay, if specifically approved as leave without pay that counts as service.
- g) Any absence engaged in Defence Service Training or periods of service under enlistment with any of Her Majesty's Forces, provided the employee has enlisted or been engaged in Defence Service from and returned directly to the service of Essential Energy.
- h) Any temporary employment, which is continuous with a period of full time employment.

1.20 APPOINTMENTS AND PROGRESSION

Appointments will be made at the base classification rate for each applicable role. Appointments may be made above the entry level for the classification for an applicable role within the appropriate evaluated band subject to approval by executive level management.

Progression within each classification will be as described for each role in Section 8 - Progression Guidelines.

In addition to the progression criteria as mentioned above, all progression will be subject to satisfactory performance determined from performance review.

1.21 COMPETENCIES

The parties to this Agreement remain committed to the Australian Qualifications Framework, however qualification attainment will be at the discretion of the business, and subject to business needs unless a regulatory or licensing outcome is required for the role.

1.22 SECURE EMPLOYMENT

1.22.1 Objective of this Clause

The objective of this clause is for the employer to take all reasonable steps to provide its employees with secure employment by maximising the number of permanent positions in the employer's workforce, in particular by ensuring that casual employees have an opportunity to elect to become full-time or part-time employees.

1.22.2 Casual Conversion

- a) A casual employee engaged by a particular employer on a regular and systematic basis for a sequence of periods of employment under this Agreement during a calendar period of six (6) months shall thereafter have the right to elect to have his or her ongoing contract of employment converted to permanent full-time employment or part-time employment if the employment is to continue beyond the conversion process prescribed by this subclause.
- b) Every employer of such a casual employee shall give the employee notice in writing of the provisions of this sub-clause within four (4) weeks of the employee having attained such period of six (6) months. However, the employee retains his or her right of election under this subclause if the employer fails to comply with this notice requirement.
- c) Any casual employee who has a right to elect under paragraph a), upon receiving notice under paragraph b) or after the expiry of the time for giving such notice, may give four (4) weeks notice in writing to the employer that he or she seeks to elect to convert his or her ongoing contract of employment to full-time or part-time employment, and within four weeks of receiving such notice from the employee, the employer shall consent to or refuse the election, but shall not unreasonably so refuse. Where an employer refuses an election to convert, the reasons for doing so shall be fully stated and discussed with the employee concerned, and a genuine attempt shall be made to reach agreement. Any dispute about a refusal of an election to convert an ongoing contract of employment shall be dealt with as far as practicable and with expedition through Clause 1.15 (Dispute and Grievance Resolution Procedure).

- d) Any casual employee who does not, within four (4) weeks of receiving written notice from the employer, elect to convert his or her ongoing contract of employment to full-time employment or part-time employment will be deemed to have elected against any such conversion.
- e) Once a casual employee has elected to become and been converted to a full-time employee or a part-time employee, the employee may only revert to casual employment by written agreement with the employer.
- f) If a casual employee has elected to have his or her contract of employment converted to full-time or part-time employment in accordance with paragraph c), the employer and employee shall, in accordance with this paragraph, and subject to paragraph c), discuss and agree upon:
 - (i) Whether the employee will convert to full-time or part-time employment; and
 - (ii) If it is agreed that the employee will become a part-time employee, the number of hours and the pattern of hours that will be worked either consistent with any other part-time employment provisions of this Agreement.

Provided that an employee who has worked on a full-time basis throughout the period of casual employment has the right to elect to convert his or her contract of employment to full-time employment and an employee who has worked on a part-time basis during the period of casual employment has the right to elect to convert his or her contract of employment to part-time employment, on the basis of the same number of hours and times of work as previously worked, unless other arrangements are agreed between the employer and the employee.

- g) Following an agreement being reached pursuant to paragraph (f), the employee shall convert to full-time or part-time employment. If there is any dispute about the arrangements to apply to an employee converting from casual employment to full-time or part-time employment, it shall be dealt with as far as practicable and with expedition through Clause 1.15 (Dispute and Grievance Resolution Procedure).
- h) An employee must not be engaged and re-engaged, dismissed or replaced in order to avoid any obligation under this subclause.

1.22.3 Occupational Health and Safety

- a) For the purposes of this subclause, the following definitions shall apply:
 - (i) A "labour hire business" is a business (whether an organisation, business enterprise, company, partnership, co-operative, sole trader, family trust or unit trust, corporation and/or person) which has as its business function, or one of its business functions, to supply staff employed or engaged by it to another employer for the purpose of such staff performing work or services for that other employer.
 - (ii) A "contract business" is a business (whether an organisation, business enterprise, company, partnership, co-operative, sole trader, family trust or unit trust, corporation and/or person) which is contracted by another employer to provide a specified service or services or to produce a specific outcome or result for that other employer which might otherwise have been carried out by that other employer's own employees.
- b) Any employer which engages a labour hire business and/or a contract business to perform work wholly or partially on the employer's premises shall do the following (either directly, or through the agency of the labour hire or contract business):
 - (i) Consult with employees of the labour hire business and/or contract business regarding the workplace occupational health and safety consultative arrangements;

- (ii) Provide employees of the labour hire business and/or contract business with appropriate occupational health and safety induction training including the appropriate training required for such employees to perform their jobs safely;
 - (iii) Provide employees of the labour hire business and/or contract business with appropriate personal protective equipment and/or clothing and all safe work method statements that they would otherwise supply to their own employees; and
 - (iv) Ensure employees of the labour hire business and/or contract business are made aware of any risks identified in the workplace and the procedures to control those risks.
- c) Nothing in subclause b) is intended to affect or detract from any obligation or responsibility upon a labour hire business arising under the Work Health and Safety Act 2011 or the Workplace Injury Management and Workers Compensation Act 1998.

1.22.4 Disputes Regarding the Application of this Clause

Where a dispute arises as to the application or implementation of this clause, the matter shall be dealt with pursuant to Clause 1.15 (Dispute and Grievance Resolution Procedure) of this Agreement.

This clause has no application in respect of organisations which are properly registered as Group Training Organisations under the Apprenticeship and Traineeship Act 2001 (or equivalent interstate legislation) and are deemed by the relevant State Training Authority to comply with the national standards for Group Training Organisations established by the ANTA Ministerial Council.

1.23 SALARY SACRIFICE

The following employee salary sacrifice options are available in Essential Energy:

- a) Employees may elect to receive superannuation benefits in lieu of a proportion of their Agreement wages. The employee's election to vary this superannuation benefit must be in writing and must occur no more than once per calendar year.
- b) Where approved and in accordance with the Essential Energy Fleet: Private Use of Vehicles Procedural Guideline, an employee may elect to salary sacrifice private use contributions arising from their use of an Essential Energy motor vehicle with an approved private use component.
- c) Any additional salary sacrifice option which becomes available during the life of this Agreement that meets ATO guidelines or rulings will be subject to review and agreement of the parties prior to implementation.

1.24 SUPERANNUATION

- a) At the commencement date of this Agreement, employees covered by the Agreement will receive a 15% employer contribution to superannuation.
- b) The legislated increases in the Superannuation Guarantee Contribution (SGC) during the term of this Agreement (0.25% on 1 July 2013 and 0.25% on 1 July 2014) will be absorbed within the 15% employer contribution set out in clause a) above.

- c) Subject to the provision of relevant superannuation legislation, employees under this Agreement will have their superannuation contributions paid into the Energy Industries Superannuation Scheme (EISS).
- d) An employee may elect in lieu of being paid an amount of Agreement Wages to have an equivalent amount paid by way of superannuation contributions in accordance with the relevant provisions of their scheme to the maximum extent permitted by law.
- e) Subject to the provisions of relevant superannuation legislation, these contributions shall be paid to the relevant scheme.
- f) The employee's election to vary their superannuation benefit must be in writing and would occur no more than once per calendar year, with effect from 1 July each year.

1.25 RECOVERY OF OVERPAYMENTS

- a) An overpayment may occur where an employee receives an amount of money or other payment from Essential Energy in circumstances where the employee has no entitlement.
- b) Where an overpayment has been reasonably demonstrated to the employee, Essential Energy may recover an overpayment made to an employee by making a deduction (or deductions) from any monies due to be paid to the employee.
- c) Essential Energy in consultation and agreement with the employee will develop a reasonable repayment schedule in circumstances where multiple deductions are required to recover the overpayment. Such agreement will not be unreasonably withheld by the employee.

SECTION 2 – HOURS OF WORKS PROVISIONS

2.1 HOURS OF WORK

2.1.1 Spread of Ordinary Hours of Work

- a) Essential Energy and its employees agree there are three (3) objectives to consider in determining the structure of working hours under this Agreement:
 - the most efficient production and delivery of the service
 - the most effective way of servicing the customer; and
 - the most effective way of meeting an employee's needs for satisfying work, personal development, health and workplace safety.
- b) The ordinary hours of work shall be thirty-six (36) hours per week to be worked in eight (8) consecutive hours per day, (exclusive of meal breaks), over a nine day fortnight between the hours of 6.00am and 6.00pm. This spread of hours may be altered by mutual agreement between Essential Energy and the employees concerned.
- c) Where agreement is reached between Essential Energy and an employee or employees, up to twelve (12) ordinary working hours per day may be worked without the payment of overtime. Where an employee's ordinary hours of work exceed seventy-two (72) in any two-week (2) cycle, the employee shall be paid overtime rates for those hours worked in excess of seventy-two (72).

2.1.2 Starting and Finishing Times

The starting and finishing times within the spread of hours shall be determined by Essential Energy in consultation with the employees concerned.

2.1.3 Ordinary Hours of Work – Day Workers

- a) The fortnightly ordinary hours of work for day workers shall be seventy-two (72) per fortnight, to be worked on nine (9) weekdays, in any two (2) week cycle.
- b) Where Essential Energy and the Unions, in conjunction with the employees concerned, agree, the ordinary hours of work may be worked up to a total of one hundred and forty four (144) on nineteen (19) weekdays in any four (4) week cycle.
- c) An employee who requests to work a thirty six (36) hour, five (5) day week may, with the consent of Essential Energy, do so.
- d) Notwithstanding the provisions of paragraphs (a) and (b) herein, the ordinary hours of work for employees employed in the classifications of Engineering Manager 15, 16 &17, Administration Officer 24, 25, 26 & 27, Technical Officer 17, 18, 19 & 20 shall be thirty-six (36) hour, five (5) day week unless otherwise agreed.
- e) Notwithstanding the above, short term shift arrangements may be implemented in accordance with Section 2 Clause 2.2 (Shift Work).

2.1.4 Rostered Days Off

- a) Where an employee's rostered day off falls on a public holiday, the employee may either take the next working day as a rostered day off or take another mutually agreed day instead.

- b) Where mutually agreed, employees may defer and accumulate rostered days off to be taken at a mutually agreed time provided that an employee's accumulated balance of rostered days off shall not exceed five (5) in total. Accrued rostered days off will not carry forward from one calendar year to the next. Any accrued balance as at 31 January each year will be paid out at ordinary time rates.
- c) Rostered days off do not accrue during periods of leave.

2.1.5 Ordinary Hours of Work – Shift Workers

Except as otherwise provided, the ordinary hours of work for shift workers shall be, in a roster cycle, the number of weeks in the cycle multiplied by thirty-six (36).

2.1.6 Alternative Arrangements

Essential Energy, an employee, or group of employees, may enter into alternative arrangements to those in this Clause by mutual agreement.

2.2 SHIFTWORK

2.2.1 Shift Work Defined

For the purpose of this clause, shift work means any work which is to be performed in accordance with a shift work roster arranged in any of the following ways:

- a) Rotating Roster - comprising two (2) or more shifts in each day worked on an alternating or rotating weekly basis and with one of the shifts being a day shift falling within the spread of ordinary hours of work for the day workers provided for under this Agreement.
- b) Afternoon Shift - as part of a rotating roster shall finish after 6.00pm but not later than midnight.
- c) Night Shift - as part of a rotating roster, shall finish after midnight but not later than 8.00am.
- d) Early Morning Shift - as part of a rotating roster shall commence after 5.20am and before 6.20am.
- e) Permanent Afternoon or Night Shift - comprising only one permanent shift to be worked each afternoon or each night and not rotating or alternating with any other span of hours.
- f) Relief Shift - is a shift that can be moved within an allocated block to fill any vacant shift. Relief shifts will be allocated in a two (2) week block as part of the rotating roster. The relief shift can be changed at least two (2) days prior to the allocated shift.
- g) Five Day Roster - being either a rotating shift work roster or a permanent afternoon or night shift roster which contains shifts on a five (5) day basis, Monday to Friday, inclusive.
- h) Six Day Roster - being either rotating shift roster or a permanent afternoon or night shift roster which contains shifts on a six (6) day basis, Monday to Saturday inclusive.
- i) Seven Day Roster - being either a rotating shift work roster or a permanent afternoon or night shift roster which contains shifts on a seven-day basis involving each and every day of the week.

The ordinary hours of work shall average thirty six (36) per week over a shift roster.

2.2.2 Sixteen Hour Working Period

An employee will not be permitted to work more than sixteen (16) hours in any twenty four (24) hour period. The twenty four (24) hour period will be calculated from the completion of any continuous break of eight (8) hours or more.

2.2.3 Shift Allowance - Rotating Rosters

A shift worker engaged on a rotating shift work roster will be paid, in addition to the ordinary-time rate of payment for the employee's classification, shift allowances as set out in Section 6 Clause 6.13 Table 2 (Essential Energy Shift Allowances).

2.2.4 Shift Allowance - Permanent Night or Afternoon Shifts

A shift worker engaged on a permanent afternoon shift or permanent night shift will be paid, in addition to the ordinary-time rate of payment, the shift allowances for:

- Afternoon Shift: 30 percent
- Night Shift: 30 percent

2.2.5 Saturday, Sunday and Holiday Rates

a) A shift worker, who works on an ordinary rostered shift (as part of a rotating or permanent shift roster) on a Saturday, Sunday or public holiday, shall be paid as follows:

- Saturdays: ordinary-time rate plus one half the ordinary-time rate
- Sunday & Public Holidays: double the ordinary-time rate

The rates provided by this paragraph are in lieu of any other shift allowance provided by this Agreement.

b) A shift worker who is rostered to work an ordinary shift on a public holiday and works such shift, or is rostered off duty on a public holiday (except when taken as such), shall be entitled to add to the annual leave to which the employee becomes entitled under this Agreement, one day in respect of each public holiday so concerned.

c) For the purpose of the preceding paragraphs, in determining whether a shift has been worked or occurs on a Saturday, Sunday or public holiday, it shall be deemed that the shift has been worked or occurs on the day on which the major part of the shift so occurs.

2.2.6 Shift Workers Meal Breaks

Shift workers shall be allowed, in each ordinary working shift, a paid meal period of twenty (20) minutes for a meal. An employee will not, at any time, be compelled to work for more than five (5) hours without a break for a meal.

2.2.7 Shift Work Meals and Overtime

The provisions of Section 2 Clause 2.5 (Meal Times and Allowances), relating to meal breaks during periods of overtime and to the payment of meal allowances are also applicable to shift workers required to work overtime outside the hours of their ordinary rostered shift, except in cases where, by an approved arrangement made between themselves or at their request, the excess time is incurred in changed shifts or in their ordinary rostered shifts.

2.2.8 Overtime

- a) A shift worker required to work in excess of the ordinary hours of a rostered shift, on the day upon which he/she has been rostered on, will be paid for such excess hours as follows:
- On other than Sundays and holidays - at the ordinary time rate plus one half for the first two (2) hours and double the ordinary time rate thereafter, provided that all time worked after 12.00 noon on Saturday will be at double the ordinary time rate.
 - On Sundays - double the ordinary time rate.
 - On Public Holidays - double the ordinary time rate, plus one half the ordinary time rate. Such rates are to continue until the employee is released from overtime duty.

Shift workers who, by arrangement made between themselves or at their request, work in excess of the hours of rostered shifts or who change shift will not, as a result of such arrangement, be entitled to payment of overtime for such excess hours or for such changed shifts. Any such arrangement shall be only with the concurrence of Essential Energy.

- b) A shift worker directed to stand-by in readiness to work possible unplanned overtime shall be paid at the ordinary-time rate from the time the employee commences such stand-by until released from stand-by, or until the employee is directed to proceed to take up overtime work. This does not apply where the employee is receiving advance notice of scheduled overtime.
- c) A shift worker who works during any portion of a shift rostered day off, whether within the ordinary hours of the shift upon which the employee is required to work or in excess of the hours of such shift, will be paid at double the ordinary time rate, except when such work is carried out on a rostered day off being a public holiday and excepting also where a change from one roster to another or a change of shifts within the roster has been effected as provided for in Section 2 Clause 2.2.9 (Shift Work – Change of Roster and Change of Shifts), or except for ordinary working hours where a change of shifts has been made by arrangement between or at the request of employees themselves.

If a shift rostered "day-off" on which a shift worker works is a public holiday, double the ordinary-time rate plus one half the ordinary-time rate will be paid and will be inclusive of the ordinary rates in respect of any time worked on the holiday within the hours prescribed for the employee's last rostered shift occurring before such rostered day-off.

- d) A shift worker, recalled to work overtime after leaving work (whether notified before or after leaving work) or required to work during a portion of the day upon which the employee has been rostered off, shall be entitled to a minimum of four (4) hours pay at the appropriate overtime rate for each time the employee is so recalled or required to work; provided that, except in the case of unforeseen circumstances arising, the shift worker shall not be required to work the full four hours if the work which the employee was required to perform is completed within a shorter period. This paragraph shall not apply in cases where the overtime is continuous (subject to a reasonable meal break) with the completion or commencement of a shift upon which the shift worker is rostered to work.

Overtime worked in the circumstances specified in this paragraph shall not be regarded as overtime for the purpose of paragraph h) of this clause where the actual time worked is less than four hours on such recall or each of such recalls. For the purpose of this paragraph, "recalled to work overtime" will mean:

- (i) A direction given to an employee to commence overtime work at a specified time which is two hours or more prior to the employee commencing a shift or one hour or more after the completion of a shift upon which the employee has worked; or,
 - (ii) Notification given to an employee after completion of the employee's shift, directing the employee to commence overtime work.
- e) A shift worker entitled to payment for overtime under the provisions of paragraphs a), c) or d), of this clause shall not, in respect of such overtime, be entitled to payment of the shift allowances prescribed by Clauses 2.2.3 (Shift Allowance - Rotating Rosters) and 2.2.4 (Shift Allowance - Permanent Night or Afternoon Shifts).
- f) When a shift worker, after having worked overtime or on a shift for which the employee has not been regularly rostered, finishes work at a time when reasonable means of transport are not available, Essential Energy shall provide the employee with a conveyance to the employee's home or pay the employee at the ordinary time rate of payment for the time reasonably occupied in reaching home. This paragraph shall apply also to shift workers working on shifts which have been changed as a result of arrangements made between themselves or at their own request, but only if overtime is worked.
- g) When overtime work is necessary it shall, whenever reasonably practicable, be arranged so that shift workers have at least ten (10) hours off duty between the work of successive rostered shifts. A shift worker who works so much overtime between the end of one rostered shift and the beginning of the next rostered shift so that he/she has not had at least ten (10) consecutive hours off duty between these shifts shall, subject to this paragraph, be released after completion of such overtime until the employee has had ten (10) consecutive hours off duty, without loss of pay, for their ordinary working time occurring during such absence.

If a shift worker is instructed to resume or continue work without having had ten (10) consecutive hours off duty the employee will be paid at double ordinary time rates until released from duty for such period and shall be entitled to be absent until the employee has had ten (10) consecutive hours off duty without loss of pay for ordinary working time occurring during such absence; provided that, in respect of overtime worked prior to the normal starting time on a day following upon a shift rostered day off, an employee shall be assumed to have had an ordinary ceasing time on the preceding day corresponding with the employee's normal ceasing time on the last day worked immediately preceding the employee's shift rostered day or days off.

Any period of overtime less than four (4) hours duration or for which a minimum payment is provided for under paragraph d) will not be taken into account for the purpose of this paragraph.

Shift workers, who, as a result of arrangements made between themselves and/or at their own request, are required to resume or continue work without having had a least ten (10) consecutive hours off duty between shifts, shall not be entitled to the provisions of this paragraph.

- h) Where a shift worker has worked overtime both preceding and following his/her ordinary rostered shift the total hours of both periods of overtime shall be taken into account in determining when double the ordinary time rate becomes payable in respect of the overtime performed following the ceasing time of his/her rostered shift.
- i) Where overtime is worked partly on one day and extends into the next day and this next day is a public holiday, as prescribed by this Agreement the payment for overtime at double ordinary time rates plus one half shall commence from the midnight of the day preceding the holiday irrespective of whether the first two (2) hours of the overtime have or have not been completed.

2.2.9 Shift Work - Change of Roster and Change of Shifts

- a) A shift worker changed from one roster to another or whose shift or shifts are changed within a roster shall be paid double ordinary time rate for the first shift worked in the new roster or for the first changed shift worked within the roster.
- b) Where a shift worker has received notice of change of roster or change of shift at least two (2) days prior, the employee shall only be entitled to the rate(s) of pay applicable to that working day.
- c) Where such notice is given on or before the second day preceding the change of shift or change of roster and as a result of the change an employee is required to work an additional shift or shifts, the employee shall be allowed to be absent (at any time mutually agreed upon between the employee and Essential Energy) from a rostered shift or shifts in lieu thereof. If it is impracticable to allow the employee to be absent within a period of four weeks from the date of working the additional shift or shifts, the employee shall be paid for any additional shifts worked at double ordinary-time rate. The provisions of this paragraph will not apply to shift workers who, being shown in the roster as "relief", are required to work any shift on the same day for the replacement of shift workers absent for any reason.

2.2.10 Day Workers Required to Work Short Term Shift Arrangements

- a) A day worker required to work on a short term shift arrangement will be paid at the ordinary time rate plus a thirty (30) per cent loading for each shift worked Monday to Friday (excluding public holidays).
- b) A short term shift arrangement must be for a minimum of five (5) days and a maximum of eight (8) weeks in any six (6) month period.
- c) Essential Energy will finalise the shift work proposal and roster cycle in consultation with the employees involved.
- d) In arriving at these rosters, due regard will be given to personal circumstances, health, safety and fatigue management considerations.

2.2.11 Shift Workers - Annual Leave

- a) Essential Energy shall grant an additional week as paid Annual Leave to shift workers working to a shift roster covering six (6) or seven (7) days per week, Monday to Sunday.
- b) Payment for the additional annual leave shall include the shift allowance and penalties. An employee who has worked as a six (6) day or seven (7) day shift worker for a portion of the year shall be granted additional leave on a proportionate basis.
- c) Where a public holiday, as prescribed in this Agreement occurs and is observed during the employee's period of Annual Leave, such leave will be extended to include an additional rostered shift for each such holiday.
- d) For all purposes of this paragraph "seven (7) day shift work" shall mean shift work performed regularly on Sundays and public holidays.
- e) Where annual leave is not taken at the time it falls due it will accumulate in order of its accrual, but leave thereafter taken or otherwise discharged will diminish the entitlement standing to credit in order of the leave which last accrued (i.e. the leave which last fell due to be the first discharged).

2.2.12 Shift Worker Long Service Leave

Payment shall be at the employee's ordinary rate of pay, excluding penalty rates, including appropriate shift allowances as would have been paid if the employee had been at work, as well as any other allowance the employee would have ordinarily received.

2.3 OVERTIME

2.3.1 Requirement to Work Reasonable Overtime

It shall be a condition of employment that employees shall work reasonable overtime to meet the needs of Essential Energy.

2.3.2 Sixteen Hour Working Period

An employee will not be permitted to work more than sixteen (16) hours in any twenty four (24) hour period. The twenty four (24) hour period will be calculated from the completion of any continuous break of eight (8) hours or more.

2.3.3 Authorisation / Payment for Working Overtime

Other than in exceptional circumstances, overtime will only be worked with prior approval. An employee required to perform work in excess of the usual ordinary working hours or outside the usual working hours, will be paid as follows:

Monday to Midday Saturday:

- 1.5 times ordinary time rate for the first two (2) hours. The first two (2) hours includes overtime performed immediately before and after usual hours.
- 2.0 times ordinary time rate after two (2) hours

After Midday on a Saturday and all day Sunday:

- 2.0 times ordinary time rate

2.3.4 Time Off In Lieu of Overtime Payment

By agreement, an employee may elect to take time off equivalent to time actually worked in lieu of payment.

Essential Energy shall provide payment at the relevant overtime rate for any overtime worked which was to be taken as time off in lieu and which has not been taken within two (2) months of accrual.

2.3.5 Standing By

An employee required to stand-by in readiness to work possible immediate overtime shall be paid at ordinary time rate of pay from the commencement of stand-by until released or until commencement of overtime. This does not apply where the employee is receiving advance notice of scheduled overtime.

2.3.6 Minimum Payment for Recall to Work Overtime

- a) An employee notified at work to commence overtime later than one (1) hour after the usual ceasing time, or earlier than two (2) hours before the usual starting time shall be paid a minimum of four (4) hours pay at overtime rates.
- b) An employee notified after the completion of the day's work to work overtime which is not continuous with the usual hours of work shall be paid a minimum of four (4) hours pay at overtime rates.
- c) The minimum payment of four (4) hours shall not apply in cases where overtime is continuous, subject to a reasonable meal break, with the completion or commencement of an employee's usual working hours.

2.3.7 Rest Period After Overtime

- a) Other than in exceptional circumstances, employees shall have at least ten (10) consecutive hours off duty before commencing ordinary time work.
- b) If the period between completion of overtime and the start of ordinary time is less than ten (10) hours, the employee shall have a ten (10) hour rest period without loss of pay for any ordinary hours which fall in the rest period.
- c) Rest periods shall not apply if any employee works overtime for less than four (4) hours.
- d) However, an employee recalled to work overtime between midnight and 4:00am on the following day, shall be entitled to extend the usual commencing time on the day following by an equivalent period.
- e) Where an employee is entitled to a rest period and the rest period coincides with a public holiday, the employee shall be entitled to defer starting time by time equivalent on the next ordinary working day.

2.3.8 Directed to Work

With reference to Clause 2.3.7 (Rest Period After Overtime):

- a) 'Directed to Work' shall only occur in extreme situations and then only with full regard to the '16 in 24 hour' work rule, the hours the overtime occurred at, the safety of the employee and with the Regional/General Managers approval.
- b) For the purposes of this Clause extreme situations will mean where public or employee safety is at risk.
- c) An employee who is eligible for a ten (10) hour rest period, as defined above, but who is required to work without having had that rest period, shall be entitled to double ordinary time rate of pay until a ten (10) hour rest period is taken without loss of pay for any ordinary hours which fall in the rest period.
- d) An employee who is eligible to defer or extend their usual commencing time, as defined above, but who is required to commence work at the usual commencing time shall be entitled to double ordinary time rate of pay for the equivalent period by which the employee would have otherwise extended the usual commencing time.

2.4 ON CALL

2.4.1 On Call

- a) An employee designated as 'On Call' shall mean an employee who is required to be available for unplanned, emergency and/or supply interruption work at all times outside the employee's usual hours of work.
- b) Participation in the on call roster shall be open to all employees who possess the relevant qualifications and authorisations required to undertake the role and who's major and substantial functions are relevant to the on-call work they shall be required to perform. The On Call Roster will be voluntary on and off. Essential Energy reserves the right to direct employees to participate where the on call roster cannot be effectively maintained on a voluntary on/voluntary off basis.
- c) On Call is not overtime that has been pre-arranged prior to the employee's normal ceasing time. Overtime shall be paid at the appropriate overtime rates in accordance Section 2 Clause 2.3 (Overtime) of the Agreement.

2.4.2 Emergency and/or Supply Interruption Work

On Call is emergency and/or supply interruption work that includes restoring supply and returning to safe operating conditions any plant and equipment. It also includes restoring and/or operating essential IT equipment and opening call centres other than in accordance with normal rosters to attend to high call volumes during emergency and supply interruption conditions.

2.4.3 Call Out

- a) A 'Call Out' is the time from which an on call employee receives a call, or calls, for emergency and/or supply interruption work, to the time the employee arrives home. A Call Out includes work involving any further calls for service which the employee may receive whilst out on duty or before arrival at home. Where a Call Out continues into an employee's ordinary working hours, double rates of pay continue until the employee is directed to other work or is released from duty.
- b) Where a Call Out does not require the employee to leave their home or physically attend, the employee is considered on duty for the period of the minimum time payable (2 hours). Any further calls within that period do not qualify as additional Call Outs, and therefore do not attract additional minimum payments.

2.4.4 Number of Employees On Call and Call Out Arrangements

- a) At locations where there are eight (8) or more on call employees, a minimum of two (2) on call positions shall be in place concurrently. Variations to this may be applied to meet local needs based on call volumes and workload.
- b) The preferred rostering arrangements will be one (1) week in four (4).
- c) Positions on the roster may be filled by multiple employees on a weekly rolling basis.
- d) At locations where only one (1) on call position is in place, when assistance is required the first call back (at two (2) hour minimum) will come from the remaining rostered on call employees. Should further assistance be required the minimum four (4) hour provisions of Section 2 Clause 2.3 (Overtime) shall apply.

2.4.5 Availability

- a) An employee On Call shall be in the general vicinity of the On Call area for which they are responsible and be contactable at all times and respond to call outs without undue delay.
- b) The employee shall not engage in activities or be committed in a way that would prevent the employee immediately responding to a call out.
- c) An employee shall not be required to be constantly available beyond four (4) weeks where other employees are available for duty.
- d) Where no other employees are available for inclusion in an On Call roster, the employee concerned shall have at least one (1) weekend, comprising two (2) consecutive days off duty, in each four (4) weeks, without reduction in the on call allowance.

2.4.6 Availability Allowance (On Call Allowance)

- a) The On Call allowance amount is as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).
- b) The On Call allowance shall continue to be paid to the employee during periods of leave and workers compensation, on the basis of the employee's usual payment, if the employee has been On Call constantly or on a roster, for a period of at least one (1) month prior to leave.
- c) Where an employee works to a roster, the allowance shall be divided by the number of weeks on call in the rolling period and paid equal amounts for each week in the period.
- d) An employee who performs extra duty during the employee's usual rostered off period shall receive pro rata payment for the extra duty as follows:
 - Payments for a full or part ordinary day at twenty (20) percent of the allowance for a weekday
 - For a full or part Saturday, Sunday or public holiday at a rate of thirty (30) percent of the allowance
- e) An employee shall be entitled to On Call allowance or part thereof only if the appropriate Payroll Form has been completed and approved and the original rostered on call employee is away for the following reasons:
 - Due to illness – personal leave, carer's leave or workers compensation
 - Essential Energy commitments (including approved leave) cause the original rostered on employee to be unavailable to fulfil their roster
 - Special Leave, Compassionate Leave, Jury Duty etc
 - Due to stand down – excessive hours worked
- f) Payment in full or part of the allowance will not apply to personal roster swaps or planned unpaid leave.

2.4.7 Experience Allowance

For each completed year of experience on the on call roster the on call allowance shall be increased by one (1) percent for each individual employee, up to a maximum of twenty (20) percent, i.e.:

- One (1) completed year – one (1) percent increase
- Five (5) completed years – five (5) percent increase
- Ten (10) completed years – ten (10) percent increase
- Twenty (20) completed years – twenty (20) percent increase

2.4.8 Payment for Call Outs

a) Payment shall be at double ordinary time rate of pay for the time required to complete each call out not during normal time.

b) Minimum Payment

The minimum time payable for a call out will be two (2) hours at double ordinary time rate of pay.

c) Other Allowances

Employees on call shall be entitled to all other allowances that may be applicable as prescribed by the Agreement

d) Rest Period after Call Out

An employee who works during the eight (8) hours immediately preceding the employee's usual commencing time shall be entitled to defer the usual commencing time without loss of pay by a period equal to the actual time worked within those eight (8) hours.

Providing that, where the employee has not had at least a continuous six (6) hour rest period in the eight (8) hours preceding usual commencing time, the employee shall be entitled to defer the commencing time by five (5) hours from the normal starting time.

Notwithstanding the paragraph above, where because of emergencies, an on call employee is directed and fit to commence work at the usual starting time and/or works into their usual starting time, the employee shall be paid at double ordinary rates for the period of time which the employee otherwise would have deferred their usual starting time.

2.4.9 Work on a Public Holiday

a) Employees shall be granted the following as public holidays with pay:

- Any day proclaimed as a State wide public holiday
- Union Picnic Day, to be held on a mutually agreed day with a reasonable level of service to be maintained on the day

- b) For each public holiday an employee is required to be on call, the employee shall also have one day added to their leave balance. This includes an on call employee who services any portion of the public holiday (e.g. when a roster changeover day occurs on a public holiday, this shall apply to both roster periods). This also applies when an on call employee responds as a first call back as defined in Section 2 Clause 2.4.4 (Number of Employees On Call and Call Out Arrangement) paragraph d).

2.4.10 Rostered Days Off (RDO)

Where a scheduled RDO falls in a week when the employee is to be rostered on call, the RDO shall be rescheduled by the employee in advance. An employee, who fails to do so, will not be entitled to any stand down provisions on their RDO. This rescheduling of an employee's RDO does not count for purposes of the five (5) day maximum accrual of RDO's in Section 2 Clause 2.1.4 (Rostered Days Off) paragraph b).

2.4.11 Telephone and Telephone Allowance

A mobile telephone will be provided for business use to employees who participate in a one (1) in eight (8) roster or less. For all others a shared mobile will be provided. The Telephone Allowance in Section 6 Clause 6.14 Table 3 (Essential Energy Allowances) will only be approved where an employee resides in a location where there is no mobile telephone service.

2.4.12 Rosters

The structure and operation of rosters is to be developed in conjunction with employees having regard to the number available for on call and the requirements of the specific location. Wherever possible, regional areas should adopt a common roster change over date, however, if locations by majority have a preference for a particular day the alternative day shall be implemented by mutual agreement.

2.4.13 Extra Leave

Employees who participate in an on call roster will be entitled to one (1) hour of additional leave for each week worked on the roster.

2.5 MEAL TIMES AND ALLOWANCES

2.5.1 Meal Breaks

- a) An employee will not, at any time, be compelled to work for more than five (5) hours without a break for a meal.
- b) Day workers shall be allowed, without pay and on each ordinary working day, a break in their ordinary hours of work for a meal. Each such meal break shall be for an unbroken period of at least half (0.5) an hour. The time of taking and the duration of meal breaks may be changed by mutual agreement. As far as possible, meal breaks shall be programmed after the completion of five (5) hours work.
- c) The provisions of this sub-clause may be applied to shift workers when working on a day shift which falls within the ordinary hours of work for day workers.

2.5.2 Working in Usual Meal Break

Only where an employee is required by their relevant manager to work through the usual meal break time due to special circumstances, the employee shall be paid at ordinary time and one half for the period by which the meal break was deferred. Alternatively, by mutual agreement, the employee can take time off with pay, equal to the time by which the meal break was deferred.

2.5.3 Meal Times

The times fixed for the taking of meal breaks during ordinary working hours may be varied by mutual agreement between an individual or a group of employees and their immediate supervisor.

2.5.4 Overtime Meal Breaks

An employee required to work overtime shall be allowed an interval or intervals for a meal on the following basis:

- a) An employee who works one and one half (1.5) hours or more overtime continuous with the employee's ordinary day's work shall be allowed a meal break of twenty (20) minutes which shall be paid for at the appropriate overtime rate. The meal break may be taken, by mutual agreement, at the commencement of, during or at the conclusion of the overtime period.
- b) An employee working overtime shall be allowed a meal break of twenty (20) minutes which shall be paid for at the appropriate overtime rate after each period of four (4) hours of overtime worked.
- c) Meal breaks shall be taken during the overtime period by mutual arrangement, provided that an employee shall not be compelled to work for more than five (5) hours without a meal break.
- d) Meal breaks with pay allowed in accordance with this sub-clause shall be deemed to be time worked for the purpose of calculating the overtime rate payable under this Clause.

2.5.5 Overtime Extended Meal Breaks

Meal breaks, where allowed during a period of overtime, may be extended to not more than one (1) hour, provided that any extension beyond twenty (20) minutes shall be taken without pay.

2.5.6 Overtime Meal Allowance

An employee entitled to one (1) or more meal breaks in accordance with Clause 2.5.4 above shall be paid, in respect of periods of overtime, a Meal Allowance as set out in Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

2.5.7 On Call Included

The provisions of this sub-clause apply to employees engaged in after hours On Call and Standing By Emergency and/or breakdown work which shall, for the purposes of this Clause, be deemed to be in the nature of overtime.

2.6 TRAVELLING TIME AND FARES

2.6.1 Normal Travel to and From Work

Time spent by an employee in normal daily travel, to and from the employee's home and normal place of work to attend for work, shifts and overtime shall be at the employee's expense and without payment.

2.6.2 Additional Travel to and From Work

Time spent by an employee in travel, outside the usual working hours and additional in length to the employee's normal (as defined above) travel time, to attend for work, overtime or employer arranged training not related to the employee's current or possible future appointment or grading, will be paid at the appropriate overtime rate.

2.6.3 Travel Time for Training

- a) Time spent by an employee in travel, outside the usual working hours and in addition to the employee's normal travel time to attend employer arranged training which is related to the employee's current or possible future or grading, will be at ordinary time rate.
- b) This does not apply for time in excess of two (2) hours per working day, or for travel on any day the employee would not normally be at work. These periods shall be paid at the appropriate overtime rates or by mutual agreement, can be taken as time in lieu.
- c) Where learning and skills development takes place out of hours, employee family commitments will be taken into consideration.
- d) Penalty rates shall apply to all travel for regulatory training and/or assessment that occurs outside normal working hours, except where the training was rescheduled at the request of, or the result of actions of the employee (other than annual leave application received prior to the initial scheduled date for training and/or assessment).

2.6.4 Normal Place of Work

An employee's normal place of work is the location to which an employee is usually attached and is regularly used as the employee's base or headquarters or normal place of work. Where an employee is not attached to a normal place of work, and whose daily starting point is determined by the work situation they are engaged in, their normal place of work for the purposes of this clause shall be considered the place of employment, which they could be reasonably be expected to attend, nearest the employees home.

2.6.5 Payment of Fares

The employee shall be reimbursed for any additional fares which the employee has reasonably incurred in respect of a period of additional travel.

2.6.6 Use of Private Vehicle

An employee who agrees to undertake additional travel in a private motor vehicle shall receive, in addition to payment for travelling time, reimbursement for the casual use at the Australian Tax Office rates.

2.6.7 Reasonable Travel

When calculating travel time, the most reasonable way and the most expeditious route available will be used.

2.6.8 Travel Within Minimum Period

An employee entitled to a minimum period payment for overtime or other penalty work shall not be entitled to payment for travel time where the travel occurred within that minimum period.

2.6.9 On Call Excluded

This Clause does not apply to travelling involved in after hours On Call emergency and/or Supply Interruption work.

SECTION 3 - EMPLOYMENT PROVISIONS

3.1 TERMS OF EMPLOYMENT

3.1.1 Probationary Period

- a) Essential Energy, when offering employment may include a probationary period of employment of up to three (3) months in the letter of offer of employment. The initial period of probation may be extended by up to a further three (3) months in which case, Essential Energy shall give the employee the reasons in writing.
- b) Regular performance reviews should be held with the employee during the probationary period.
- c) Probationary periods for apprentices will be in accordance with relevant State based training legislation.

3.1.2 Termination of Employment

- a) Notice of Termination

Essential Energy shall give to an employee and an employee shall give to Essential Energy notice of termination of employment of not less than four (4) weeks other than for employees with less than twelve (12) months continuous service who shall be entitled to one (1) weeks' notice of termination. The period of notice may be reduced by mutual agreement.

If the employee is over 45 years old, and has completed at least two (2) years of service at the end of the day notice is given, the employee will receive an additional one (1) weeks' notice.

Except where the period of notice is reduced by mutual agreement, payment or part payment in lieu of the notice shall be made by Essential Energy if the full notice period or part notice is not given. If the employee fails to give notice or gives incomplete notice, Essential Energy shall withhold payment in lieu of notice or part notice from any termination payment due to the employee.

The period of notice shall not apply to dismissal for conduct that justifies instant dismissal or for casual or temporary employees.

- b) Statement of Employment

Essential Energy shall, on request from an employee whose employment has been terminated, give the employee a written statement specifying the period of employment and the classification or the type of work performed by the employee.

- c) Abandonment of Employment

If an employee is absent without notifying Essential Energy for a continuous period of five (5) days (including RDO's) without reasonable cause, they will be considered to have abandoned their employment and this may begin the process by which they be dismissed effective from the last day actually worked.

3.2 TYPES OF EMPLOYMENT

Employees covered by this Agreement will be employed in one of the following categories:

3.2.1 Permanent Full Time Employment

Permanent full time employment covers employees working ordinary hours on a permanent basis.

3.2.2 Permanent Part Time Employment

- a) Permanent part time employment covers employees who work on a permanent basis less than the number of ordinary hours worked by full time employees. A part time employee's hours will be nominated at commencement of employment. If the employee consistently works in excess of their nominated hours, a review will be conducted with a view to extending the nominated hours.
- b) Part time employees shall be paid an hourly rate calculated by dividing the appropriate salary by the number of hours worked by full time employees in the same classification.
- c) Part time employees shall receive Agreement conditions and payments in respect of annual leave, long service leave and all other authorised leave on a proportionate basis as the employee's hours of work relate to those worked by full time employees.
- d) Leave shall accrue in proportion to the number of hours actually worked up to a maximum of thirty-six (36) hours per week.
- e) When a part time employee's nominated day of work falls on a public holiday, the employee shall be entitled to take the day as a holiday without loss of pay.
- f) A part time employee shall be entitled to the overtime provisions of this Agreement in respect of work performed outside the span of hours or in excess of a full time employees normal daily, or weekly hours of work.
- g) A part time employee may, by agreement, work additional hours at single time up to thirty-six (36) hours per week subject to receiving all pro-rata leave entitlements as prescribed for those additional hours.

3.2.3 Temporary Employment (Fixed Term Employment)

- a) Temporary employment covers employees engaged on a temporary basis and shall not include a casual employee.
- b) A temporary employee shall be paid a rate of pay and receive Agreement conditions as is appropriate to either their full time or part time employment under this Agreement.
- c) Temporary appointments may be made for a period of up to twelve (12) months.
- d) At the expiration of a temporary appointment period, work requirements shall be reviewed and where Essential Energy seeks to extend the temporary appointment, this will occur in consultation with the unions.
- e) Temporary employees will not be eligible to apply for positions internally advertised.
- f) Temporary employees are not eligible to be covered by the NSW State Government's Employment Protections and associated employment letter provided to retail affected employees.

- g) Notwithstanding, Essential Energy confirms that permanent employment is the preferred means of employment across the business and temporary employment shall not be used as an alternative to permanent employment.

3.2.4 Casual Employment

- a) "Casual Employee" means an employee engaged intermittently in work of an irregular, occasional and/or unexpected nature, and who is engaged and paid by the hour, but does not include an employee who could properly be classified as a full time or part time employee.
- b) A casual employee shall be paid the hourly rate of pay for the appropriate classification plus a loading of twenty (20) percent with a minimum payment of three (3) hours pay for each start.
- c) A casual employee shall receive overtime rates for any time worked in excess of the ordinary hours of work for a full time employee. The casual loading is excluded in the calculation of overtime.
- d) The casual loading prescribed is in lieu of the annual leave, personal leave, carer's leave and public holiday entitlements arising under this Agreement however, the loading is not in lieu of entitlements prescribed in Section 4 Clause 4.6 (Long Service Leave).
- e) A casual employee shall not be used to replace a full-time or part-time position other than where a permanent employee is absent on approved leave or working on a project.
- f) Casual appointments shall be reviewed after a continuous period of three (3) months.

3.2.5 Apprentices and Trainees

- a) The provisions of this Agreement apply to apprentices and trainees employed by Essential Energy, with the exception of requirements of the relevant State based training legislation.
- b) Employment as an apprentice or trainee shall not continue beyond the completion of the term of the apprenticeship or traineeship unless further employment is offered and accepted.

3.3 PERFORMING ALTERNATIVE WORK

An employee, who is competent to do so, shall where required perform alternative work to that usually performed by the employee, without reduction in pay.

3.3.1 Acting Higher Grade

- a) An employee who performs, for at least one (1) ordinary working day, the work of another employee which is paid at a higher rate than the employee's position, the employee shall be paid according to the employee's skills, qualifications and experience but not less than the entry level for the position.
- b) Where a public holiday or group of public holidays occur during a period when an employee is acting in a higher paid position, the employee shall be paid for the holiday(s) at the rate for acting in the position where the employee has acted in the higher grade position both the day before and the day after the public holiday.
- c) An employee shall not receive higher grade pay whilst on leave unless the employee has acted in the position for an aggregate of at least six (6) months during the twelve (12) month period prior to going on leave or continuously for at least three (3) months immediately preceding the commencement of the leave.

- d) Except where an employee is relieving an employee who is on approved leave, periods of acting in a higher grade position shall not exceed six (6) months.
- e) For extended periods (greater than two (2) months) of appointment, this arrangement will be formalised and appropriate notification forwarded to payroll.
- f) At the completion of the alternate work period an employee shall return to their former position or a mutually agreed role.

3.4 WORKING AWAY FROM HOME

- a) Where Essential Energy requires employees to travel and work away from home, it should be at no personal monetary expense and/or monetary gain to the employees.
- b) An employee required to remain away overnight shall, except as provided for in paragraph c), d), e) and f) of this Clause, be entitled to:
 - (i) Have Essential Energy pay for accommodation costs only and the employee to be paid beforehand for meal and incidental allowances as per Table 1 of the Australian Tax Office Reasonable Amounts determination for approved travel allowance expenses; or
 - (ii) Have Essential Energy arrange and pay for accommodation costs, meals and incidental expenses; or
 - (iii) A lump sum amount for accommodation, meals and incidentals paid beforehand as per Table 1 of the Australian Tax Office Reasonable Amounts determination.
- c) For Apprentices/Cadets/Trainees attending training, directly in relation to their Training Contract, Essential Energy shall provide reasonable accommodation. All meals and incidental expenses will be covered as per paragraph b) above.
- d) Where a Corporate Credit Card has been issued to an employee the card shall be used to pay for overnight accommodation. Meals and incidentals can be claimed as a lump sum. Any expenses that cannot be paid for by the card shall be reimbursed on supply of receipts.
- e) Claims for allowances, except incidentals, cannot be made for employees attending internal training sessions, Inductions, conferences and staff development activities where Essential Energy has provided reasonable accommodation and meals.
- f) Where crews are organised and sent to other locations in response to major storm / disaster events, Essential Energy will arrange, book and pay for accommodation and the employees can then claim meals and incidental expenses as per the Australian Tax Office Table 1 of the Australian Tax Office Reasonable Amounts determination for approved travel allowance expenses.
- g) Reasonable accommodation, for the purposes of this clause, will be of at least three (3) star standard, where possible.

3.5 WORKPLACE FLEXIBILITY

3.5.1 Intention

These flexibility arrangements are to apply to short term arrangements between a group of employees and Essential Energy which shall be by mutual agreement. They are not to permanently replace the standard Agreement conditions and should be specifically project orientated. The Unions will be advised in writing of any proposed workplace flexibility alternate arrangements.

3.5.2 Consultation

The Unions will be consulted in respect to workplace flexibility alternate arrangements.

3.5.3 Workplace Flexibility Arrangements

a) Nature of Arrangements

Under the terms of this Agreement the workplace flexibility arrangements that may be entered into may include, but not be limited to, the following matters:

- Hours of Work
- Overtime including accrual and cashing in of time in lieu of overtime
- Travel and accommodation expenses

b) Negotiating Workplace Flexibility Arrangements

Discussions leading to agreed workplace flexibility arrangements should be between the relevant manager/team leader, the local Union Delegate and the employees affected by the arrangement. Discussions should include all relevant details including:

- Nature of work to be performed
- How the work is to be performed
- Who is to perform the work
- When the work is to be done
- The basis on which payment, or otherwise, is to be made; and
- The timeframe the arrangement is to run for

Essential Energy will endeavour to source employees from within the Regions/Field Service Centres concerned. When insufficient numbers are available, consultation will occur with the relevant Union/s prior to seeking interest external to the Region/Field Service Centres concerned.

Where this occurs and the interested employees exceed the required numbers, the normal selection process shall apply.

c) Recording the Arrangement

The agreed workplace flexibility arrangement shall be committed to writing.

3.6 REDEPLOYMENT AND SALARY MAINTENANCE

- a) Employees whose positions have been identified as being no longer required or restructured / redesigned to a lesser value and who elect to remain with the organisation will be subject to the provisions of Essential Energy's Redeployment Policy (CEC1083) as varied from time to time in accordance with subclause c) of this clause.
- b) In conjunction with the provisions of the Redeployment Policy employees who have elected to remain with the organisation will also be subject to the provisions of Essential Energy's Salary Maintenance Policy (CEC1026) as varied from time to time in accordance with subclause c) of this clause, from the date of being informed in writing that their position is no longer required.
- c) The parties agree that Salary Maintenance and Redeployment policies will not be altered without consultation and the agreement of the Union parties to this Agreement.

3.7 REDUNDANCY

The redundancy policy for the term of this Agreement is the Essential Energy Redundancy Policy (Management of Surplus Employees) dated 20 November 2013.

The application of this policy will be subject to Clause 1.13 (Consultation and Communication) of the Essential Energy Enterprise Agreement.

SECTION 4 - LEAVE AND HOLIDAY PROVISIONS

4.1 ANNUAL LEAVE

4.1.1 Accrual & Taking of Annual Leave

- a) Employees other than casuals, shift workers and part time employees accrue four (4) weeks annual leave per annum which accrues progressively throughout an employee's year of service.
- b) Rostered days off do not accrue during periods of annual leave.
- c) Annual leave shall be taken in accordance with the Annual Holidays Act 1944 (NSW) as amended, unless inconsistent with the terms of this Agreement.
- d) Employees shall not commence annual leave whilst on personal or accident leave.
- e) Where an employee has more than eight (8) weeks accrued Annual Leave the employee must, in conjunction with their Manager, develop a Leave Plan for the following twelve (12) months that will facilitate the reduction of the overall balance to no more than six (6) weeks accrued annual leave at the end of the twelve (12) month period.
- f) Annual leave may be taken at half pay, but only where the employee has a balance of eight (8) weeks or less at the time of commencing the leave.

4.1.2 Cashing Out

- a) An employee may request in writing for annual leave to be cashed out at their ordinary rate of pay but only in the following circumstances. An employee must have:
 - an annual leave balance of more than four (4) weeks after any cashing out of annual leave;
 - taken four (4) weeks annual leave in the preceding twelve (12) month period prior to making the request
- b) Where an employee meets the above criteria, cashing out is only allowed to the equivalent of half the annual leave balance accrued at the time the employee makes the request.

4.1.3 Notice Periods

Employees must submit their application for annual leave no less than two (2) weeks prior to the proposed commencement date. Managers must approve, reject or discuss the annual leave request within five (5) working days of the employee submitting the request.

The above notice periods may be waived in exceptional circumstances and by agreement.

4.1.4 Payment for Recall to Work Whilst on Annual Leave or Day(s) in Lieu

- a) An employee, who is recalled to work whilst on Annual Leave or Day(s) in Lieu, shall be paid at the rate of double time until they are relieved from duty, in addition to the annual leave payment made for that day.
- b) An employee who is recalled to work outside of their usual hours whilst on annual leave or Day(s) in Lieu shall be paid at the rate of double time and one half until released or their normal working hours commence.

- c) An employee recalled to work whilst on annual leave or Day(s) in Lieu shall be paid a minimum of four (4) hours pay at the appropriate rate, either a) or b) above.

4.2 ADDITIONAL ESSENTIAL ENERGY HOLIDAY

- a) In addition to any day proclaimed as a State-wide public holiday, all permanent full time and part time employees shall be entitled to leave on full pay of one (1) working day falling between Christmas and New Year's Day each year. This day is recognised as being in lieu of local community show days etc.
- b) Employees required to work on the Additional Essential Energy Holiday shall not be paid penalty rates but shall be allowed time off equivalent to that worked without loss of pay. Part time employees not scheduled to work on the day shall be granted time on a proportional basis. Part time employees working on the day will accrue either the actual hours worked or their proportional rate whichever is greater.

4.3 PUBLIC HOLIDAYS

4.3.1 Paid Public Holidays

Employees shall be granted the following days as public holidays with pay:

- a) Any day proclaimed as a State-wide public holiday.
- b) Union Picnic Day

The Picnic Day shall be a recognised holiday for employees who are members of the Unions party to this Agreement. Upon request from Essential Energy, evidence of attendance at the Picnic Day will be sufficient if a butt of the ticket to the Picnic Day is produced in order to claim payment for the day.

- c) By agreement in accordance with local community arrangements a day other than the prescribed Union Picnic Day may be taken as a substitute day.

4.3.2 Alternate Religious Beliefs

In order to recognise genuinely held non-Christian religious beliefs an employee may, where it meets customer needs, business operations and with the agreement of their manager, substitute Christian based public holidays for those relevant to the employee's stated religion.

4.3.3 Payment for Work on a Public Holiday

- a) An employee, including a shift worker;
 - (i) who is required to work on a public holiday or the day substituted, shall be paid at the rate of double time, such rate to continue until they are relieved from duty, in addition to the usual pay for the day.
 - (ii) who is required to work outside of their usual working hours on a public holiday shall be paid at the rate of double time and one half until released. For a shift worker this includes overtime which is continuous with the beginning of a public holiday.

- (iii) who is required to work on a public holiday shall be paid for a minimum of four (4) hours work at, at the appropriate rate, either (i) or (ii) above.

b) Employee Absent Prior to and After a Public Holiday

An employee shall not be entitled to payment for a public holiday if absent from work without approval on the ordinary day before or after the public holiday.

c) Public Holiday During Leave of Absence

An employee who is absent without pay for more than five (5) consecutive working days shall not receive payment for any public holiday which occurs during the absence.

4.4 PERSONAL LEAVE

Essential Energy operates a debit free personal leave arrangement. In light of the need to manage personal leave absences, the parties recognise that access to personal leave is not an unfettered right.

4.4.1 Managing Personal Leave Absences

An employee who is absent from work due to personal illness or injury, not due to injury by accident arising out of and in the course of employment, shall have access to personal leave with pay subject to the following:

- a) An employee shall notify their immediate supervisor, within one (1) hour of the employee's usual starting time, of the employee's inability to attend on account of personal illness or injury and the estimated duration of absence.
- b) An employee will be required by Essential Energy to produce a medical certificate or other satisfactory evidence of their illness or injury where the period of absence is for more than two (2) consecutive working days, or where Essential Energy identifies a pattern of absences.
- c) The management of personal leave shall be in accordance with Essential Energy's Personal and Carer's Leave Policy (CEOP2000.44) as varied from time to time with consultation, which may include a requirement that the employee undergo personal leave case management.
- d) Where an employee is undergoing Personal Leave Case Management, Essential Energy reserves the right to refer the employee to an independent medical practitioner where there is a disputed diagnosis of the employee's medical condition.
- e) Where an employee has a long term illness or injury, which has caused the employee to be absent for more than six (6) months in any twelve (12) month period, Essential Energy will consult with the employees medical adviser or refer the employee to a nominated medical practitioner to determine the likelihood of the employee returning to work. If the medical advice confirms that the employee will be unable to return to work, Essential Energy may terminate the employee's service.
- f) At any stage of the management of personal leave the employee may involve their union.

Where Essential Energy terminates employment in accordance with this clause, the employee will be paid an amount equivalent to two (2) week's pay for each year of service with Essential Energy up to a maximum of twenty six (26) week's pay plus four (4) week's pay in lieu of notice.

4.4.2 Avoidance of Duplicate Benefits

An employee, who has been granted personal leave under this Clause, and who in respect of the same period of personal leave receives compensation under any Act or law, shall reimburse Essential Energy from that compensation, any amounts paid as personal leave.

4.4.3 Pre 30 June 1997 Accumulation

- a) Employees shall have their untaken personal leave/sick leave accumulated as at 30 June 1997 preserved. Any existing balance will remain at the dollar value of the balance as at 30 June 2011.
- b) An employee shall be paid their preserved balance where an employee's service is terminated for any reason.
- c) Where an employee dies, the preserved balance shall be paid to the employee's legal representative.
- d) Unused preserved sick leave can be accessed by each employee voluntarily. There are to be two access dates per year, spreading over more than one financial year, for the life of this Agreement.

4.4.4 Illness During Annual and Long Service Leave

If an employee suffers personal illness or injury for a period of at least five (5) consecutive days whilst on Annual or Long Service Leave, the employee will be granted additional leave equivalent to the period of personal illness or injury which occurred during the leave. In these circumstances, satisfactory medical evidence will be necessary.

4.5 CARER'S LEAVE

- a) An employee, other than a casual employee, with responsibilities in relation to a class of person set out in paragraph c) who needs the employee's care and support, shall be entitled to use, in accordance with the sub-clause, up to ten (10) days carers leave per year, for absences to provide care for such persons when they are ill. Such leave may be taken for part of one day.
- b) The employee shall, if required,
 - (i) establish either by production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person, or
 - (ii) establish by production of documentation acceptable to the employer or a statutory declaration, the nature of the illness resulting in the person concerned requiring care by the employee.

In normal circumstances, an employee must not take carer's leave under this subclause where another person had taken leave to care for the same person.

- c) The entitlement to use carers leave in accordance with this clause is subject to:
 - (i) The employee being responsible for the care and support of the person concerned: and,
 - (ii) The person concerned being:
 - a spouse of the employee; or

- a de facto spouse, who, in relation to a person, is a person of the opposite sex to the first mentioned person who lives with the first mentioned person as the husband or wife of that person on a bona fide domestic basis although not legally married to that person; or
 - a child or adult child (including an adopted child, a step child, a foster child or an ex-nuptial child), parent (including a foster parent and legal guardian), grandparent, grandchild or sibling of the employee or spouse or de facto spouse of the employee; or
 - a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis; or
 - a relative of the employee who is a member of the same household, where for the purpose of this paragraph:
 - ‘relative’ means a person related by blood, marriage or affinity.
 - ‘affinity’ means a relationship that one spouse because of marriage has to blood relatives of the other; or
 - ‘household’ means a family group living in the same domestic dwelling.
- d) An employee shall notify their immediate supervisor of the requirement to take leave, the reason for taking such leave and the estimated length of absence at the first opportunity or on the day of absence.
- e) An employee may elect with the consent of the employer, to take unpaid leave for the purpose of providing care and support to a class of person set out in subclause 4.5 c) (ii) above who is ill or who requires care due to an unexpected emergency.
- f) An employee may elect with the consent of the employer, to take annual leave not exceeding ten days in single day periods, or part thereof, in any calendar year at a time or times agreed by the parties, for the purposes of providing care to a class of person set out in subclause 4.5 c) (ii).
- (i) An employee may elect with the employer’s agreement to take annual leave at any time within a period of 24 months from the date at which it falls due.
- g) An employee may elect, with the consent of the employer, to take time off in lieu of payment for overtime at a time or times agreed with the employer within twelve (12) months of the said election.
- h) Overtime taken as time off during ordinary time hours shall be taken at the ordinary time rate, which is an hour for each hour worked.
- i) If, having elected to take time as leave, in accordance with subclause 4.5 g) above, the leave is not taken for whatever reason, payment for time accrued at overtime rates shall be made at the expiry of the twelve (12) month period or on termination.
- j) Where no election is made in accordance with the said subclause 4.5 g) above, the employee shall be paid overtime rates in accordance with the Agreement.
- k) An employee may elect, with the consent of the employer, to work ‘make-up time’ under which the employee takes time off ordinary hours, and works those hours at a later time, during the spread of ordinary hours provided in the Agreement, at the ordinary rate of pay.

- l) An employee on shift work may elect, with the consent of the employer, work 'make-up time' (under which the employee takes time off ordinary hours and works those hours at a later time) at the shift work rate which would have been applicable to the hours taken off.
- m) Carer's entitlement for casual employees
- (i) Subject to the evidentiary and notice requirements in subclause b) and d) above, casual employees are entitled to not be available to attend work, or to leave work if they need to care for a person prescribed in subclause c) of this clause who are sick or injured and require care and support, or who require care due to an unexpected emergency, or the birth of a child.
 - (ii) The employer and the employee shall agree on the period for which the employee will be entitled to not be available to attend work. In the absence of agreement, the employee is entitled to not be available to attend work for up to forty eight (48) hours (i.e. two (2) days) per occasion. The casual employee is not entitled to any payment for the period of non-attendance.
 - (iii) The employer must not fail to re-engage a casual employee because the employee accessed the entitlements provided for in this clause. The rights of the employer to engage or not engage a casual employee are otherwise not affected.

4.6 LONG SERVICE LEAVE

4.6.1 Long Service Leave Entitlement

Essential Energy shall grant each employee Long Service Leave on full pay as follows:

Length of Continuous Service	Amount of Leave
After 10 Years	13 weeks
Between 10 and 15 years	1.7 weeks per year
After 15 years	2.7 weeks per year

4.6.2 Accrual of Leave

Long Service Leave shall accrue during a period of continuous service on a pro rata basis proportionate to the scale of leave set out above. However, the amount of accrued leave which an employee has shall be reduced by any period of leave previously taken.

4.6.3 Taking of Leave

An employee shall not be entitled to take any period of Long Service Leave until the employee has completed ten (10) years continuous service with Essential Energy. The taking of Long Service Leave shall be at the discretion of the employee but at a time convenient to, and by mutual arrangement with Essential Energy taking into consideration staffing levels and workloads.

4.6.4 Fragmented Leave

Long Service Leave may be taken in separate periods of not less than one (1) week.

4.6.5 Notice of Leave

An employee shall give Essential Energy at least one (1) months' notice of the taking of Long Service Leave. However, a shorter period of notice may be given in cases of unforeseen events which necessitate an employee taking leave.

4.6.6 Continuous Service

For the purposes of this clause, continuous service will mean employment in New South Wales with any city, municipality, shire, county district or other local government body which has supplied or is supplying electricity to the public of New South Wales or Electricity Commission of NSW, including its subsequent derivatives, or employment in New South Wales with any corporation which has supplied or is supplying electricity to the public of New South Wales and from one such body to another, which is unbroken by a period of employment or absence outside the service of any such body, provided that:

- a) service with any such body shall be taken as prescribed by the appropriate Awards or industrial agreements relating thereto;
- b) any absence without payment, not exceeding one (1) month, between periods of employment with any such body, which involves genuine illness or injury or is required for the purpose of attending to matters of a domestic or personal nature in preparation for the taking up of a new appointment, shall be deemed not to have interrupted the continuity of service;
- c) any absence without payment which exceeds one (1) month between periods of employment with any such body shall be subject to special consideration of the reasons involved and shall be approved by Essential Energy before being accepted as not having interrupted the continuity of service.

4.6.7 Periods Not Included

Periods which shall not be included in the calculation of continuous service are unpaid absences and periods between separate periods of employment with Essential Energy except as provided for in Clause 4.6.6 (Continuous Service) paragraph c).

4.6.8 Transfer of Credits/Payments

Recognition of previous service as defined in Clause 4.6.6 (Continuous Service) and any consequential transfer of credits or transfer of payments shall be limited to such bodies where there is reciprocal recognition and arrangements for credit of past service with Essential Energy.

4.6.9 Payment

- a) Allowances

An employee who regularly receives payment of On Call and Standing By allowances, shift allowances or any allowance payable as an all-purpose allowance, will receive payment of those allowances during periods of Long Service Leave on the same basis of payment or average payment to the employee in the four (4) week period prior to the date of commencement of the leave.

- b) Full Pay

During a period of Long Service Leave, an employee shall be paid in addition to allowances, the employee's ordinary rate of pay which the employee would have received for the period had the employee not been on leave. Provided that in the case of a part time employee, the payment of leave shall be calculated by averaging the employee's hours over the previous twelve (12) months.

- c) Payment Before Leave

An employee shall be entitled to receive payment for the full period of Long Service Leave prior to the date upon which the leave commences.

4.6.10 Holidays Excluded

Long Service Leave shall be exclusive of all public holidays which occur during the period of such leave.

4.6.11 Termination of Employment

a) Ten (10) Years

Where an employee has completed at least ten (10) years continuous service, and the employee's employment is terminated for any reason, or the employee dies, the employee or the employee's legal representative shall be paid the amount due for the employee's accrued Long Service Leave.

b) Short Service

Where an employee has completed at least five (5) years' and less than ten (10) years' service and their employment is terminated by Essential Energy for any reason other than serious misconduct, or if the employee terminates their employment on account of illness, incapacity or other domestic or pressing necessity, or by reason of death, Essential Energy shall pay to the employee or the employee's legal representative the monetary equivalent of the employee's accrued Long Service Leave.

c) Payment on Termination

On termination of employment, an employee shall be paid the ordinary rate of pay excluding allowances for accrued Long Service Leave.

4.6.12 No Payment In Lieu

Essential Energy shall not pay an employee in lieu of Long Service Leave, whilst the employee remains an employee of Essential Energy.

4.7 PARENTAL LEAVE

The following provisions shall apply in addition to those set out in Chapter 2, Part 2-2, Division 5 – 'Parental leave and related entitlements' of the National Employment Standards (NES) under the Fair Work Act 2009 (Cth); and the Paid Parental Leave Act 2010 (Cth).

a) In the period immediately following the birth or adoption of a child, an employee who is the primary care giver shall, subject to the completion of twelve (12) months continuous service with Essential Energy, be entitled to;

(i) Parental leave with full pay for a period of fourteen (14) weeks, or, in the alternative, twenty eight (28) weeks at half pay and;

(ii) Adoption leave with full pay for a period of fourteen (14) weeks, or in the alternative, twenty eight (28) weeks at half pay and;

(iii) Request Parental Leave on a Part Time basis until the child reaches school age.

(iv) An employee who is not the primary care giver shall, subject to the completion of twelve (12) months continuous service with Essential Energy, be entitled to Paternity leave with full pay for a period of one (1) week or in the alternative, two (2) weeks at half pay.

- b) An employee shall be entitled to request such additional leave without pay as shall amount in aggregate to a total period of parental leave and adoption leave not exceeding one hundred and four (104) weeks.
- c) In accordance with this clause, an employee may utilise the whole or part of any Annual Leave and/or Long Service Leave or other paid leave provided that the total period of leave does not exceed one hundred and four (104) weeks.
- d) An employer must not fail to re-engage a regular casual employee because:
 - (i) The employee or the employee's spouse is pregnant; or
 - (ii) The employee is or has been immediately absent on parental leave.

The rights of an employer in relation to engagement and re-engagement of casual employees are not affected, other than in accordance with this clause.

e) Right to Request

- (i) An employee entitled to parental leave may request the employer to allow the employee:
 - To extend the period of simultaneous unpaid parental leave use up to a maximum of eight (8) weeks;
 - To extend the period of unpaid parental leave for a further continuous period of leave not exceeding twelve (12) months;
 - To return from a period of parental leave on a part-time basis until the child reaches school age;
 - To assist the employee in reconciling work and parental responsibilities.
- (ii) The employer shall consider the request having regard to the employee's circumstances and, provide the request is genuinely based on the employee's parental responsibilities, may only refuse the request on reasonable grounds related to the effect on the workplace or the employer's business. Such grounds might include cost, lack of adequate replacement staff, loss of efficiency and the impact on customer service.
- (iii) The employee's request and the employer's decision must be recorded in writing.
- (iv) Request to return to work part-time

Where an employee wishes to make a request, such a request must be made as soon as possible but no less than seven weeks prior to the date upon which the employee is due to return to work from parental leave.

f) Communication during parental leave

- (i) Where an employee is on parental leave and a definite decision has been made to introduce significant change to the workplace, the employer shall take reasonable steps to:
 - Make information available in relation to any significant effect the change will have on the status or responsibility level of the position the employee held before commencing parental leave; and

- Provide an opportunity for the employee to discuss any significant effect the change will have on the status or responsibility level of the position the employee held before commencing parental leave.
- (ii) The employee shall also take reasonable steps to inform the employer about any significant matter that will affect the employee's decision regarding the duration of parental leave to be taken, whether the employee intends to return to work and whether the employee intends to request to work on a part-time basis.
- (iii) The employee shall notify the employer of changes of address or other contact details which might affect the employer's capacity to comply with paragraph (i).
- g) Paid leave of absence granted under this Clause shall be counted as service for the purposes of this Agreement.

4.8 JURY SERVICE LEAVE

The following provisions shall apply in addition to those set out in Chapter 2, Part 2-2, Division 8 – 'Community Service Leave' of the National Employment Standards (NES) under the Fair Work Act 2009.

- a) An employee shall notify Essential Energy as soon as possible of the date upon which they are required to attend for Jury Service.
- b) An employee shall be paid by Essential Energy the difference between the Jury Service fee received and the employee's ordinary time rate of pay for Jury Service during the employee's usual ordinary working hours.
- c) An employee who attended Jury Service during a period of Annual or Long Service Leave or paid Parental Leave shall, on application and on production of satisfactory evidence, be credited with leave, for the period during which the employee would have been on annual or long service leave had the employee not been on Jury Service.

4.9 COMPASSIONATE LEAVE

4.9.1 Permanent and temporary employees

- a) An employee is entitled to two (2) days of compassionate leave for each occasion (a permissible occasion) when a member of the employee's immediate family (as defined in paragraph d)), or a member of the employee's household:
- (i) contracts or develops a personal illness that poses a serious threat to his or her life; or
 - (ii) sustains a personal injury that poses a serious threat to his or her life; or
 - (iii) dies.
- b) Where an employee's immediate family member dies, the employee shall be granted compassionate leave with pay for any unworked part of the ordinary working day or rostered shift during which the employee was notified of the death.
- c) An employee may take compassionate leave for a particular permissible occasion as consecutive days, single days or separate periods as agreed.

- d) Immediate family includes;
- (i) the employee's spouse (including former spouse, a de facto spouse and a former de facto spouse), same sex partner, or a child or an adult child (including an adopted child, a step child or an ex nuptial child), parent, parent in law, grandparent, aunt or uncle, grandchild or sibling; or
 - (ii) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the employee
- e) Compassionate leave for permanent and temporary employees is without loss of pay for ordinary hours occurring during the period of the compassionate leave.

4.9.2 Casual employees

- a) Compassionate leave for casual employees is unpaid.
- b) Subject to the evidentiary and notice requirements in Section 4 Clause 4.5 (Carers Leave) paragraph b) and d), casual employees are entitled to not be available to attend work, or leave work upon the death of a person prescribed in Section 4 Clause 4.5 (Carers Leave) paragraph c).
- c) The employer and the employee shall agree on the period for which the employee will be entitled to not be available to attend work. In the absence of agreement, the employee is entitled to not be available to attend work for up to forty eight (48) hours (i.e. two (2) days) per occasion.
- d) An employer must not fail to re-engage a casual employee because the employee accessed the entitlements provided for in this clause. The rights of an employer to engage or not engage a casual employee are not otherwise affected.

4.10 UNION TRAINING LEAVE

- a) An employee may make application to Essential Energy for paid leave to attend union courses/conferences.
- b) Essential Energy's approval of an application for union leave is subject to:
- (i) The taking of the leave shall be dependent upon Essential Energy being able to make adequate staffing arrangements.
 - (ii) Training courses/conferences should be for Union Delegates or workplace representatives for whom the approved course is of relevance.
 - (iii) Written application and at least six (6) weeks' notice, or other agreed period, for leave shall be given.
 - (iv) Paid leave will not incur any other payment other than the ordinary rate of pay.
 - (v) An annual pool of paid leave up to a maximum of one hundred (100) days will be provided by Essential Energy for employees to use for union leave. Extra leave may be granted by approval of the Chief Operating Officer.

4.11 ACCIDENT LEAVE

4.11.1 Accident Pay

- a) An employee, after a period or periods of workers compensation totalling twenty six (26) weeks, shall be entitled to accident pay for a further period of absence, or absences up to a period of twenty six (26) weeks of incapacity.
- b) Accident Pay is not payable for the first twenty six (26) weeks of a period of incapacity.
- c) Accident Pay shall mean a weekly payment of an amount representing the difference between the amount of compensation to which the employee would be entitled to under the Workers Compensation Act 1987 (NSW), as amended and the employee's ordinary rate of pay.
- d) Accident Pay shall be payable only for a period or periods of incapacity while the employee remains an employee of Essential Energy.
- e) An employee shall not be entitled to the payment of Accident Pay in addition to payment for any period of Annual Leave, Personal Leave, Long Service Leave or any Public Holiday, or for any period for which the employee has received a verdict for damages or a payment as settlement for a claim related to a compensation injury.

4.11.2 Notice of Injury

An injured employee shall give notice in writing, of the injury and circumstances leading to the injury, to Essential Energy without undue delay, and shall provide in writing all other information as Essential Energy may reasonably require.

4.11.3 Medical Examination

Nothing in this Clause shall in any way be taken as restricting or removing Essential Energy's right under NSW workers compensation laws to require the employee to submit for examination by a legally qualified medical practitioner, provided and paid by Essential Energy.

If the employee refuses to submit to such examination or in any way obstructs the same, the employee's right to receive or continue to receive Accident Pay shall be suspended until such examination has taken place.

4.11.4 Damages or Settlement

The employee shall not be entitled to receive Accident Pay if the employee fails to give Essential Energy:

- a) an undertaking that if the employee obtains a verdict for damages against Essential Energy in respect of the injury or is paid an amount in settlement of any claim for damages that the employee has made against Essential Energy for the injury, the employee will immediately upon receipt of payment or upon receipt of payment by the employee's agent of a verdict for damages or amount in settlement of the claim, repay to Essential Energy the amount of Accident Pay which Essential Energy has paid.
- b) an undertaking that where the injury was caused under the circumstances creating a liability in a third party to pay damages and the employee obtains a verdict for damages or is paid an amount of money in settlement of any claims for damages against that third party the employee will out of such verdict or amount of money repay to Essential Energy the amount of Accident Pay which Essential Energy has paid.

- c) an irrevocable authority addressed to any third party requiring such third party out of any verdict which may be obtained by the employee against that third party or any amount of money payable to the employee in settlement of any claim for damages made against that third party to pay to Essential Energy the amount of Accident Pay which Essential Energy has paid to the employee.

4.12 DOMESTIC VIOLENCE LEAVE

4.12.1 General Principle

Essential Energy recognises that employees sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. Therefore, Essential Energy is committed to providing support to staff that experience domestic violence.

4.12.2 Definition of Domestic Violence

Domestic violence includes physical, sexual, financial, verbal or emotional abuse by an immediate family member as defined in this Agreement.

4.12.3 General Measures

- (a) Proof of domestic violence may be required and can be in the form of an agreed document issued by the Police Service, a Court, a Doctor, a Domestic Violence Support Service or Lawyer.
- (b) All personal information concerning domestic violence will be kept confidential in line with Essential Energy policy and relevant legislation. No information will be kept on an employee's personnel file without their express written permission.
- (c) No adverse action will be taken against an employee if their attendance or performance at work suffers as a result of experiencing domestic violence.
- (d) Essential Energy will identify a contact in Human Resources who will be trained in domestic violence and privacy issues. Essential Energy will advertise the name of the contact within the organisation.
- (e) An employee experiencing domestic violence may raise the issue with their immediate supervisor or the Human Resources contact. The supervisor may seek advice from Human Resources if the employee chooses not to see the Human Resources contact.
- (f) Where requested by an employee, the Human Resources contact will liaise with the employee's supervisor on the employee's behalf, and will make a recommendation on the most appropriate form of support to provide in accordance with sub clauses 4.12.4 and 4.12.5.
- (g) Essential Energy will develop guidelines to supplement this clause which detail the appropriate action to be taken in the event that an employee reports domestic violence.

4.12.4 Leave

- (a) An employee experiencing domestic violence will have access to paid special leave for medical appointments, legal proceedings and other matters and activities arising from domestic violence.

This leave will be in addition to existing leave entitlements and may be taken as consecutive or single days or as a fraction of a day and can be taken without prior approval.

- (b) An employee who supports a person experiencing domestic violence may take special leave to accompany them to court, to hospital, or to mind children.

4.12.5 Individual Support

- (a) In order to provide support to an employee experiencing domestic violence and to provide a safe work environment to all employees, Essential Energy will support any reasonable request from an employee experiencing domestic violence for:
 - (i) changes to their span of hours or pattern of hours and/or shift patterns;
 - (ii) job redesign or changes to duties;
 - (iii) relocation to suitable employment within Essential Energy;
 - (iv) a change to their telephone number or email address to avoid harassing contact;
 - (v) any other appropriate measure including those available under existing provisions for family friendly and flexible work arrangements.
- (b) An employee experiencing domestic violence will be referred to the Employee Assistance Program (EAP) and/or other local resources. The EAP shall include professionals trained specifically in domestic violence.

SECTION 5 – ALLOWANCES

5.1 LEADING HAND ALLOWANCE

- a) An employee employed at or below Pay Point 25 in a field based position who is in charge of and responsible for a work group comprising that employee and at least two (2) other employees shall receive the Leading Hand allowance.
- b) An amount per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances) shall be paid when performing the duties and requirements of a Leading Hand. This allowance is only payable for ordinary hours worked, overtime and superannuation where the employee performs the duties and requirements of a Leading Hand.
- c) An employee performing the duties and requirements of a Leading Hand for three (3) or more days in any one week shall be paid the allowance for the remainder of the working week (Monday to Friday), either a four (4) or five (5) day week, as appropriate.
- d) Leading Hand is not a permanent appointment except for :
 - those employees who, prior to approval of this Agreement, had been appointed as a permanent Leading Hand and continue to perform the role in accordance with this clause above, or
 - where, from the commencement of this Agreement, the employee performs the duties and requirements of a Leading Hand and claims the allowance for a total of not less than one hundred and eighty nine (189) working days in a calendar year.

If either of the circumstances above apply, the employee will receive the allowance on a permanent basis which will be payable for all purposes.

- e) Essential Energy retains the right to manage the process for engaging a Leading Hand including rotation of the duties and functions of a Leading Hand within the work group(s).

5.2 ELECTRICAL SAFETY RULES ALLOWANCE (ESRA)

- a) The Electrical Safety Rules Allowance (ESRA) will be paid to employees appointed to electrical positions who have passed the safety rules test and who are required to work or supervise or direct work in accordance with these rules. Typically employees who hold a trades' certificate from the family of electrical trades (including apprentices) will receive this allowance.
- b) Employees in non-electrical trades' technical and professional classifications, who are required to sit an abridged version of the safety rules exam, and are required to work in accordance with these rules, will receive 80% or 60% of the allowance. Employees in the Administrative Officer stream shall have an examination of their role and requirements to determine whether they are eligible for payment of ESRA.
- c) Notwithstanding the above, the applicability of the electrical safety rules to the particular functions of a position may change from time to time and be subject to review. As a result, the ongoing payment of ESRA is also subject to review.
- d) To continue receiving the ESRA an employee must remain competent in their understanding and workplace application of the electrical safety rules. The ESRA may be temporarily suspended for a

period of up to six (6) months where it is demonstrated that an employee has failed to follow and apply electrical safety rules in accordance with Essential Energy policies or procedures.

- e) For further detail regarding the ESRA, refer to Section 6 Clause 6.15 Table 4 (Essential Energy Electrical Safety Rules Allowances) and Section 6 Clause 6.16 (Electrical Safety Rules Allowance Guidelines).

5.3 FIRST AID ALLOWANCE

All employees will be encouraged to obtain a First Aid Certificate. The costs of obtaining the certificate and the ongoing renewal costs will be met by Essential Energy where the certificate is obtained or renewed through an accredited training organisation and approved by the relevant manager.

An employee who is the holder of a current recognised First Aid Certificate and who is designated first aid attendant shall be paid a weekly First Aid Allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

5.4 CHIEF FIRE WARDEN ALLOWANCE

An employee who has received the appropriate training and is designated as a Chief Fire Warden shall be paid a weekly Chief Fire Warden allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

5.5 ISOLATION & CLIMATIC ALLOWANCES

5.5.1 Isolation Allowance

Employees permanently attached to an Essential Energy Depot or Office in a town with a population of less than 10,000 which is 250 kilometres or more from a town or city with a population of 20,000 or greater shall be paid a weekly Isolation Allowance as set out in Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

5.5.2 Climatic Allowance

- a) Employees who work in Jindabyne Depot or any other Essential Energy Depot or office which is situated upon or to the west of a line drawn from a point on the right bank of the Murray River opposite Echuca (Victoria) and then to the following towns in the order stated, Deniliquin, Griffith, Condobolin, Narromine, Coonamble, Gunnedah, Narrabri, Moree and Goondiwindi shall be paid an allowance as set out in Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).
- b) These allowances do not form part of the ordinary rates of pay for the purpose of the calculation of overtime or paid for other purposes.
- c) These Allowances do not form part of Essential Energy's Remote Area Policy, which is a separate initiative.

5.6 AIRCRAFT ALLOWANCE

An employee who is required in the course of employment to be engaged in a rotary or fixed wing aircraft in inspection and reporting on the distribution network shall be paid an allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances), per day or part thereof whilst so engaged.

Prior to use by employees, the full service history of the particular aircraft to be used are to be made available.

5.7 TELEPHONE ALLOWANCE

Where mobile telephone reception is not available, and an employee is required to use their private home telephone for the purpose of Essential Energy business, such employees shall be given a quarterly flat rate allowance, which shall be paid in equal weekly instalments, as set in Section 6 Clause 6.14 Table 3 (Essential Energy Allowances) to cover telephone rent, service and equipment charges and business calls. Where, in any quarter, the cost of business calls exceeds the quarterly allowance, the employee shall provide proof of the additional calls and then be reimbursed the cost of the excess calls.

5.8 TRAINING ALLOWANCE

- a) A training allowance shall be paid to:
- (i) employees who are required to prepare and present approved regulatory training courses to other staff members; and
 - (ii) employees who conduct formal assessments (of a course and/or individual participant).
- b) The training allowance shall not apply where the responsibility for the above duties is a function of the employee's appointed position.
- c) All employees who receive training will be paid at ordinary time where the course has been approved by Essential Energy.

5.9 PRIVATE MOTOR VEHICLE ALLOWANCE

Employees shall not ordinarily be required to use their private motor vehicle for Essential Energy business purposes. However in extenuating circumstances and with the prior agreement of their manager / supervisor, an employee who uses a privately owned motor vehicle in their role shall be paid for the casual use at the Australian Taxation Office rates.

5.10 CREW COORDINATOR ALLOWANCE

An employee appointed to the role of Crew Coordinator will be entitled to a Crew Coordinator allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

5.11 DEPOT CONTROLLER ALLOWANCE

A Resource Supervisor or Crew Supervisor at each Grade 'C', 'D' & 'E' depot who in addition to their normal responsibilities acts as the person in charge of their depot will be paid a Depot Controller allowance. The recipient of the allowance is responsible for the efficient and effective daily function of the depot. The allowance is as per Section 6 Clause 6.14 Table 3 (Essential Energy Allowances).

This allowance is not payable to Senior Resource Supervisors as the depot responsibility forms part of their role.

Where the depot controller is on leave the employee assigned responsibility for the depot controller duties is eligible to receive the depot controller allowance on a pro rata daily basis.

5.12 MOVEMENT OF ALLOWANCES

Allowances described in Section 6 Clause 6.13 Table 2 (Essential Energy Shift Allowances) & 6.14 Table 3 (Essential Energy Allowances) shall increase at the same percentage rate as the rates of pay in Section 6 Clause 6.12 Table 1 (Essential Energy Rates of Pay), excluding Electrical Safety Rules (ESRA).

SECTION 6 - MISCELLANEOUS

6.1 OUTSOURCING

6.1.1 Basic Principles

Outsourcing or contracting out will not diminish the working conditions of this Agreement.

6.1.2 Work will only be outsourced or contracted out when it can be demonstrated that:

- a) peak workloads cannot be met by Essential Energy's workforce including reasonable overtime; or
- b) where specific expertise, not available in Essential Energy's workforce, is required. Where recurring work requires such expertise, Essential Energy will make efforts to obtain this expertise by training and/or reorganising its existing workforce. Essential Energy will keep the relevant union(s) informed about such training and reorganisation; or
- c) the use of outsourcing or contracting out the work is commercially the most advantageous option taking into account safety, quality, performance, and cost.

6.1.3 In circumstances where Essential Energy is examining outsourcing or contracting out of work activities:

- a) a Contracting Consultation Committee (CCC) shall be formed comprising appropriate representation from Essential Energy and the applicable unions. The purpose of the CCC will be to serve as a forum for Essential Energy to inform and consult the Unions and their members on all contracting and outsourcing proposals;
- b) utilising the CCC - Essential Energy will consult the employees and their union(s) and provide them the appropriate time (relevant to the nature of the proposal) to respond with suitable proposals in respect of possible alternative arrangements to outsourcing or contracting out;
- c) prior to expressions of interest or tenders being called, where employee generated alternatives are received, such alternatives will be considered;
- d) expressions of interest or tenders when advertised shall be timed so as to provide the employees with an opportunity to submit a conforming expression of interest or tender. If an employee generated conforming expression of interest or tender is submitted, it will be evaluated together with external submissions consistent with the tendering and probity procedures of Essential Energy.

6.1.4 When a decision is made by Essential Energy to outsource/contract out work not already outsourced or contracted out, or in a review of existing contracts, Essential Energy will consider a contract to a contractor that demonstrates:

- a) Contractor(s) undertaking the outsourced /contracted out work will have wages and conditions that are no less favourable than that provided for in their relevant industrial instrument.
- b) It has established appropriate industrial relations policies and practices which promote harmonious employee relations and minimise the risk of industrial disputes and that it complies with appropriate safety standards, environmental standards and quality standards to a level commensurate with the standards Essential Energy expects.
- c) If after engagement of a contractor a party to this agreement provides sufficient evidence that a contractor is not providing its employees with correct statutory entitlements, Essential Energy will use an independent organisation to audit compliance with these entitlements. If the audit confirms that there is a breach of the statutory entitlements of the Contractor's employees, Essential Energy will take appropriate action.

6.1.5 In the event that Essential Energy has determined to outsource or contract out work, affected employees will have access to the full range of options available under all relevant Essential Energy policies which apply at the time. These options will include training and / or retraining.

6.1.6 Either party may refer this process to the Dispute and Grievance Resolution Procedure in this agreement.

6.1.7 The parties will comply with their obligations under clauses 1.13 and 1.14 of this Agreement prior to enacting the above. Nothing in this clause diminishes the parties' obligations under clauses 1.13 and 1.14.

6.2 DRIVERS LICENCE

An employee appointed to a position which requires the employee to hold a motor vehicle drivers licence shall be reimbursed the cost of such license by Essential Energy.

6.3 WET WEATHER

It is not the intent of Essential Energy for its employees to normally work in wet weather.

Essential Energy shall however provide its field based employees with suitable wet weather gear for those occasions where due to an emergency, or an outage that has already commenced, it requires the employees to work through.

Where an employee stops work due to wet weather, the employee shall be paid for time not worked provided the employee:

- Remains at work until directed to leave work;
- Stands by as directed; and
- Reports for duty as directed.

6.4 TOOLS

- a) Essential Energy shall provide employees with the necessary tools to perform their duties. Tools will only be supplied and or purchased in accordance with the Essential Energy tools policy. Damaged, lost or worn tools shall be replaced by Essential Energy.
- b) Employees shall use the tools for their intended purpose only. Employees shall exercise all care in the use of and safe keeping of tools.

6.5 PERSONAL PROTECTIVE EQUIPMENT (PPE) AND CLOTHING

- a) Essential Energy shall provide PPE and clothing to fulfil safety requirements relating to the provision of such equipment and clothing.

- b) Employees must ensure they wear and/or use appropriate PPE and clothing for the purpose for which it was provided.
- c) PPE and clothing will be replaced on a fair wear and tear basis approved by the employee's manager/supervisor.

6.6 UNION DELEGATES' CHARTER

6.6.1 Essential Energy shall be able to:

- a) Expect that employees, be they Union Delegates or not, will perform the job in which they are employed.
- b) Be given reasonable notice by Delegates that they intend to carry out their Union duties.
- c) Expect that Union Delegate(s) shall not be able to claim or be paid overtime for attendance at Delegates meetings.
- d) Expect that Union Delegate(s) be reasonably available as required to assist in the facilitation of effective workplace relations practices.

6.6.2 To the extent permitted by the Fair Work Act 2009, Union Delegates at Essential Energy shall be able to:

- a) Approach, or be approached by a member for the payment of union dues or other payments, or to discuss any matter related to this member's employment, during working hours.
- b) After obtaining the permission of the employer, move freely for the purpose of consulting other Delegates during working hours.
- c) Have access to Union Officials, subject to the Fair Work Act 2009, as required within operational hours and on business premises as required for the purposes of Union business.
- d) Be able to represent employees or request a Union Official to represent the employee.
- e) To negotiate with management together with other Union Delegates on behalf of all or part of the members on any matters in accord with union policy affecting the employment of members who work in Essential Energy.
- f) Call meetings and for members to attend these meetings on the job. Such meetings are to be outside of work time unless prior permission is obtained from management.
- g) Have protection from victimisation and this right to be expressed in prohibiting the employer from seeking to separate the delegate from the union members who elected them without first consulting the union.
- h) Have access to a telephone and computer, including email and to have within their work proximity suitable cupboards and furniture to enable them to keep records, union circulars, receipt books etc. so as to efficiently carry out their union responsibilities.
- i) Attend meetings and training held by the union in which they hold office without loss of any rights or ordinary pay following the approval of Essential Energy. Attendance at these meetings shall not be unreasonably withheld. Leave granted for this purpose may be accessed by the relevant special leave provisions and or relevant training leave provisions.

- j) Have all agreements and arrangements negotiated with Essential Energy set out in writing and for these agreements and arrangements, including Agreements, to be provided to delegates on request.
- k) Place appropriate union endorsed notices on defined union notice boards.

6.7 SUPPLY OF RESIDENCE

Where an employee is provided with a residence by Essential Energy (with or without concessions), the weekly value of such residence and concessions shall be determined by Essential Energy.

6.8 NO EXTRA CLAIMS

The parties to this Agreement agree not to pursue any additional or extra claims during the term of this Agreement except in accordance with Section 1 Clause 1.8 (Future Negotiations), or in accordance with any decision of the Fair Work Commission.

6.9 PHASED RETIREMENT

A range of flexible work and leave arrangements may be available by agreement between Essential Energy and an employee to better manage transition to retirement. Any agreed arrangement is in recognition of an ageing workforce in Essential Energy and the need to retain skills and experience within the organisation while managing the transfer of corporate knowledge prior to retirement.

Flexible work and leave arrangements include:

- (a) Part-time work;
- (b) Leave without pay;
- (c) Annual leave at half pay;
- (d) Job sharing arrangements;
- (e) Variations to ordinary hours and rosters;
- (f) Job redesign

The terms of any flexible work and/or leave arrangements shall be in writing and may be varied from time to time, by agreement, to suit the specific needs of Essential Energy and the employee.

6.10 ISOLATED AREAS – INCLUDING INDIGENOUS ISSUES

The parties agree to proactively support recruitment and employment in isolated areas. The union parties are also committed to an involvement in developing the terms of reference for such work and the work of the existing Recruitment Group for Isolated Areas.

6.11 ENGAGEMENT OF LABOUR HIRE AGENCY WORKERS

- a) The parties to this Agreement recognise the need for Essential Energy to engage labour hire agency workers from time to time to meet short term business needs. These engagements may need to be undertaken within short time frames. Essential Energy will consult with the relevant parties where the engagement of labour hire agency workers is required.
- b) In this context the parties define short term business needs as a maximum of twelve (12) months except in circumstances where consultation has taken place prior to any extension of this timeframe. As part of this process, Essential Energy will meet with the relevant union(s) on a six (6) monthly basis to discuss labour hire resource requirements. Essential Energy will provide a report as to labour hire agency workers at each of these meetings.
- c) Essential Energy confirms that labour hire shall not be used as an alternative to permanent employment.

6.12 TABLE 1: ESSENTIAL ENERGY RATES OF PAY

Pay point	Weekly \$ 1.7.12	Hourly rate \$ 1.7.12	Weekly \$ 1.7.13	Hourly rate \$ 1.7.13	Weekly \$ 1.7.14	Hourly rate \$ 1.7.14
			2.7%		2.7%	
C1*	408.84	11.36	419.88	11.66	431.22	11.98
C2*	451.03	12.53	463.21	12.87	475.72	13.21
C3*	497.54	13.82	510.97	14.19	524.77	14.58
1	536.92	14.92	551.42	15.32	566.31	15.73
2	652.33	18.12	669.94	18.61	688.03	19.11
3	755.42	20.98	775.82	21.55	796.77	22.13
4	846.49	23.51	869.35	24.15	892.82	24.80
5	875.32	24.31	898.95	24.97	923.22	25.65
6	904.99	25.14	929.42	25.82	954.51	26.51
7	919.83	25.55	944.67	26.24	970.18	26.95
8	948.91	26.36	974.53	27.07	1,000.84	27.80
9	967.98	26.89	994.12	27.61	1,020.96	28.36
10	1,027.53	28.54	1,055.27	29.31	1,083.76	30.10
11	1,068.75	29.69	1,097.61	30.49	1,127.25	31.31
12	1,090.05	30.27	1,119.48	31.10	1,149.71	31.94
13	1,111.95	30.89	1,141.97	31.72	1,172.80	32.58
14	1,134.10	31.51	1,164.72	32.35	1,196.17	33.23
15	1,157.04	32.15	1,188.28	33.01	1,220.36	33.90
16	1,180.20	32.78	1,212.07	33.67	1,244.80	34.58
17	1,203.79	33.44	1,236.29	34.34	1,269.67	35.27
18	1,227.57	34.1	1,260.71	35.02	1,294.75	35.97
19	1,252.23	34.78	1,286.04	35.72	1,320.76	36.69
20	1,277.33	35.48	1,311.82	36.44	1,347.24	37.42
21	1,290.72	35.86	1,325.57	36.82	1,361.36	37.82
22	1,302.87	36.19	1,338.05	37.17	1,374.18	38.17
23	1,328.75	36.92	1,364.63	37.91	1,401.48	38.93
24	1,355.54	37.65	1,392.14	38.67	1,429.73	39.71
25	1,382.54	38.41	1,419.87	39.44	1,458.21	40.51
26	1,438.70	39.97	1,477.54	41.04	1,517.43	42.15
27	1,467.15	40.75	1,506.76	41.85	1,547.44	42.98
28	1,526.65	42.41	1,567.87	43.55	1,610.20	44.73
29	1,557.07	43.25	1,599.11	44.42	1,642.29	45.62
30	1,588.08	44.12	1,630.96	45.30	1,675.00	46.53
31	1,619.98	44.99	1,663.72	46.21	1,708.64	47.46
32	1,652.56	45.9	1,697.18	47.14	1,743.00	48.42
33	1,685.52	46.82	1,731.03	48.08	1,777.77	49.38
34	1,753.65	48.72	1,801.00	50.03	1,849.63	51.38
35	1,788.57	49.68	1,836.86	51.02	1,886.46	52.40
36	1,824.26	50.67	1,873.52	52.04	1,924.11	53.45
37	1,898.02	52.73	1,949.27	54.15	2,001.90	55.61
38	1,974.94	54.86	2,028.26	56.34	2,083.02	57.86
39	2,054.50	57.07	2,109.97	58.61	2,166.94	60.19
40	2,137.56	59.38	2,195.27	60.98	2,254.54	62.63
41	2,180.45	60.57	2,239.32	62.20	2,299.78	63.88
42	2,223.89	61.77	2,283.94	63.44	2,345.61	65.16
43	2,358.90	65.52	2,422.59	67.29	2,488.00	69.11
44	2,455.37	68.21	2,521.66	70.05	2,589.75	71.94

* Used for Cadet Engineers only

6.13 TABLE 2: ESSENTIAL ENERGY SHIFT ALLOWANCES

Section / Clause	Allowance Description	Frequency	Amount 1.7.12	Amount 1.7.13 (2.7%)	Amount 1.7.14 (2.7%)
Section 2 Clause 2.2	Shift :				
	Afternoon Shift	Per Shift	\$34.71	\$35.65	\$36.61
	Night Shift	Per Shift	\$47.73	\$49.02	\$50.34
	Early Morning Shift	Per Shift	\$11.85	\$12.17	\$12.50

6.14 TABLE 3: ESSENTIAL ENERGY ALLOWANCES

Section / Clause	Allowance Description	Frequency	Amount 1.7.12	Amount 1.7.13 (2.7%)	Amount 1.7.14 (2.7%)
Section 2 Clause 2.4.6	On Call Allowance	Per Week	\$170.00	\$174.59	\$179.30
	Per day Mon to Fri	Per Day*	\$30.64	\$31.46	\$32.30
	Per Day Sat/Sun/Hol	Per Day*	\$45.95	\$47.10	\$48.37
Section 2 Clause 2.5.6	Overtime Meal Allowance	Per meal	\$12.14	\$12.46	\$12.79
Section 5 Clause 5.3	First Aid Allowance	Per week	\$16.89	\$17.35	\$17.81
Section 5 Clause 5.4	Chief Fire Warden Allowance	Per week	\$16.89	\$17.35	\$17.81
Section 5 Clause 5.1	Leading Hand Allowance	Per day	\$16.70	\$17.15	\$17.61
Section 5 Clause 5.6	Aircraft Allowance	Per day	\$21.63	\$22.21	\$22.81
Section 5 Clause 5.5.1	Isolation Allowance	Per week	\$54.09	\$55.55	\$57.04
Section 5 Clause 5.5.2	Climatic Allowance	Per week	\$11.68	\$12.00	\$12.32
	Per Day at Location	Per day	\$2.34	\$2.40	\$2.47
Section 5 Clause 5.7	Telephone Allowance	Per week	\$18.80	\$19.30	\$19.82
Section 5 Clause 5.8	Training Allowance	Per day	\$37.35	\$38.36	\$39.39
Section 5 Clause 5.10	Crew Coordinator Allowance	Per week	\$86.53	\$88.87	\$91.27
Section 5 Clause 5.11	Depot Controller ¹	Per week	\$33.05 ¹	\$33.94 ¹	\$34.86 ¹

* Not to exceed maximum allowable weekly amount

¹ This represents 2% of Pay Point 32

6.15 TABLE 4: ESSENTIAL ENERGY ELECTRICAL SAFETY RULES ALLOWANCE

ELECTRICAL SAFETY RULES ALLOWANCE (per week)			
	1.7.12	1.7.13	1.7.14
100%	\$120.00	\$120.00	\$120.00
80%	\$96.00	\$96.00	\$96.00
60%	\$72.00	\$72.00	\$72.00

6.16 ELECTRICAL SAFETY RULES ALLOWANCE GUIDELINE

6.16.1 Purpose

To ensure the Company outlines the application of the Electrical Safety Rules Allowance in accordance with the Essential Energy Conditions of Employment Agreement.

6.16.2 Scope

This applies to employees who:

- are required to work in accordance with Essential Energy Electrical Safety Rules
- require a working knowledge and application of the Electrical Safety Rules to fulfil their role
- are required to maintain currency and competency in Electrical Safety Rules with training and assessment; and
- through the application of this guideline, are eligible for the Electrical Safety Rules Allowance.

6.16.3 References

CEOP8030 Electrical Safety Rules
 CEOP2061 High Voltage Live Line Work Operational Requirements
 CEOF2000.15 HR: Employee Notification Form

6.16.4 Definitions

For the purposes of this guide only:

Electrical Trade – the employee will hold an AQF III or above, qualification in either Systems Electrician, Powerline Worker, Cable Joints (or their recognised equivalents) or Electrical Engineering qualification.

Electrical Position – is a position within Essential Energy's Infrastructure Operations or Engineering Services business units that is directly involved with the reticulation and supply of electricity and the employee is deemed an Authorised person, in accordance with CEOP8030. For the purpose of this guide only, this may include associated positions that provide Technical Planning, Direction, Advice, Training or Supervision of those positions, and may be within other Business units.

Employee – a person who has permanent, temporary or casual employment with Essential Energy. It does not include persons who are engaged by a contract or provides a service to Essential Energy

Trade Qualification – the employee will hold an AQF III, or above, qualification in a Trade other than an Electrical Trade (see above) For example Plumber, Mechanic, Communications, Horticulture, Surveying or Engineering.

Trade Position – is a position within any of Essential Energy's business units that requires the employee to hold a Trade Qualification other than an Electrical Trade.

CATT Certified – means the employee is certified, and current, for Close Approach Tree Trimming (3 & 4) by an approved Organisation, and is required by Essential Energy to perform the work.

As defined in CEOP8030 – Electrical Safety Rules:

Authorised – means a person with technical knowledge or sufficient experience who has demonstrated competency and has been approved, in writing, by Essential Energy to carry out specific duties associated with the supply or use of electricity.

Competent Assistant – means a person who has, every twelve (12) months (six (6) months in Queensland), demonstrated the capabilities to rescue and resuscitate a person appropriate to the type of work being performed.

Instructed Person – means a person adequately advised or supervised by an authorised person to enable them to avoid the dangers electricity may create.

Near - means when there is a reasonable possibility of a person's body or any movable object that the person might be wearing, touching or carrying which is not designed for safe use on live conductors of the same or higher voltage, coming closer to a live exposed conductor than the minimum safe approach distances.

6.16.5 Assessment Criteria

To determine the eligibility of a new position or a current employee for the Electrical Safety Rules Allowance, the following assessment must apply:

6.16.6 100% Allowance

To be eligible for this allowance, the employee must be appointed to an electrical position, holds an Electrical Trade qualification, during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) required to work on or near the electrical network as an Electrically Qualified and Authorised person in accordance with CEOP8030 - Electrical Safety Rules; or
- b) carry out Operating Work on the electrical network; or
- c) is authorised and required to enter zone substations alone for the purposes of work; or
- d) provide direct supervision at a task level to others performing work in the above criteria; or
- e) for the purpose of training, auditing, network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake the role.

6.16.7 80% Allowance

To be eligible for this allowance, the employee must be appointed to a trade position, hold the appropriate trade qualification, during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) work on or near the electrical network as an Authorised person in accordance with CEOP8030 - Electrical Safety Rules; or
- b) is nominated, and confirmed, by Infrastructure Operations or Engineering Services as a Competent Assistant for the purpose of attending an Electrically Qualified and Authorised Person as required; or
- c) is authorised and required to enter zone substations alone for the purposes of work; or
- d) for the purpose of training, auditing, network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake role.
- e) employed in the role of either a CATT Certificated Electrical Worker or as an Asset Inspector.

6.16.8 60% Allowance

To be eligible for this allowance, the employee must be appointed in the role of Electricity Worker (or equivalent) during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) required to have and hold close approach for plant and equipment accreditation*; or
- b) work on or near the electrical network as an Instructed Person in accordance with CEOP8030 - Electrical Safety Rules; or
- c) is nominated, and confirmed, by Network Operations or Engineering as a Competent Assistant for the purpose of attending an Electrically Qualified and Authorised Person as required; or
- d) is authorised and required to enter zone substations alone for the purposes of work; or
- e) for the purpose of network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake role.

* NOTE: **Crane Plant Operators** that are designated and required to work to the safe approach distances for Live Line Work in accordance with CEOP2061 High Voltage Live Line Work Operational Requirements, shall receive the allowance Section 6 Clause 6.16.7 (80% Allowance) at all times, whilst still designated.

6.16.9 Qualifications

- a) In the case where the employee does not hold an electrical qualification or trade qualification (as defined), the eligibility for the payment of the Electrical Safety Rules Allowance will be assessed under Section 6 Clause 6.16.8 (60% Allowance).

Note: Where the employee is not appointed to the role of Electrical Worker (or equivalent), the assessment may occur under Section 6 Clause 6.16.8 (60% Allowance).

- b) In the case where an employee holds an Electrical Qualification and is engaged in a role that does not require the use of the qualification (e.g. Meter Reader, Asset Inspector), but is occasionally

utilised, and nominated, by Infrastructure Operations or Engineering Services to perform duties of an electrical position, they will be assessed under Section 6 Clause 6.16.10 (Secondments or Acting Duties).

6.16.10 Secondments or Acting Duties

Where an employee is required to work in a role that does not receive the allowance, they will receive the allowance for the duration of the secondment or acting duties, on the basis that their Electrical Safety Rules training is current. If the secondment or acting occurs on a regular basis then it is recommended that the allowance be paid at all times, subject to being competent in the Electrical Safety Rules.

6.16.11 Position Changes

Where an employee changes his/her position within Essential Energy, an assessment of the position requirements in accordance with this procedure should be undertaken. Where the Electrical Safety Rules Allowance does not apply, any existing Electrical Safety Rules Allowance and payments to the employee must cease.

6.16.12 Present Occupant Only or Present Employee

Where an employee has been identified as being paid the Electrical Safety Rules Allowance in error or not in accordance with this procedure following the review in 2007 and the Allowance was frozen, this amount only applies to the present employee, not the role or position. Any other employee entering the role in the future will NOT be eligible for the allowance. If the present employee changes positions the allowance will be re-assessed under Section 6 Clause 6.16.11 (Position Changes).

6.16.13 Approval Process

Where it is established an employee may be eligible for the Electrical Safety Rules Allowance, an Employee Notification Form must be submitted to the business unit General Manager or Regional Manager for endorsement and then forwarded to the Manager Employee Relations or his delegate for final approval.

6.16.14 Authorities and Responsibilities

Regional Managers and General Managers have the authority and responsibility for:

- endorsing applications for the Electrical Safety Rules Allowance.
- ensuring that all managers; and employees understand their responsibilities under this procedure

Manager Employee Relations has the authority and responsibility for:

- monitoring compliance with this procedure and
- approve or reject applications for the Electrical Safety Rules Allowance.
- recording eligibility for Electrical Safety Rules Allowance against positions, and,
- ensuring human resources information systems are updated and accurate.

Manager Technical Training has the authority and responsibility for:

- providing training and testing in the Electrical Safety Rules; and
- providing timely and accurate training records to Employee Relations and/or Human Resources.

SECTION 7 - AGREED VARIED CONDITIONS FOR PARTICULAR CLASSIFICATIONS

7.1 APPLICATION

Schedules contained in this section of the agreement contain terms and conditions relevant to those employees classified in the following categories:

- Managers & Specialists
- Technical Training Services / Operations (Workplace Trainer & Assessor)
- Divisional Assistants

These Schedules shall be read and interpreted wholly in conjunction with the terms and conditions of this Agreement, provided that where there is any inconsistency between these Schedules and the terms and conditions of this Agreement, these Schedules shall take precedence to the extent of the inconsistency.

All other conditions of employment will be as per the terms and conditions of this Agreement unless specifically covered by these Schedules.

7.2 SCHEDULE 1 – DIVISIONAL ASSISTANTS

7.2.1 Hours of Work & Additional Loading

Divisional Assistant positions are required to be available to serve the requirements of their manager in accordance with business hours on a 10 day fortnight arrangement Monday to Friday.

Employees covered by this Schedule shall be paid the appropriate salary according to their appointed position set out in the Progression Guidelines with an additional 11% which shall be superable to compensate for working a 10 day fortnight and recognition that the position works a minimum of forty (40) hours a week.

Where additional hours are worked, they shall be recorded on the payroll/personnel system and, where approved, paid at the appropriate overtime rates.

7.3 SCHEDULE 2 - MANAGERS & SPECIALISTS

7.3.1 Hours of Work & Additional Loading

Employees under this Schedule shall devote their attention, time and skill during normal business hours, and at other times as necessary, to fulfil the requirements of their duties. The nominal hours of work will be 72 hours, to be performed over a 10 day fortnight, worked Monday to Friday, unless otherwise agreed.

Employees shall be remunerated at the appropriate rate of pay for their classification plus any relevant allowance that is required for the employee to perform their role. An additional eleven percent (11%) is

paid in addition to the appropriate evaluated rate of pay in return for a forty (40) hour week and working a 10 day fortnight.

7.3.2 Overtime

The normal overtime provisions of this Agreement do not apply to employees under this schedule. It is not the intent to have employees under this Schedule work excessive hours. Employees who find they are working excessive hours have the ability with the agreement of their manager to enter into an arrangement to have those excessive hours recognised in the following manner;

- a) pay those hours at the ordinary single rate of pay, or
- b) to grant time-in-lieu for the actual hours worked

Such agreement will not to be unreasonably withheld.

7.3.3 Professional Indemnity

Provided that the Employee acts honestly, diligently and in good faith, the Employee shall not suffer any loss or damage of any kind by reason of any liability incurred by the Employer as a result of the conduct of the Employee and the Employer shall hold the Employee harmless and indemnify the Employee against any loss, claim, and cause of action of any kind arising out of or in the course of employment.

7.3.4 Inventions

- a) The Employee agrees that any discovery, invention, developmental process or technique made by the Employee during the course of employment and which in any way affects or relates to the business of the Employer shall be disclosed by the Employee to the Employer and shall be the absolute property of the Employer.
- b) The Employee further agrees, in respect of any such discovery, invention, developmental process or technique, that the Employee will do all necessary things to ensure that the Employer obtains the necessary protection through letters, patent, trade mark or other similar protection.
- c) The Employee grants the Employer consent to do or admit to do any act which would otherwise infringe the Employee's moral rights under the Copyright Act 1968 (Commonwealth) in relation to all copyright works the Employee makes in the course of the Employee's employment.

7.4 SCHEDULE 3 – TECHNICAL TRAINING SERVICES/OPERATIONS (WORKPLACE TRAINER & ASSESSOR)

7.4.1 Hours of Work

Employees classified in accordance with the Workplace Trainer and Assessor (Technical Trainings / Operations) are remunerated for working a ten (10) day / seventy two (72) hour fortnight.

SECTION 8 – PROGRESSION GUIDELINES

8.1 CLASSIFICATION GUIDELINES

All new and existing positions in Essential Energy other than those within the Engineering & Professional officers' classification stream will be developed and aligned with the Australian Qualifications Framework (AQF) in order to determine an appropriate qualification or training outcome for each position. Consultation will take place with the relevant hiring managers and/or the incumbent in relation to the functions and objectives of the position.

If the AQF outcome of a position is disputed a panel consisting of the incumbent, their supervisor, an Employee Relations representative and a union official will meet to consider and review the evaluation.

Appointments

- (i) All appointments will be made at the entry level for the classification established for the position.
- (ii) All new appointments should hold a relevant qualification for the position.
- (iii) If an appointment is made where the employee does not hold the relevant qualification, they will remain at the entry level until such time as they achieve the required qualification.
- (iv) Where an appointment has been made to a position which spans two classification bands the appointment will be made at the entry level of the lower classification band.
- (v) Where an appointment has been made without the required qualification, the employee will be provided the opportunity to complete the qualification and be provided with study assistance as per the relevant Essential Energy policy.
- (vi) Appointments may be made above the entry level classification for an applicable role within the appropriate evaluated band subject to approval by executive level management.

Progression

- (i) Progression within the evaluated classification band shall be based on documented satisfactory performance review on an annual basis.
- (ii) Where the evaluated classification of a position spans more than one classification band, progression to the higher classification band will only occur where the employee obtains the higher relevant qualification.
- (iii) Employees employed prior to 01 January 2010 who remain in the same position will continue to progress annually to the top of the AQF evaluated classification band whilst occupying that position without the need to obtain the required qualification, subject to satisfactory performance.
- (iv) Where Essential Energy initiates structural change and employees are redeployed to an alternate position, they will not be disadvantaged in relation to annual progression to the top of the AQF evaluated classification band of their original role (as at displacement date) subject to satisfactory performance.
- (v) Where an employee is required to undertake training relevant to the attainment of AQF qualifications for the appointed position, training will be undertaken in the employees' own time unless otherwise agreed.

- (vi) Where an employee is required to obtain a qualification or relevant training outcome and Essential Energy has not provided the required training or support, the employee will not be disadvantaged with regard to progression except in circumstances of unsatisfactory performance.
- (vii) Managers/Team Leaders are required to conduct annual performance reviews with all direct reports and are encouraged to provide six (6) monthly documented reviews with regard to progress. Employees are required to participate in the performance review process.

8.2 PROGRESSION ARRANGEMENTS

8.2.1 ADMINISTRATION OFFICER

ADMINISTRATION OFFICER		
AQF II Level	Pay Point	Requirements
1	8	• Entry level
2	10	• 12 months satisfactory performance at Level 1
3	12	• 12 months satisfactory performance at Level 2
3.1	13	• 12 months satisfactory performance at Level 3
AQF III Level	Pay Point	Requirements
4	14	• Appropriate AQF III qualification
5	16	• 12 months satisfactory performance Level 4
6	19	• 12 months satisfactory performance at Level 5
7	22	• 12 months satisfactory performance at Level 6
AQF IV Level	Pay Point	Requirements
8	25	• Appropriate AQF IV qualification
9	26	• 12 months satisfactory performance at Level 8
10	27	• 12 months satisfactory performance at Level 9
11	28	• 12 months satisfactory performance at Level 10

ADMINISTRATION OFFICER		
AQF V Level	Pay Point	Requirements
12	29	<ul style="list-style-type: none"> • Appropriate Diploma qualification
13	30	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 12
14	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 13
15	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 14
AQF VI Level	Pay Point	Requirement
16	33	<ul style="list-style-type: none"> • Appropriate Advanced Diploma qualification
17	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 16
18	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 17
19	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 18
Degree Level	Pay Point	Requirements
20	37	<ul style="list-style-type: none"> • Appropriate Degree qualification
21	38	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 20
22	39	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 21
23	40	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 22
Degree Level	Pay Point	Requirements
24	41	<ul style="list-style-type: none"> • By appointment only to a designated role • Appropriate Degree qualification • Ten day fortnight employment conditions
25	42	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 24
26	43	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 25
27	44	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 26

8.2.2 DIVISIONAL ASSISTANTS

DIVISIONAL ASSISTANT		
Level	Pay Point	Requirements
1	29	<ul style="list-style-type: none"> • Appropriate AQF Diploma Qualifications • Entry Level
2	30	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
DIVISIONAL ASSISTANT - COO		
Level	Pay Point	Requirements
1	33	<ul style="list-style-type: none"> • Appropriate AQF Advanced Diploma Qualifications • By appointment only
2	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Employees classified as Divisional Assistant shall receive an additional 11% loading. This loading is payable for superannuation purposes and compensates Divisional Assistants for working a ten (10) day fortnight/forty (40) hours a week. 		

8.2.3 ZONE SUBSTATION ELECTRICAL TECHNICIAN

ZONE SUBSTATION ELECTRICAL TECHNICIAN (AQF III/IV)		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> • Appropriate AQF III Qualifications • Entry Level • Zone Substation Appointment
2	17	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
6	26	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 5
7	27	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 6
8	28	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 7
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Apprentices who complete their trade in the Electricity Supply industry will commence at Level 2. • For employees to progress from Level 5 through to Level 8 it is expected that they are achieving acceptable progress towards attaining an appropriate AQF IV qualification. 		
ZONE SUBSTATION SENIOR ELECTRICAL TECHNICIAN (AQF V)		
Level	Pay Point	Requirements
9	29	<ul style="list-style-type: none"> • By appointment only ** • Appropriate AQF IV & V Qualifications • Entry level
10	30	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 9
11	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 10
12	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 11
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Employees employed as Zone Substation Electrical Technicians prior to 8 July 2009 can progress through to Level 10 and no further without an AQF V Qualification as a present occupant only. ** Employees employed as Zone Substation Electrical Technicians prior to 8 July 2009 who gain an appropriate AQF V qualification can progress to Level 12. 		
ZONE SUBSTATION SPECIALIST ELECTRICAL TECHNICIAN (AQF VI)		
Level	Pay Point	Requirements
13	33	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF IV, V & VI Qualifications • Entry Level
14	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 13
15	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 14
16	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 15

8.2.4 TRAINEE TECHNICAL OFFICER

TRAINEE TECHNICAL OFFICER GRADE		
Level	Pay Point	Requirements
1	22	• Appropriate AQF III qualification
2	23	• 12 months satisfactory performance at Level 1
3	24	• 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • The purpose of these classifications is to allow employees to apply for positions that require AQF IV qualifications within the Technical Officer stream. • After successful completion of the AQF IV qualification, subject to satisfactory performance, the employee will progress to Technical Officer Grade 1. 		

8.2.5 TECHNICAL OFFICER

TECHNICAL OFFICER (AQF IV)		
Level	Pay Point	Requirements
1	25	• Appropriate AQF IV Qualifications
2	26	• 12 months satisfactory performance at Level 1
3	27	• 12 months satisfactory performance at Level 2
4	28	• 12 months satisfactory performance at Level 3
TECHNICAL OFFICER (AQF V)		
Level	Pay point	Requirements
5	29	• Appropriate AQF V qualification
6	30	• 12 months satisfactory performance at Level 5
7	31	• 12 months satisfactory performance at Level 6
8	32	• 12 months satisfactory performance at Level 7

TECHNICAL OFFICER (AQF VI)		
Level	Pay point	Requirements
9	33	<ul style="list-style-type: none"> • Appropriate AQF VI Qualification
10	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 9
11	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 10
12	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 11
TECHNICAL OFFICER (Degree/Technical Management)		
Level	Pay Point	Requirements
13	37	<ul style="list-style-type: none"> • Appropriate Degree qualification
14	38	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 13
15	39	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 14
16	40	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 15
Level	Pay Point	Requirements
17	41	<ul style="list-style-type: none"> • By appointment only to a designated role • Appropriate Degree qualification • Ten (10) day fortnight employment conditions
18	42	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 17
19	43	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 18
20	44	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 19

8.2.6 NETWORK OPERATOR

NETWORK OPERATOR		
Level	Pay Point	Requirements
1	35	<ul style="list-style-type: none"> • Appropriate Advanced Diploma (ESI) Qualification • For new appointed Network Operator, entry level until L5 Authorisation
2	36	<ul style="list-style-type: none"> • L5 Authorisation required
3	37	<ul style="list-style-type: none"> • 24 months satisfactory performance at Level 2
4	38	<ul style="list-style-type: none"> • 24 months satisfactory performance at Level 3
5	39	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
6	40	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 5
7A	41	<ul style="list-style-type: none"> • Acting Senior Network Operator (by appointment only)
7	42	<ul style="list-style-type: none"> • Senior Network Operator (by appointment only)
8	44	<ul style="list-style-type: none"> • Team Leader / Coordinator (by appointment only)

Notes:

- Network Operators appointed after 01/01/2008 will be required to undertake and achieve the relevant Advanced Diploma (ESI) qualification (AQF V).
- Progression and conditions for Network Operators is based on adherence to the agreement between Essential Energy and the ETU dated 12th January 2008.

8.2.7 APPRENTICES & TRAINEES

APPRENTICES & TRAINEES (Trades & Vocations)		
Level	Pay Point	Requirements
1	1	<ul style="list-style-type: none"> Appointment to a designated apprenticeship or traineeship
2	2	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 1 & successful completion of coursework requirements
3	3	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2 & successful completion of coursework requirements
4	4	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3 & successful completion of coursework requirements
<p><u>Notes:</u></p> <ul style="list-style-type: none"> An apprentice who turns 21 years of age during the course of their apprenticeship will be regraded to Level 4 (pay point 4) effective from the date of their 21st birthday and will remain on this grade for the duration of their apprenticeship. There is no guarantee of ongoing employment on completion of an apprenticeship. 		

8.2.8 ASSET INSPECTOR

ASSET INSPECTOR		
Level	Pay Point	Requirements
1	10	<ul style="list-style-type: none"> Trainee Asset Inspector
2	11	<ul style="list-style-type: none"> 6 months satisfactory performance & completion of training at Level 1 Entry point for qualified Asset Inspector
3	13	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2 or 6 months at level 1 and then 6 months at Level 2
4	15	<ul style="list-style-type: none"> 24 months satisfactory performance at Level 3
<p><u>Notes:</u></p> <ul style="list-style-type: none"> Asset inspectors (employed with Essential Energy prior to 1 July 2011) who are qualified Powerline Workers will retain their current grade whilst they remain in their current role. 		

8.2.9 POWERLINE WORKER

POWERLINE WORKER		
Level	Pay Point	Requirements
1	11	<ul style="list-style-type: none"> An appointed Adult Apprentice remains at this grade until completion of apprenticeship
2	14	<ul style="list-style-type: none"> Entry point Qualified PLW
3	15	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2
4	17	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3
5	19	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4
6	20	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4 or 5 Live Line Stick Competency plus related course of studies
7	21	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4 or 5 Live Line Glove & Barrier Competency plus related course of studies
8	23	<ul style="list-style-type: none"> 2 years satisfactory performance at Level 7
9	24	<ul style="list-style-type: none"> 3 years satisfactory performance at Level 8

Notes:

- An Adult Apprentice is an employee who is 21 years of age or more at the time of commencing an apprenticeship.
- Progression beyond Level 5 is by appointment to Live Line Positions as required.
- Live Line Stick and/or Live Line Glove & Barrier training only provided to employees at or beyond Level 4. In circumstances where this is not possible, Level 3 is absolute minimum requirement.
- Progression to Level 6 possible after acquiring only Live Line Stick competency.
- Progression to Level 7 possible after acquiring both Live Line Stick and Live Line Glove and Barrier competency.
- To remain at Level 6 & above requires the employee to maintain their competence through annual assessment & continued Live Line duties. Failure/refusal to do so will result in a regrade to Level 5.

8.2.10 CABLE JOINTER

CABLE JOINTER		
Level	Pay Point	Requirements
1	11	<ul style="list-style-type: none"> An appointed adult apprentice remains at this grade until completion of apprenticeship
2	14	<ul style="list-style-type: none"> Entry point Qualified Cable Joiner Appropriate AQF III Qualification
3	15	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2
4	17	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3
5	19	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4
<u>Notes:</u> <ul style="list-style-type: none"> All cable jointers are required to work at heights 		

8.2.11 ELECTRICAL TECHNICIAN

ELECTRICAL TECHNICIAN		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> Appropriate AQF III Qualification Qualified Supervisors Certificate
2	15	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 1
3	17	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2
4	19	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3
5	22	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4
6	23	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 5
7	24	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 6
8	25	<ul style="list-style-type: none"> 5 years satisfactory performance at Level 7
<u>Notes:</u> <ul style="list-style-type: none"> A Qualified Supervisors Certificate must be obtained and maintained in all levels. 		

8.2.12 INFRASTRUCTURE OPERATIONS (IO) SUPERVISORS & COORDINATORS

CREW COORDINATOR DEPOT GRADE A to D		
Level	Pay Point	Requirements
1	20	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF III Qualification
2	21	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	23	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes • Crew Coordinators receive a crew coordinator allowance in addition to the above rates. 		

CREW SUPERVISOR DEPOT GRADE E		
Level	Pay Point	Requirements
1	24	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF III Qualification
2	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	26	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes 		

RESOURCE SUPERVISOR : DEPOT GRADE D		
Level	Pay Point	Requirements
1	27	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF IV Qualification **
2	28	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	29	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

RESOURCE SUPERVISOR : DEPOT GRADE A, B, C		
Level	Pay Point	Requirements
1	30	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF V Qualification **
2	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

SENIOR RESOURCE SUPERVISOR		
Level	Pay Point	Requirements
1	33	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF VI Qualification**
2	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	36	<ul style="list-style-type: none"> • By appointment only • Additional qualifications are required as determined to meet business needs
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

WORKS SUPERVISOR		
Level	Pay Point	Requirements
1	30	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF V Qualification **
2	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Works Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

AREA MANAGER		
Level	Pay Point	Requirements
1	37	<ul style="list-style-type: none"> • Entry Point - by appointment only • Appropriate AQF VI Qualification
2	38	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	39	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	40	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes 		

8.2.13 DUAL QUALIFIED: ELECTRICAL TECHNICIAN & POWERLINE WORKER

DUAL QUALIFIED - ELECTRICAL TECHNICIAN & POWER LINEWORKER		
Level	Pay Point	Requirements
1	18	<ul style="list-style-type: none"> • By appointment only • AQF III Qualifications in ESI Powerline Worker & ESI Electro-technology Electrician (or equivalent) • Qualified Supervisors Certificate
2	20	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4 **
6	28	<ul style="list-style-type: none"> • Incumbents only – no further appointments
Notes: <ul style="list-style-type: none"> • Dual Qualified is an appointed position. • To be appointed as Dual Qualified requires the employee to hold and maintain a current Qualified Supervisors Certificate. • Employees who are Dual Qualified must acquire and maintain agreed competencies applicable to the relevant Powerline Worker or Electrical Technician level. • To be appointed as Dual Qualified, a substantial part of the employee's duties must include and maintain Electrical Technician and Powerline Worker responsibilities and tasks. • Dual Qualified appointments made with regard to duties/tasks performed whilst On Call will be reviewed if participation on the On Call roster voluntarily ceases. 		
** Applicable only from the commencement of this Agreement		

8.2.14 ANCILLARY TRADE

ANCILLARY TRADE		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> • Appropriate AQF III qualification
2	15	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	17	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	19	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Ancillary trade covers all non Electrical AQF III trades e.g. Arborists, Plumbers, Painters, Motor Mechanics, Mechanical Fitters, and Carpenters 		

8.2.15 ELECTRICAL WORKER

ELECTRICAL WORKER		
Level	Pay Point	Requirements
1	9	<ul style="list-style-type: none"> • Relevant skill set at AQF II level • Entry Level - except for industry experienced and licensed Plant Operator (Crane Borer/Lifter only)
2	10	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	11	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2 • Entry level for industry experienced and licensed Plant operator (Crane Borer/Lifter only)
4	12	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3 • Be employed in one of the following specific roles: Meter Reader/Plant Operator/Stores/Logistics/Vegetation Management • Competent Field Assistant
5	14	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4. • Be employed in one of the following specific roles: • Appointed dedicated Plant Operator, Vegetation Management or Stores/Logistics
6	15	<ul style="list-style-type: none"> • Be employed as a Plant Operator (HV Live Line) • Vegetation management. • 12 months satisfactory performance at Level 5, with at least 2 years satisfactory performance as a nominated Plant Operator for a live line team/s.
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • Appointed Plant Operator is defined as an employee who is specifically employed to regularly use and is certified for the operation of a Crane Borer/Lifter, or a Mobile Crane with over 10 Tonnes Lifting Capacity. 		

8.2.16 WORKPLACE TRAINER & ASSESSOR (TECHNICAL TRAINING SERVICES/OPERATIONS)

WORKPLACE TRAINER & ASSESSOR		
Level	Pay Point	Requirements
1	34	<ul style="list-style-type: none"> • Entry Level for employee without T&A Qualification
2	35	<ul style="list-style-type: none"> • Completion of T&A Qualification • 12 months at Level 1 with satisfactory performance based on an Annual Performance Review • Specified progression criteria achieved
3	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2 based on an Annual Performance Review • Specified progression criteria achieved
4	37	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3 based on an Annual Performance Review • Specified progression criteria achieved
5	38	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4 based on an Annual Performance Review • Specified progression criteria achieved
6	39	<ul style="list-style-type: none"> • By appointment only to a designated position and job evaluation • Specified progression criteria achieved
7	40	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 5 based on an Annual Performance Review • Specified progression criteria achieved
8	41	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 5 based on an Annual Performance Review • Specified progression criteria achieved

Notes:
SPECIFIC PROGRESSION CRITERIA
 Progression is available to all Workplace Trainers (Technical Training Services/Operations) from Level 1 to Level 5. However, all progression will be dependent on the successful completion of the following criteria.

Level 1 will be the commencing rate for all Workplace Trainers without a current Certificate IV in Training & Assessment and at least one (1) years full time experience in training delivery and conducting assessments. Essential Energy's salary maintenance policies may over ride this provision.

Progression from Level 1 to Level 2 will take place after the successful completion of the following criteria:

- A minimum of one year at the Grade 1 rate of pay
- Completion of a current Certificate IV in Training and Assessment
- Satisfactory completion of one evaluation of their training delivery performance for agreed sessions after achieving the above Certificate IV qualification. The assessment is to be based on the performance criteria set in Essential Energy's Registered Training Organisation Manual CEM7084
- Satisfactory completion of one evaluation of their conduct of competency Assessments. The assessment is to be based on the performance criteria set out in Essential Energy's Registered Training Organisation Manual CEM7084
- Achieving an average course participant rating of 85% during either of the Training/Assessment evaluations conducted by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEOF6226
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.

Progression from Level 2 to Level 3 will take place after the successful completion of the following criteria:

- A minimum of one year at the Grade 2 rate of pay
- Satisfactory completion of one evaluation of their training delivery performance for agreed sessions after achieving the above Certificate IV qualification. The assessment is to be based on the performance criteria set in Essential Energy's Registered Training Organisation Manual CEM7084
- Satisfactory completion of one evaluation of their conduct of competency Assessments. The assessment is to be based on the performance criteria set out in Essential Energy's Registered Training Organisation Manual CEM7084
- Achieving an average course participant rating of 85% during either of the Training/Assessment evaluations conducted by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEOF6226
- A satisfactory annual performance review in accordance with Essential energy's performance review process.

Progression from Level 3 to Level 4 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 3 rate of pay.
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.
- Completion of a Certificate IV in Frontline Management (optional).
- Maintaining an annual average course participant rating of 85% for 75% of all training and assessment courses delivered by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEOF6226.

Progression from Level 4 to Level 5 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 4 rate of pay.
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.
- Completion of a Certificate IV in OH&S or two Units of competency for a Diploma Qualification from the Training and Assessment Training Package (optional).
- Maintaining an annual average course participant rating of 85% for 75% of all training and assessment courses delivered by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEOF6226. In addition the customer feedback to include that of at least two Regional Managers, two Area Manager's and two Team Leaders responsible for employees that have been trained and/or assessed by the Trainer.

In the event of any of the applicable criteria for progression through to Level 5 not being met a Workplace Trainer will retain their existing Level until such criteria have been met, other than where matters that are the responsibility of Essential Energy have not been undertaken.

Level 6 through to Level 8 will be by appointment to a designated position and a job evaluation. Appointees to positions at these Levels will be expected to have completed or substantially completed a Diploma of Management or Training and Assessment or equivalent and will progress through to Level 8 based on the following criteria.

Progression from Level 6 to Level 7 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 6 rate of pay.
- Completion of the current Certificate IV in Frontline Management or completion of Essential Energy Team Leader Development Program or completion of the current Diploma of Training and Assessment or equivalent recognised under the Australian Qualification Framework (optional).
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.

Progression from Level 7 to Level 8 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 7 rate of pay.
- Completion of the current Diploma of Management from the Business Services Training Package or equivalent recognised under the Australian Qualification Framework.
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.

In the event of any of the applicable criteria for progression from Level 6 through to Level 8 not being met employees in this category will retain their existing Level until such criteria has been met, other than where matters that are the responsibility of Essential Energy have not been undertaken.

Progression for "Learning Resource Developers"

Progression from Level 6 to Level 8 will be by appointment to a designated position. Entry level appointees for Learning Resource Developer at Level 6 will be required to enrol in the Associate Degree in Vocational Education and Training.

Progression to Level 7 requires a minimum of 12 months satisfactory performance at Level 6 and completion of 3 initial units of the prescribed course.

Progression from Level 7 to Level 8 requires a minimum of 12 months satisfactory performance at Level 7 and completion of the next 2 stated units of the prescribed course.

Completion of the qualification is desirable and will be undertaken as a professional development exercise at the discretion of the manager and the employee.

8.2.17 MANAGERS & SPECIALISTS

MANAGERS & SPECIALISTS (BAND 1)		
Level	Pay Point	Requirements
1	37	<ul style="list-style-type: none"> • By appointment only • Relevant degree qualification or equivalent
2	38	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
3	39	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
4	40	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • A loading of 11% is paid in addition to the above pay points in return for a 40 hour week. 		

MANAGERS & SPECIALISTS (BAND 2)		
Level	Pay Point	Requirements
5	41	<ul style="list-style-type: none"> • By appointment only • Relevant degree qualification or equivalent
6	42	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
7	43	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
8	44	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
<p><u>Notes:</u></p> <ul style="list-style-type: none"> • A loading of 11% is paid in addition to the above pay points in return for a 40 hour week. 		

8.2.18 CADET, GRADUATE, PROFESSIONAL ENGINEERS & ENGINEERING MANAGERS

CADET ENGINEER		
Level	Pay Point	Requirements
1	C1	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program
2	C2	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program 12 months satisfactory performance at Level 1
3	C3	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program 12 months satisfactory performance at Level 2
4	4	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program 12 months satisfactory performance at Level 3 12 months work placement commenced
5	5	<ul style="list-style-type: none"> Undertaking final year of Degree qualification through cadet program 12 months satisfactory performance at Level 4
PROFESSIONAL ENGINEER – Band 1		
6	23	<ul style="list-style-type: none"> By appointment only Appropriate Degree qualification Participation in graduate engineering program
7	26	<ul style="list-style-type: none"> Entry point for person having completed 5 year cadet program 12 months satisfactory performance at Level 6 Participation in graduate engineering program
8	30	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 7 Participation in graduate engineering program
9	33	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 8; or At least 3 years relevant industry experience post graduate
10	36	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 9
PROFESSIONAL ENGINEER – Band 2		
11	38	<ul style="list-style-type: none"> By appointment only Appropriate Degree qualification
12	40	<ul style="list-style-type: none"> Appropriate Degree qualification 24 months satisfactory performance at Level 11 & agreed performance outcomes
13	41	<ul style="list-style-type: none"> Appropriate Degree qualification 36 months satisfactory performance at Level 12 & agreed performance outcomes
14	43	<ul style="list-style-type: none"> Appropriate Degree qualification 36 months satisfactory performance at Level 13 & agreed performance outcomes
ENGINEERING MANAGER**		
15	42	<ul style="list-style-type: none"> By appointment only Appropriate Degree qualification 10 Day Fortnight employment conditions
16	43	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 15 & agreed performance outcomes
17	44	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 16 & agreed performance outcomes
** Employees appointed at this level will be employed under Schedule 2 – Managers & Specialists of the Enterprise Agreement.		

LUKE JENNER
ACTING CHIEF
OPERATING OFFICER



GARY HUMPHREYS
Essential Energy

Date 2/7/14

STEVE BUTLER

Communications Electrical, Electronic, Energy,
Information, Postal, Plumbing & Allied Services
Union of Australia New South Wales Divisional
Branch (CEPU NSW)
Electrical Trades Union of Australia,
New South Wales Branch (ETU NSW)

Date _____

GORDON BROCK

Association of Professional, Engineers, Scientists
& Managers, Australia NSW Branch (APESMA)


Date _____

 *per CK*

GRAEME KELLY
Australian Municipal, Administrative, Clerical &
Services Union NSW United Services Branch (USU)
lvl 7, 321 Pitt St Sydney NSW 2000
As a Bargaining Representative of
the Employees.

Date 1/7/14





GARY HUMPHREYS
Essential Energy

Date 7/7/14

Date _____

STEVE BUTLER

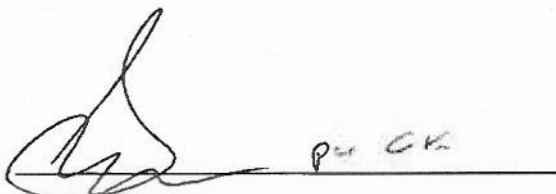
Communications Electrical, Electronic, Energy,
Information, Postal, Plumbing & Allied Services
Union of Australia New South Wales Divisional
Branch (CEPU NSW)
Electrical Trades Union of Australia,
New South Wales Branch (ETU NSW)

Date _____

GORDON BROCK

Association of Professional, Engineers, Scientists
& Managers, Australia NSW Branch (APESMA)

Date 1/7/14



GRAEME KELLY

Australian Municipal, Administrative, Clerical &
Services Union NSW United Services Branch (USU)
Lvl 7, 321 Pitt St Sydney NSW 2000

*As a Bargaining Representative of
the Employees.*

GARY HUMPHREYS
Essential Energy

Date _____

STEVE BUTLER
Communications Electrical, Electronic, Energy,
Information, Postal, Plumbing & Allied Services
Union of Australia New South Wales Divisional
Branch (CEPU NSW)
Electrical Trades Union of Australia,
New South Wales Branch (ETU NSW)

Date _____



GORDON BROCK
Association of Professional, Engineers, Scientists
& Managers, Australia NSW Branch (APESMA)

Date 3 / 7 / 14

GRAEME KELLY
Australian Municipal, Administrative, Clerical &
Services Union NSW United Services Branch (USU)

Date _____



DECISION

Fair Work Act 2009

s.185 - Application for approval of a single-enterprise agreement

Essential Energy

(AG2013/10190)

ESSENTIAL ENERGY FAR WEST (ELECTRICITY) ENTERPRISE AGREEMENT 2013

Electrical power industry

SENIOR DEPUTY PRESIDENT
HAMBERGER

SYDNEY, 4 DECEMBER 2013

Application for approval of the Essential Energy Far West (Electricity) Enterprise Agreement 2013.

[1] An application has been made for approval of an enterprise agreement known as the *Essential Energy Far West (Electricity) Enterprise Agreement 2013* (the Agreement). The application was made pursuant to s.185 of the *Fair Work Act 2009* (the Act).

[2] I am satisfied that each of the requirements of ss.186, 187 and 188 of the Act as are relevant to this application for approval have been met.

[3] The Australian Municipal, Administrative, Clerical and Services Union (ASU) the Shop, Distributive and Allied Employees Association (SDA) and the Construction, Forestry, Mining and Energy Union (CFMEU), being bargaining representatives for the Agreement, have given notice under s.183 of the Act that they want the Agreement to cover it. In accordance with s.201(2) of the Act I note that the Agreement covers the organisations.

[4] The Agreement is approved and will operate from 11 December 2013. The nominal expiry date of the Agreement is 30 June 2015.



SENIOR DEPUTY PRESIDENT

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<Price code G, AE405695 PR545326>



**Essential Energy Far West
Electricity Enterprise
Agreement 2013**

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SECTION 1 – ADMINISTRATIVE PROVISIONS

1.1 TITLE

This Agreement is a single enterprise agreement made in accordance with Section 172 of the Fair Work Act 2009 (Cth) and shall be known as the Essential Energy Far West (Electricity) Enterprise Agreement 2013 (the Agreement).

1.2 PARTIES

The parties to this Agreement are:

- Essential Energy
- Essential Energy Far West Electricity Employees as defined in Clause 1.3 (Coverage)
- The Construction, Forestry, Mining and Energy Union, Mining and General Division (South Western District) NSW Branch (CFMEU),
- Shop Distributive & Allied Employees' Association (SA Branch) (SDA).

1.3 COVERAGE

This Agreement applies to Essential Energy and its Far West Electricity Employees (as defined in Clause 1.8 Definitions) employed in the classifications contained in Section 7 of this Agreement.

This Agreement otherwise governs all employment, wages and conditions of the employees to whom this Agreement applies.

1.4 EXCLUSIONS FROM COVERAGE

This Agreement operates to the exclusion of and supersedes or replaces the following Awards and Agreements in their entirety:

- Electrical Power Industry Award 2010
- Essential Energy Far West Electricity Enterprise Agreement 2011
- Essential Energy Enterprise Agreement 2011 (or its successor)

This Agreement includes Section 8 (Agreed Varied Conditions for Particular Classifications). Where there is any inconsistency between these Schedules and the terms and conditions of this Agreement, the Schedules shall take precedence to the extent of the inconsistency.

1.5 DATE AND PERIOD OF OPERATION

This Agreement shall take effect from the first full pay period beginning seven (7) days after Fair Work Commission approves the enterprise agreement. Thereafter, this Agreement shall remain in force until 30 June 2015 and will continue to operate until it is replaced by a new Agreement or terminated in accordance with the Act.

1.6 OBJECTIVES

The agreed objectives of this Agreement are:

- a) Demonstrated high value commitment to Work Health and Safety from Essential Energy employees.
- b) Achievement of Essential Energy's corporate business objectives and strategies.

- c) Delivery of quality customer service and continuous improvement programs.
- d) Development of the highest quality training, career opportunities and work health and safety programs and policies.
- e) Recognition of the contributions of all employees to improvements in safety, productivity, efficiency and competitiveness, and their participation in the achievement of these objectives.
- f) To provide terms and conditions of employment in conjunction with operational policies and procedures.

1.7 FUTURE NEGOTIATIONS

At least three (3) months before the nominal expiry date of this Agreement the parties shall commence negotiations for a replacement Enterprise Agreement.

1.8 DEFINITIONS

Act means the Fair Work Act 2009.

Far West Electricity Employees means employees whose permanent and primary place of work is at:

- an Essential Energy depot or office within the geographic location of the New South Wales Far West and Yancowinna County Local Council Boundaries as defined by the Division of Local Government as at July 2011;
- Balranald, Moulamein, Tooleybuc, Menindee or Wilcannia depot or office.

This does not include employees working in the Essential Energy's water business, a Local Water Utility defined under the Water Management Act (NSW) 2000, which operates as a business unit within Essential Energy.

Dismissal means termination of employment for misconduct, inefficiency, incapacity, unsatisfactory performance, or repeated absences from work.

Medical Certificate means a certificate provided by a registered or licensed health practitioner under a law of a State or Territory that provides for the registration or licensing of health practitioners.

1.9 SAFETY

The health, safety and wellbeing of Essential Energy employees are of paramount importance. Essential Energy's Health, Safety and Environment Policy embodies the following commitments to employee safety:

- a) To ensure the safety of all employees Essential Energy will provide a safe working environment in accordance with relevant Work Health and Safety legislation.
- b) All employees will work in a safe manner as required under the Work Health and Safety Act 2011 and regulations as varied from time to time.
- c) Employees are required to wear appropriate personal protective clothing and use safety equipment for the purpose for which they are provided, and observe all health, safety and environment policies and procedures.
- d) Essential Energy commits to the payment of an Electrical Safety Rules Allowance paid for all purposes of the Agreement as described in Section 6 Clause 6.16 (Electrical Safety Rules Allowance Guideline) and Clause 6.15 (Essential Energy Far West Electrical Safety Rules Allowance).

1.10 ANTI-DISCRIMINATION

- a) It is the intention of the parties to seek to prevent and eliminate discrimination on the grounds of race, sex, age, marital status, family responsibilities, disability, trade union membership or activity, homosexuality, transgender identity, national extraction or social origin.
- b) The parties have obligations to take all necessary steps to ensure that the operation of the provisions of this Agreement is not directly or indirectly discriminatory in their effect.
- c) Under the Anti-Discrimination Act 1977, it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.
- d) Nothing in this clause is to be taken to affect:
 - (i) Any conduct or act which is specifically exempted from anti-discrimination legislation
 - (ii) Offering or providing junior rates of pay to person's under 21 years of age
 - (iii) Any act or practice of a body established to propagate religion which is exempted under Section 56 (d) of the Anti-Discrimination Act 1977
 - (iv) A party to this Agreement from pursuing matters of unlawful discrimination in any State or Federal jurisdiction

This clause does not create legal rights or obligations in addition to those imposed upon the parties by the legislation referred to in this clause.

1.11 INDIVIDUAL FLEXIBILITY ARRANGEMENTS

- a) An employer and employee covered by this Enterprise Agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the Agreement if:
 - (i) the Agreement deals with one (1) or more of the following matters:
 - arrangements about start and/or finish times where requested by an employee and mutually agreed with the employee's immediate supervisor
 - the taking of accumulated rostered days off
 - (ii) the arrangement meets the genuine needs of the employer and employee in relation to one (1) or more of the matters mentioned in paragraph (a); and
 - (iii) the arrangement is genuinely agreed to by the employer and employee.
- b) The employer must ensure that the terms of the individual flexibility arrangement:
 - (i) are about permitted matters under section 172 of the Fair Work Act 2009; and
 - (ii) are not unlawful terms under section 194 of the Fair Work Act 2009; and
 - (iii) result in the employee being better off overall than the employee would be if no arrangement was made.
- c) The employer must ensure that the individual flexibility arrangement:
 - (i) is in writing; and
 - (ii) includes the name of the employer and employee; and
 - (iii) is signed by the employer and employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and
 - (iv) includes details of:
 - the terms of the Enterprise Agreement that will be varied by the arrangement; and
 - how the arrangement will vary the effect of the terms; and

- how the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and
 - (v) states the day on which the arrangement commences.
- d) The employer must give the employee a copy of the individual flexibility arrangement within fourteen (14) days after it is agreed to.
- e) The employer or employee may terminate the individual flexibility arrangement:
- (i) by giving no more than twenty-eight (28) days written notice to the other party to the arrangement; or
 - (ii) if the employer and employee agree in writing — at any time.

1.12 CONSULTATION & COMMUNICATION

1.12.1 Consultative Committee Formation

Essential Energy will form Consultative Committees from time to time consisting of representatives of Essential Energy employees, the unions and Essential Energy management.

During the term of this Agreement, proposed changes (other than in direct response to a statutory obligation) that will materially impact employees will be subject to consultation using Consultative Committees.

Consultative Committees will seek to apply interest-based techniques to assist in understanding the interests and concerns of Essential Energy employees, the unions and Essential Energy management.

As part of the formation of any Consultative Committee, the Committee will establish an agreed consultation plan, clearly describing the subject nature of the consultation, the intended consultative process steps and the timetable for completion of these steps.

Should the representatives on a Consultative Committee be unable to agree upon a consultation plan as described in this clause, they will have recourse to the Disputes Procedure.

1.12.2 Consultative Committee Objectives

The objectives relate to major and strategic issues that may affect the relationship between Essential Energy and its employees and include:

- a) to enable Essential Energy to keep its employees, and the unions representing them, informed;
- b) to enable unions and their members to keep Essential Energy informed;
- c) to enable employees to have input to the decisions of management;
- d) to facilitate the exchange of views between employees and management;
- e) to provide a forum for the exploration and understanding of "best practice" and its application within Essential Energy;
- f) to act as a 'think tank' to raise ideas and concepts and provide a forum to discuss improvements in Essential Energy's performance and efficiency;
- g) to enable the establishment of mechanisms to gauge and report upon productivity improvement.

1.12.3 Disputes

At any time during the process outlined in this clause either party may refer the matter to the Disputes & Grievance Resolution Procedure (Clause 1.14 of this Agreement) for resolution.

1.13 WORK PRACTICE CHANGE

1.13.1 Continuous Improvement and Best Practice

Essential Energy seeks continuous improvement and best practice in all that we do. Essential Energy employees, the unions and Essential Energy management commit to actively supporting and contributing to the "process" of change.

The primary focus for improvement will be upon internally developing and implementing efficiencies to address Essential Energy's performance challenges while ensuring safety, cost effectiveness and service to our customers. Our collective aim is to be safe, competitive and achieve best practice with the goal of achieving sustainable internal employment levels.

As part of the search for continuous improvement and best practice, Essential Energy will seek to benchmark across regions and depots for best practice and to identify and prioritise the areas where productivity improvement can or should be achieved.

The parties including relevant work groups/employees may, via the consultative process in this Agreement, utilise external benchmarking prior to market testing to permit internal efforts to improve efficiencies and become more competitive.

1.13.2 Change Following Consultation

Any change will only occur following the consultation process outlined in Clause 1.12.

Consistent with the overall intent of this clause Essential Energy employees, the unions and Essential Energy management will seek to adopt ways to most efficiently utilise the resources and time commitment required from those involved in consultation processes (such as shop floor people, line management, delegates, union officials and senior managers).

1.13.3 Assessment Criteria

Assessment criteria will include but is not limited to:

- safety;
- hardship;
- workload;
- job security;
- building mutual respect and job satisfaction;
- tangible productivity improvement; and,
- any other legislative requirements.

1.14 DISPUTE & GRIEVANCE RESOLUTION PROCEDURE

1.14.1 Dispute Resolution Procedure

The dispute resolution procedure will be used to deal with all disputes arising out of the employer-employee relationship.

While a dispute is being dealt with under the dispute resolution procedure the status quo is to be maintained; that is the situation that existed immediately prior to the issue that gave rise to the dispute.

While a dispute is being dealt with under the dispute resolution procedure work is to continue as normal. The process will not be accompanied by industrial action.

Disputes should, as far as possible, be resolved at their source and at the lowest possible level.

Disputes should remain in the part of the organisation concerned without interference from employees not involved.

All those involved in dealing with a dispute should adopt an interest-based approach. They should appreciate the interests and points of view of the other parties, approach discussions in good faith, work co-operatively to try and resolve the matter, and arrange and attend meetings without unnecessary delay. Essential Energy will, where possible, take the needs of employees into account when making decisions.

1.14.2 Local matters

Tier 1: Resolution of local matters will be sought at their source with the involvement of the following:

- the employee(s) concerned and the union delegate (if requested by the employee(s));
- the supervisor and manager (if required);
- the relevant union(s).

Tier 2: If the issue or dispute is not resolved at the local level, it may be referred to the corporate level with involvement of the following:

- the union organiser(s), relevant local delegate and employee(s) concerned if necessary;
- Executive Manager(s) affected local manager(s), General Manager People & Services and Manager Employee Relations.

An independent third party facilitator may be engaged to assist in resolving the issue or dispute, if agreed by all affected parties.

Tier 3: If the issue or dispute remains unresolved, it may be referred to the Fair Work Commission for conciliation and/or arbitration, by either Essential Energy and/or the relevant union(s) with the rights of the parties to appeal being reserved. If both parties agree, a person other than the Fair Work Commission can be asked to deal with the issue or dispute, as provided for under s. 740 of the Fair Work Act 2009.

1.14.3 Corporate-wide issues

Tier 2: Claims or issues may be raised by either:

- Employee(s);
- Relevant Union(s); or
- Essential Energy.

Resolution of the issues raised should involve:

- Relevant member(s) of Executive Management and any other necessary resources, and
- Union Organisers and relevant Delegates to ensure input reflects the organisation or the issues raised.

Tier 3: If the issues remain unresolved the matter may be referred to the Fair Work Commission for conciliation and/or arbitration with the rights of the parties to appeal being reserved. If both parties agree, a person other than the Fair Work Commission can be asked to deal with the issue or dispute, as provided for under s. 740 of the Fair Work Act 2009.

1.14.4 Other agreed initiatives

There will be joint training of union delegates and line managers in dispute resolution.

The parties will work together actively to identify any "grey areas" in the Agreement and seek to agree on the correct interpretation before disputes arise. The Manager Employee Relations will collate the various interpretations made by FWC of provisions in the Agreement and share these with the unions, together with all workgroup arrangements and other understandings. The Employee Relations team will circulate a regular update providing information on pay and conditions issues.

1.15 PAYMENT

- a) Employees shall be paid fortnightly and pay shall be available at the commencement of business on Thursdays by direct crediting of pay to an employee's nominated Bank, Building Society or Credit Union account.
- b) Essential Energy reserves the right to change the day in which payment is made. In this instance, employees would be compensated accordingly. Consultation between the parties would be held prior to any action being undertaken.
- c) Essential Energy shall deduct out of an employee's pay such amounts as the employee requests, in writing, in respect of contributions or payments for approved purposes.

1.16 DEDUCTION OF UNION MEMBERSHIP FEES

- a) The union shall provide the employer with a schedule setting out union weekly membership fees payable by members of the union in accordance with the union's rules.
- b) The union shall advise the employer of any change to the amount of weekly membership fees made under its rules. Any variation to the schedule of union weekly membership fees payable shall be provided to the employer at least one (1) month in advance of the variation taking effect.
- c) Subject to a) and b) above, the employer shall deduct union weekly membership fees from the pay of any employee who is a member of the union in accordance with the union's rules, provided that the employee has authorised the employer to make such deductions.
- d) Monies so deducted from the employee's pay shall be forwarded regularly to the union together with all necessary information to enable the union to reconcile and credit subscriptions to the employee's union membership accounts.
- e) Unless other arrangements are agreed to by the employer and the union, all union membership fees shall be deducted on a fortnightly or monthly basis in line with the relevant employee's pay arrangements.
- f) Where an employee has already authorised the deduction of union membership fees from his or her pay prior to this clause taking effect, nothing in this clause shall be read as requiring the employee to make a fresh authorisation in order for such deductions to continue.

1.17 CLASSIFICATION AND RATES OF PAY

The classification of all roles shall be determined by the major and substantial functions and duties of a position in accordance with the position description.

The corresponding weekly rates of pay in Section 6 Clause 6.12 Table 1 (Essential Energy Far West Electricity Rates of Pay) of this Agreement shall apply to employees in their respective classifications. The rates are inclusive of annual leave loading.

1.18 CALCULATION OF SERVICE

An employee's service with Essential Energy for all purposes of this Agreement shall be taken to be that period from the date of commencement to the date of termination of employment, such dates to be inclusive provided that entitlements due under this Agreement shall be subject to the deduction of any entitlements taken or represented by payment in lieu thereof made to the employee upon termination of employment or upon transfer from one body to another. Periods included:

- a) Service with Essential Energy shall include that period with the former previous employment with Australian Inland, Australian Inland Energy, Australian Inland Energy and Water, Broken Hill Water Board, Murray River County Council, Murray River Electricity, Broken Hill City Council and PcPro.
- b) Employment with a Group Training Company during the term of an Apprenticeship/Traineeship for the period/s hosted by Essential Energy or the former electricity distributors as listed above.
- c) Approved periods of leave with pay.
- d) Periods of approved personal leave with pay.
- e) Periods of absence for which the employee is entitled to Accident Pay and/or Worker's Compensation.
- f) Periods of leave without pay, if specifically approved as leave without pay that counts as service.
- g) Any absence engaged in Defence Service Training or periods of service under enlistment with any of Her Majesty's Forces, provided the employee has enlisted or been engaged in Defence Service from and returned directly to the service of Essential Energy.
- h) Any temporary employment, which is continuous with a period of full time employment.

1.19 APPOINTMENTS AND PROGRESSION

Appointments will be made at the base classification rate for each applicable role. Appointments may be made above the entry level for the classification for an applicable role within the appropriate evaluated band subject to approval by executive level management.

Progression within each classification will be as described for each role in the Section 9 - Progression Guidelines.

In addition to the progression criteria as mentioned above, all progression will be subject to satisfactory performance determined from performance review.

1.20 COMPETENCIES

The parties to this Agreement remain committed to the Australian Qualifications Framework, however qualification attainment will be at the discretion of the business, and subject to business needs unless a regulatory or licensing outcome is required for the role.

1.21 SECURE EMPLOYMENT

1.21.1 Objective of this Clause

The objective of this clause is for the employer to take all reasonable steps to provide its employees with secure employment by maximising the number of permanent positions in the employer's workforce, in particular by ensuring that casual employees have an opportunity to elect to become full-time or part-time employees.

1.21.2 Casual Conversion

- a) A casual employee engaged by a particular employer on a regular and systematic basis for a sequence of periods of employment under this Agreement during a calendar period of six (6) months shall thereafter have the right to elect to have his or her ongoing contract of employment converted to permanent full-time employment or part-time employment if the employment is to continue beyond the conversion process prescribed by this sub-clause.
- b) Every employer of such a casual employee shall give the employee notice in writing of the provisions of this sub-clause within four (4) weeks of the employee having attained such period of six (6) months. However, the employee retains his or her right of election under this sub-clause if the employer fails to comply with this notice requirement.
- c) Any casual employee who has a right to elect under paragraph (a), upon receiving notice under paragraph (b) or after the expiry of the time for giving such notice, may give four (4) weeks' notice in writing to the employer that he or she seeks to elect to convert his or her ongoing contract of employment to full-time or part-time employment, and within four (4) weeks of receiving such notice from the employee, the employer shall consent to or refuse the election, but shall not unreasonably so refuse. Where an employer refuses an election to convert, the reasons for doing so shall be fully stated and discussed with the employee concerned, and a genuine attempt shall be made to reach agreement. Any dispute about a refusal of an election to convert an ongoing contract of employment shall be dealt with as far as practicable and with expedition through the disputes settlement procedure.
- d) Any casual employee who does not, within four (4) weeks of receiving written notice from the employer, elect to convert his or her ongoing contract of employment to full-time employment or part-time employment will be deemed to have elected against any such conversion.
- e) Once a casual employee has elected to become and been converted to a full-time employee or a part-time employee, the employee may only revert to casual employment by written agreement with the employer.
- f) If a casual employee has elected to have his or her contract of employment converted to full-time or part-time employment in accordance with paragraph (c), the employer and employee shall, in accordance with this paragraph, and subject to paragraph (c), discuss and agree upon:
 - (i) whether the employee will convert to full-time or part-time employment; and
 - (ii) if it is agreed that the employee will become a part-time employee, the number of hours and the pattern of hours that will be worked either consistent with any other part-time employment provisions of this Agreement.

Provided that an employee who has worked on a full-time basis throughout the period of casual employment has the right to elect to convert his or her contract of employment to full-time employment and an employee who has worked on a part-time basis during the period of casual employment has the right to elect to convert his or her contract of employment to part-time employment, on the basis of the same number of hours and times of work as previously worked, unless other arrangements are agreed between the employer and the employee.

- g) Following an agreement being reached pursuant to paragraph (f), the employee shall convert to full-time or part-time employment. If there is any dispute about the arrangements to apply to an employee converting from casual employment to full-time or part-time employment, it shall be dealt with as far as practicable and with expedition through the disputes settlement procedure.
- h) An employee must not be engaged and re-engaged, dismissed or replaced in order to avoid any obligation under this sub-clause.

1.21.3 Work Health and Safety

- a) For the purposes of this sub-clause, the following definitions shall apply:
- (i) A "labour hire business" is a business (whether an organisation, business enterprise, company, partnership, co-operative, sole trader, family trust or unit trust, corporation and/or person) which has as its business function, or one of its business functions, to supply staff employed or engaged by it to another employer for the purpose of such staff performing work or services for that other employer.
 - (ii) A "contract business" is a business (whether an organisation, business enterprise, company, partnership, co-operative, sole trader, family trust or unit trust, corporation and/or person) which is contracted by another employer to provide a specified service or services or to produce a specific outcome or result for that other employer which might otherwise have been carried out by that other employer's own employees.
- b) Any employer which engages a labour hire business and/or a contract business to perform work wholly or partially on the employer's premises shall do the following: (either directly, or through the agency of the labour hire or contract business)
- (i) Consult with employees of the labour hire business and/or contract business regarding the workplace occupational health and safety consultative arrangements;
 - (ii) Provide employees of the labour hire business and/or contract business with appropriate occupational health and safety induction training including the appropriate training required for such employees to perform their jobs safely;
 - (iii) Provide employees of the labour hire business and/or contract business with appropriate personal protective equipment and/or clothing and all safe work method statements that they would otherwise supply to their own employees; and
 - (iv) Ensure employees of the labour hire business and/or contract business are made aware of any risks identified in the workplace and the procedures to control those risks.
- c) Nothing in this sub-clause b) is intended to affect or detract from any obligation or responsibility upon a labour hire business arising under the Work Health and Safety Act 2011 or the Workplace Injury Management and Workers Compensation Act 1998.

1.21.4 Disputes Regarding the Application of this Clause

Where a dispute arises as to the application or implementation of this clause, the matter shall be dealt with pursuant to the disputes settlement procedure of this Agreement.

This clause has no application in respect of organisations which are properly registered as Group Training Organisations under the Apprenticeship and Traineeship Act 2001 (or equivalent interstate legislation) and are deemed by the relevant State Training Authority to comply with the national standards for Group Training Organisations established by the ANTA Ministerial Council.

1.22 SALARY SACRIFICE

The following employee salary sacrifice options are available in Essential Energy:

- a) Employees may elect to receive superannuation benefits in lieu of a proportion of their Agreement wages. The employee's election to vary this superannuation benefit must be in writing and must occur no more than once per calendar year.
- b) Where approved and in accordance with the Essential Energy Operational Procedure: Fleet: Private Use of Vehicles, an employee may elect to salary sacrifice private use contributions arising from their use of an Essential Energy motor vehicle with an approved private use component.

- c) Any additional salary sacrifice option which becomes available during the life of this Agreement that meets ATO guidelines or rulings will be subject to review and agreement of the parties prior to implementation.

1.23 SUPERANNUATION

- a) At the commencement date of this Agreement, employees covered by the Agreement will receive a 15% employer contribution to superannuation.
- b) The legislated increases in the SGC contribution during the term of this Agreement (0.25% on 1 July 2013 and 0.25% on 1 July 2014) will be absorbed within the 15% employer contribution set out in clause a) above.
- c) Subject to the provision of relevant superannuation legislation, employees under this Agreement will have their superannuation contributions paid into the Energy Industries Superannuation Scheme (EISS).
- d) An employee may elect in lieu of being paid an amount of Agreement Wages to have an equivalent amount paid by way of superannuation contributions in accordance with the relevant provisions of their scheme to the maximum extent permitted by law.
- e) Subject to the provisions of relevant superannuation legislation, these contributions shall be paid to the relevant scheme.
- f) The employee's election to vary their superannuation benefit must be in writing and would occur no more than once per calendar year, with effect from 1 July each year.

1.24 RECOVERY OF OVERPAYMENTS

- a) An overpayment may occur where an employee receives an amount of money or other payment from Essential Energy in circumstances where the employee has no entitlement.
- b) Where an overpayment has been reasonably demonstrated to the employee, Essential Energy may recover an overpayment made to an employee by making a deduction (or deductions) from any monies due to be paid to the employee.
- c) Essential Energy in consultation and agreement with the employee will develop a reasonable repayment schedule in circumstances where multiple deductions are required to recover the overpayment. Such agreement will not be unreasonably withheld by the employee.

SECTION 2 – HOURS OF WORKS PROVISIONS

2.1 HOURS OF WORK

2.1.1 Spread of Ordinary Hours of Work

- a) Essential Energy and its employees agree there are three (3) objectives to consider in determining the structure of working hours under this Agreement:
- the most efficient production and delivery of the service
 - the most effective way of servicing the customer; and
 - the most effective way of meeting employee's needs for satisfying work, personal development, health and workplace safety.
- b) The span of ordinary hours of work for day workers shall be between 6.00am and 6.00pm Monday to Friday inclusive.

2.1.2 Starting and Finishing Times

- a) The starting and finishing times within the spread of hours shall be determined by Essential Energy in consultation with the employees concerned.
- b) Unless otherwise determined in accord with the provisions of this Enterprise Agreement, standard hours are hours worked Monday to Fridays inclusive between:
- 0730 to 1512 (electricity northern division)
 - 0730 to 1615 (electricity southern division)
 - 0715 to 1700 (USU field staff)
 - 0800 to 1600 (USU administration staff)
 - 0830 to 1730 (northern administration staff – RDO)
 - 0830 to 1642 (northern administration staff – No RDO)

These standard hours of work may be altered by agreement between Essential Energy and employees concerned.

- c) Where agreement is reached between Essential Energy and an employee or employees, up to ten (10) ordinary working hours per day may be worked without the payment of overtime. Where an employee's ordinary hours of work exceed seventy-two (72) in any two (2) week cycle, the employee shall be paid overtime rates for those hours worked in excess of seventy-two (72), provided that Essential Energy has required that employee to work in excess of the seventy-two (72) hours.

2.1.3 Ordinary Hours of Work - Day Workers

- a) The fortnightly ordinary hours of work for day workers receiving a rostered day off shall be seventy-two (72) hours per fortnight, to be worked on nine (9) weekdays at eight (8) hours per day. Rostered days off are to be staggered so that services are maintained.
- b) The fortnightly ordinary hours of work for day workers not receiving a rostered day off shall be seventy-two (72) hours per fortnight worked at 7.2 hours per day.
- c) Where Essential Energy and the Unions, in conjunction with the employees concerned, agree, the ordinary hours of work may be worked to a total of one hundred and forty four (144) hours on nineteen (19) weekdays in any four (4) week cycle.
- d) An employee who requests to work a thirty six (36) hour, five (5) day week for family or personal reasons may, with the consent of Essential Energy do so.

2.1.4 Rostered Days Off

- a) Where an employee's rostered day off falls on a public holiday, the employee may either take the next working day as a rostered day off or take another mutually agreed day instead.
- b) Where mutually agreed, employees may defer and accumulate rostered days off to be taken at a mutually agreed time provided that an employee's accumulated balance of rostered days off shall not exceed five (5) in total. Accrued rostered days off will not carry forward from one (1) calendar year to the next. Any accrued balance as at 31 January each year will be paid out at ordinary time rates.
- c) Rostered days off do not accrue during periods of leave.

2.1.5 Ordinary Hours of Work - Shift Workers

Except as otherwise provided, the ordinary hours of work for shift workers shall be in a roster cycle, the number of weeks in the cycle multiplied by thirty six (36).

2.1.6 Hours of Work - General

- a) It is a consideration for the ordinary hours of work being thirty six (36) per week that the ordinary hours of work be actual hours worked inclusive of morning tea break.
- b) Crib/lunch breaks for day workers (field) are to be unpaid.
- c) Lunch breaks for administration staff are to be unpaid.

2.1.7 Alternative Arrangements

Essential Energy, an employee, or group of employees, may enter into alternative arrangements to those in this clause by mutual agreement.

2.2 SHIFT WORK

2.2.1 Shift Work Defined

For the purpose of this clause, shift work means any work which is to be performed in accordance with a shift work roster arranged in any of the following ways:

- a) Rotating Roster - comprising two (2) or more shifts in each day worked on an alternating or rotating weekly basis and with one of the shifts being a day shift falling within the spread of ordinary hours of work for the day workers provided for under this Agreement.
- b) Afternoon Shift - as part of a rotating roster shall finish after 6.00pm but not later than midnight.
- c) Night Shift - as part of a rotating roster, shall finish after midnight but not later than 8.00am.
- d) Early Morning Shift - as part of a rotating roster shall commence after 5.20am and before 6.20am.
- e) Permanent Afternoon or Night Shift - comprising only one (1) permanent shift to be worked each afternoon or each night and not rotating or alternating with any other span of hours.
- f) Relief Shift - is a shift that can be moved within an allocated block to fill any vacant shift. Relief shifts will be allocated in a two (2) week block as part of the rotating roster. The relief shift can be changed at least two (2) days prior to the allocated shift.
- g) Five (5) Day Roster - being either a rotating shift work roster or a permanent afternoon or night shift roster which contains shifts on a five (5) day basis, Monday to Friday, inclusive.

- h) Six (6) Day Roster - being either rotating shift roster or a permanent afternoon or night shift roster which contains shifts on a six (6) day basis, Monday to Saturday inclusive.
- i) Seven (7) Day Roster - being either a rotating shift work roster or a permanent afternoon or night shift roster which contains shifts on a seven (7) day basis involving each and every day of the week.

The ordinary hours of work shall average thirty six (36) per week over a shift roster.

2.2.2 Sixteen (16) Hour Working Period

An employee will not be permitted to work more than sixteen (16) hours in any twenty four (24) hour period. The twenty four (24) hour period will be calculated from the completion of any continuous break of eight (8) hours or more.

2.2.3 Shift Allowance - Rotating Rosters

A shift worker engaged on a rotating shift work roster will be paid, in addition to the ordinary-time rate of payment for the employee's classification, shift allowances as set out in Section 6 Clause 6.13 Table 2 (Essential Energy Far West Electricity Shift Allowances).

2.2.4 Shift Allowance - Permanent Night or Afternoon Shifts

A shift worker engaged on a permanent afternoon shift or permanent night shift will be paid, in addition to the ordinary-time rate of payment, the shift allowances for:

- Afternoon Shift: 30 percent
- Night Shift: 30 percent

2.2.5 Saturday, Sunday and Holiday Rates

- a) A shift worker, who works on an ordinary rostered shift (as part of a rotating or permanent shift roster) on a Saturday, Sunday or public holiday, shall be paid as follows:
 - Saturdays: ordinary-time rate plus one half the ordinary-time rate
 - Sunday & Public Holidays: double the ordinary-time rate

The rates provided by this paragraph are in lieu of any other shift allowance provided by this Agreement.

- b) A shift worker who is rostered to work an ordinary shift on a public holiday and works such shift, or is rostered off duty on a public holiday (except when taken as such), shall be entitled to add to the annual leave to which the employee becomes entitled under this Agreement, one (1) day in respect of each public holiday so concerned.
- c) For the purpose of the preceding paragraphs, in determining whether a shift has been worked or occurs on a Saturday, Sunday or public holiday, it shall be deemed that the shift has been worked or occurs on the day on which the major part of the shift so occurs.

2.2.6 Shift Workers Meal Breaks

Shift workers shall be allowed, in each ordinary working shift, a paid meal period of twenty (20) minutes for a meal. An employee will not, at any time, be compelled to work for more than five (5) hours without a break for a meal.

2.2.7 Shift Work Meals and Overtime

The provisions of Section 2 Clause 2.5 (Meal Times and Allowances), relating to meal breaks during periods of overtime and to the payment of meal allowances are also applicable to shift workers required to work overtime outside the hours of their ordinary rostered shift, except in cases where, by an approved arrangement made between themselves or at their request, the excess time is incurred in changed shifts or in their ordinary rostered shifts.

2.2.8 Overtime

- a) A shift worker required to work in excess of the ordinary hours of a rostered shift, on the day upon which he/she has been rostered on, will be paid for such excess hours as follows:
- On other than Sundays and holidays - at the ordinary time rate plus one half for the first two (2) hours and double the ordinary time rate thereafter, provided that all time worked after 12.00 noon on Saturday will be at double the ordinary time rate.
 - On Sundays - double the ordinary time rate.
 - On Public Holidays - double the ordinary time rate, plus one half the ordinary time rate. Such rates are to continue until the employee is released from overtime duty.

Shift workers who, by arrangement made between themselves or at their request, work in excess of the hours of rostered shifts or who change shift will not, as a result of such arrangement, be entitled to payment of overtime for such excess hours or for such changed shifts. Any such arrangement shall be only with the concurrence of Essential Energy.

- b) A shift worker directed to stand-by in readiness to work possible unplanned overtime shall be paid at the ordinary-time rate from the time the employee commences such stand-by until released from stand-by, or until the employee is directed to proceed to take up overtime work. This does not apply where the employee is receiving advance notice of scheduled overtime.
- c) A shift worker who works during any portion of a shift rostered day off, whether within the ordinary hours of the shift upon which the employee is required to work or in excess of the hours of such shift, will be paid at double the ordinary time rate, except when such work is carried out on a rostered day off being a public holiday and excepting also where a change from one roster to another or a change of shifts within the roster has been effected as provided for in Section 2 Clause 2.2.9 (Shift Work – Change of Roster and Change of Shifts), or except for ordinary working hours where a change of shifts has been made by arrangement between or at the request of employees themselves.

If a shift rostered "day-off" on which a shift worker works is a public holiday, double the ordinary-time rate plus one half the ordinary-time rate will be paid and will be inclusive of the ordinary rates in respect of any time worked on the holiday within the hours prescribed for the employee's last rostered shift occurring before such rostered day-off.

- d) A shift worker, recalled to work overtime after leaving work (whether notified before or after leaving work) or required to work during a portion of the day upon which the employee has been rostered off, shall be entitled to a minimum of four (4) hours pay at the appropriate overtime rate for each time the employee is so recalled or required to work; provided that, except in the case of unforeseen circumstances arising, the shift worker shall not be required to work the full four (4) hours if the work which the employee was required to perform is completed within a shorter period. This paragraph shall not apply in cases where the overtime is continuous (subject to a reasonable meal break) with the completion or commencement of a shift upon which the shift worker is rostered to work.

Overtime worked in the circumstances specified in this paragraph shall not be regarded as overtime for the purpose of paragraph h) of this clause where the actual time worked is less than four (4) hours on such recall or each of such recalls. For the purpose of this paragraph, "recalled to work overtime" will mean:

- (i) A direction given to an employee to commence overtime work at a specified time which is two (2) hours or more prior to the employee commencing a shift or one (1) hour or more after the completion of a shift upon which the employee has worked; or,
 - (ii) Notification given to an employee after completion of the employee's shift, directing the employee to commence overtime work.
- e) A shift worker entitled to payment for overtime under the provisions of paragraphs a), c) or d), of this clause shall not, in respect of such overtime, be entitled to payment of the shift allowances prescribed by Clauses 2.2.3 (Shift Allowance - Rotating Rosters) and 2.2.4 (Shift Allowance – Permanent Night or Afternoon Shifts).
 - f) When a shift worker, after having worked overtime or on a shift for which the employee has not been regularly rostered, finishes work at a time when reasonable means of transport are not available, Essential Energy shall provide the employee with a conveyance to the employee's home or pay the employee at the ordinary time rate of payment for the time reasonably occupied in reaching home. This paragraph shall apply also to shift workers working on shifts which have been changed as a result of arrangements made between themselves or at their own request, but only if overtime is worked.
 - g) When overtime work is necessary it shall, whenever reasonably practicable, be arranged so that shift workers have at least ten (10) hours off duty between the work of successive rostered shifts. A shift worker who works so much overtime between the end of one rostered shift and the beginning of the next rostered shift so that he/she has not had at least ten (10) consecutive hours off duty between these shifts shall, subject to this paragraph, be released after completion of such overtime until the employee has had ten (10) consecutive hours off duty, without loss of pay, for their ordinary working time occurring during such absence.

If a shift worker is instructed to resume or continue work without having had ten (10) consecutive hours off duty the employee will be paid at double ordinary time rates until released from duty for such period and shall be entitled to be absent until the employee has had ten (10) consecutive hours off duty without loss of pay for ordinary working time occurring during such absence; provided that, in respect of overtime worked prior to the normal starting time on a day following upon a shift rostered day off, an employee shall be assumed to have had an ordinary ceasing time on the preceding day corresponding with the employee's normal ceasing time on the last day worked immediately preceding the employee's shift rostered day or days off.

Any period of overtime less than four (4) hours duration or for which a minimum payment is provided for under paragraph (d) will not be taken into account for the purpose of this paragraph.

Shift workers, who, as a result of arrangements made between themselves and/or at their own request, are required to resume or continue work without having had a least ten (10) consecutive hours off duty between shifts, shall not be entitled to the provisions of this paragraph.

- h) Where a shift worker has worked overtime both preceding and following his/her ordinary rostered shift the total hours of both periods of overtime shall be taken into account in determining when double the ordinary time rate becomes payable in respect of the overtime performed following the ceasing time of his/her rostered shift.
- i) Where overtime is worked partly on one day and extends into the next day and this next day is a public holiday, as prescribed by this Agreement the payment for overtime at double ordinary time rates plus one half shall commence from the midnight of the day preceding the holiday irrespective of whether the first two (2) hours of the overtime have or have not been completed.

2.2.9 Shift Work - Change of Roster and Change of Shifts

- a) A shift worker changed from one roster to another or whose shift or shifts are changed within a roster shall be paid double ordinary time rate for the first shift worked in the new roster or for the first changed shift worked within the roster.
- b) Where a shift worker has received notice of change of roster or change of shift at least two (2) days prior, the employee shall only be entitled to the rate(s) of pay applicable to that working day.
- c) Where such notice is given on or before the second day preceding the change of shift or change of roster and as a result of the change an employee is required to work an additional shift or shifts, the employee shall be allowed to be absent (at any time mutually agreed upon between the employee and Essential Energy) from a rostered shift or shifts in lieu thereof. If it is impracticable to allow the employee to be absent within a period of four (4) weeks from the date of working the additional shift or shifts, the employee shall be paid for any additional shifts worked at double ordinary-time rate. The provisions of this paragraph will not apply to shift workers who, being shown in the roster as "relief", are required to work any shift on the same day for the replacement of shift workers absent for any reason.

2.2.10 Day Workers Required to Work Short Term Shift Arrangements

- a) A day worker required to work on a short term shift arrangement will be paid at the ordinary time rate plus a thirty (30) percent loading for each shift worked Monday to Friday (excluding public holidays).
- b) A short term shift arrangement must be for a minimum of five (5) days and a maximum of eight (8) weeks in any six (6) month period.
- c) Essential Energy will finalise the shift work proposal and roster cycle in consultation with the employees involved.
- d) In arriving at these rosters, due regard will be given to personal circumstances, health, safety and fatigue management considerations.

2.2.11 Shift Workers - Annual Leave

- a) Essential Energy shall grant an additional week as paid Annual Leave to shift workers working to a shift roster covering six (6) or seven (7) days per week, Monday to Sunday.
- b) Payment for the additional annual leave shall include the shift allowance and penalties. An employee who has worked as a six (6) day or seven (7) day shift worker for a portion of the year shall be granted additional leave on a proportionate basis.
- c) Where a public holiday, as prescribed in this Agreement occurs and is observed during the employee's period of Annual Leave, such leave will be extended to include an additional rostered shift for each such holiday.
- d) For all purposes of this paragraph "seven (7) day shift work" shall mean shift work performed regularly on Sundays and public holidays.
- e) Where annual leave is not taken at the time it falls due it will accumulate in order of its accrual, but leave thereafter taken or otherwise discharged will diminish the entitlement standing to credit in order of the leave which last accrued (i.e. the leave which last fell due to be the first discharged).

2.2.12 Shift Worker Long Service Leave

Payment shall be at the employee's ordinary rate of pay, excluding penalty rates, including appropriate shift allowances as would have been paid if the employee had been at work, as well as any other allowance the employee would have ordinarily received.

2.3 OVERTIME

2.3.1 Requirement to Work Reasonable Overtime

It shall be a condition of employment that employees shall work reasonable overtime to meet the needs of Essential Energy.

2.3.2 Sixteen Hour Working Period

An employee will not be permitted to work more than sixteen (16) hours in any twenty four (24) hour period. The twenty four (24) hour period will be calculated from the completion of any continuous break of eight (8) hours or more.

2.3.3 Authorisation/Payment for Working Overtime

Other than in exceptional circumstances, overtime will only be worked with prior approval. An employee required to perform work in excess of the usual ordinary working hours or outside the usual working hours, will be paid as follows:

- a) Monday to Midday Saturday
 - 1.5 times ordinary time rate for the first two (2) hours. The first two (2) hours includes overtime performed immediately before and after usual hours.
 - 2.0 times ordinary time rate after two (2) hours.
- b) After Midday on a Saturday and all day Sunday
 - 2.0 Times ordinary time rate.

2.3.4 Time Off In Lieu Of Overtime Payment

By agreement, an employee may elect to take time off equivalent to time actually worked in lieu of payment.

Essential Energy shall provide payment at the relevant overtime rate for any overtime worked which was to be taken as time off in lieu and which has not been taken within two (2) months of accrual.

2.3.5 Standing By

An employee required to stand-by in readiness to work possible immediate overtime shall be paid at ordinary time rate of pay from the commencement of stand-by until released or until commencement of overtime. This does not apply where the employee has received advance notice of scheduled overtime.

2.3.6 Minimum Payment for Recall to Work Overtime

- a) An employee notified at work to commence overtime later than one (1) hour after the usual ceasing time, or earlier than two (2) hours before the usual starting time shall be paid a minimum of four (4) hours pay at overtime rates.

- b) An employee notified after the completion of the day's work to work overtime which is not continuous with the usual hours of work shall be paid a minimum of four (4) hours pay at overtime rates.
- c) The minimum payment of four (4) hours shall not apply in cases where overtime is continuous, subject to a reasonable meal break, with the completion or commencement of an employee's usual working hours.

2.3.7 Rest Period After Overtime

- a) Other than in exceptional circumstances, employees shall have at least ten (10) consecutive hours off duty before commencing ordinary time work.
- b) If the period between completion of overtime and the start of ordinary time is less than ten (10) hours, the employee shall have a ten (10) hour rest period without loss of pay for any ordinary hours which fall in the rest period.
- c) Rest periods shall not apply if any employee works overtime for less than four (4) hours.
- d) However, an employee recalled to work overtime between midnight and 4:00am on the following day, shall be entitled to extend the usual commencing time on the day following by an equivalent period.
- e) Where an employee is entitled to a rest period and the rest period coincides with a public holiday, the employee shall be entitled to defer starting time by time equivalent on the next ordinary working day.

2.3.8 Directed to Work

With reference to Clause 2.3.7 (Rest Period After Overtime):

- a) 'Directed to Work' shall only occur in extreme situations and then only with full regard to the '16 in 24 hour' work rule, the hours the overtime occurred at, the safety of the employee and with the Regional/General Managers approval.
- b) For the purposes of this clause extreme situations will mean where public or employee safety is at risk.
- c) An employee who is eligible for a ten (10) hour rest period, as defined above, but who is required to work without having had that rest period, shall be entitled to double ordinary time rate of pay until a ten (10) hour rest period is taken without loss of pay for any ordinary hours which fall in the rest period.
- d) An employee who is eligible to defer or extend their usual commencing time, as defined above, but who is required to commence work at the usual commencing time shall be entitled to double ordinary time rate of pay for the equivalent period by which the employee would have otherwise extended the usual commencing time.

2.3.9 Transport of Employees

When an employee, after having worked overtime finishes work at a time when reasonable means of transport are not available, Essential Energy shall provide the employee with transport to the employee's home or pay the employee at the ordinary time rate of payment for reasonable time to travel home.

2.4 ON CALL AND STANDING BY

2.4.1 On Call and Standing By

Employees may make themselves available for “on call and standing by”.

Essential Energy will consult with employees in determining an “on call and standing by” roster. If insufficient employees have nominated themselves for an adequate “on call and standing by” roster Essential Energy will nominate the employees to be included in the “on call and standing by” roster.

An employee designated as “on call and standing by” shall be available for emergency and/or breakdown work outside the employee’s usual hours of duty.

On call and stand by is not pre-arranged overtime that has been pre-arranged prior to an employee’s normal ceasing time.

2.4.2 Emergency and/or Breakdown Work

Emergency and/or breakdown work includes restoring continuity of supply returning to safe operating conditions any plant and equipment, which has failed, or is likely to fail, and/or maintenance work of an urgent nature to avoid interruption to supply. This work includes all aspects of a customer’s installation, plant, equipment or appliances, which if not attended to, will cause distress, hardship or loss to the customer and/or other occupants of the premises.

2.4.3 Call Out

A call out shall commence from the time of attending the call, or calls, and will include the time spent on attending the call, for emergency and/or breakdown work, to the time the employee arrives home or other authorised place. A call out also includes work involved on any further calls for service which the employee may receive whilst out on duty or before arrival at home. A call out does not include ordinary working time, which is continuous with a call out.

2.4.4 On Call Duty Officer

An on call duty officer, after the usual hours of work organises the work of calls received for emergency and/or breakdown work, and directs employees to respond to those calls. An on call duty officer usually does not carry out emergency and/or breakdown work whilst acting as duty officer.

2.4.5 Service Call

A service call is all work in answering a customer call and directing on call employees to carry out work related to the call. A service call of less than fifteen (15) minutes shall be counted as fifteen minutes.

2.4.6 Availability

An employee on call and standing by shall:

- a) be in the general vicinity of the on call area for which they are responsible and be contactable at all times and respond to call outs without undue delay.
- b) not engage in activity or be committed in a way, which would prevent the employee immediately responding to a call out.

2.4.7 On Call and Standing By Roster

No employee shall be required to be constantly available beyond four (4) weeks where other employees are available for duty. Where no other employees are available for inclusion in an on call and standing by roster, the employee concerned shall have at least one (1) weekend off duty in each four (4) weeks without reduction in the availability allowance.

2.4.8 Availability Allowance - On Call and Standing By

An on call and standing by employee shall be paid an availability allowance as set in Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) of this Agreement.

2.4.9 Payment for Call Outs

An on call and standing by employee shall be paid, in addition to the availability allowance, at double ordinary time rate of pay for the time worked on each call out.

2.4.10 Minimum Payment

The minimum payment for a call out is three (3) hours at double ordinary time rate of pay.

2.4.11 Work on a Public Holiday

An employee who is on call and standing by on a public holiday shall be entitled to payment for the holiday plus an additional day off in lieu to be redeemed on a mutually agreed day.

2.4.12 Short Notice

Where an employee is called upon to replace an employee on the on call roster due to unforeseen absences, and the notice is less than forty eight (48) hours, then an allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) shall apply (this does not apply to changing set rosters at the employees request). The short notice has to be approved by the responsible supervisor before the replacement is made.

2.4.13 Menindee and Wilcannia (Electricity Northern Division)

Employees required to work at Menindee or Wilcannia shall, if required to remain on continuous stand – by for three (3) weeks, be relieved for one (1) day either at weekends or during the normal working week whichever is mutually satisfactory.

2.4.14 Allowances – General

a) Payment during periods of leave

Allowances paid under this clause shall continue to be paid to an employee during annual leave, long service leave, personal leave, domestic violence leave and workers compensation, provided the employee has been on call and standing by or has been acting as a duty officer or officer-in-charge, either constantly or on a roster for at least one (1) month prior to the leave.

b) Other allowances

Employees on call and standing by shall be entitled to all other allowances prescribed by this Agreement as may be applicable.

c) Calculation of a week or part thereof

The allowances prescribed by this clause relate to a full week of seven (7) days. Where the on call duties of an employee do not cover a whole week, the allowances shall be calculated and paid on the basis of one fifth of the amount for each or part ordinary working day, one quarter of the amount for each or part Saturday, Sunday and/or Award Holiday. An on call period occurs on a Saturday, Sunday or Award Holiday if the major part of the on call and standing by period any of those days.

2.4.15 Rosters

Where an employee works to a roster, the allowance shall be divided by the proportion of the number of week on duty in any rolling period and paid in equal amounts for each week in the period. An employee required to perform extra duty at any time during their usual rostered off period shall receive additional payment for the extra duty in accordance for this clause.

2.4.16 Meal Breaks / Allowances

Meal breaks and meal allowances shall apply (where applicable) to employees engaged in on call and standing by emergency and/breakdown work.

2.5 MEAL TIME AND ALLOWANCES

2.5.1 Meal Breaks

- a) An employee shall not, at any time, be compelled to work for more than five (5) hours without a break for a meal.
- b) Field employees shall be allowed, without pay on each ordinary working day, a break in their ordinary hours of work for a meal. Each such meal break shall be for an unbroken period at least half (0.5) an hour. Employees shall be granted a paid ten (10) minute morning tea break taken at the location of the work being undertaken.
- c) The provisions of this sub-clause may be applied to shift workers when working on a day shift, which falls within the ordinary hours of work for day workers.
- d) Administration employees shall be allowed, without pay on each ordinary working day, a meal break of one (1) hour.

2.5.2 Meal Times - Shift Workers

Shift workers shall be allowed in each ordinary working shift, a meal crib time of twenty (20) minutes.

2.5.3 Meal Times

The times fixed for the taking of meal breaks during an ordinary working day or ordinary rostered shifts may vary for groups of employees and/or individual employees, as may be necessary or appropriate for the conduct of Essential Energy's business and/or the management and best use of any mealtime facilities and equipment provided.

2.5.4 Working in Usual Meal Break

- a) An employee's usual time for the taking of a meal break may, by mutual agreement, be varied temporarily or shortened in special circumstances rather than on a regular basis.

- b) Only where an employee is required by their relevant manager to work through the usual meal break time due to special circumstances, the employee shall be paid at appropriate overtime rate for the period by which the meal break was deferred. Alternatively, by mutual agreement, the employee can take time off with pay, equal to the time by which the meal break was deferred.

2.5.5 Overtime Meal Breaks

An employee required to work overtime shall have a thirty (30) minute meal break at the appropriate overtime rate on the following basis:

- a) After one and one half (1.5) hours or more overtime following the employee's usual finishing time. The meal break may be taken by mutual arrangement at the commencement of or during the overtime period.
- b) After which, each additional period of four (4) hours of overtime worked, meal breaks shall be taken during the overtime period by mutual arrangements. An employee shall not be compelled to work overtime for more than five (5) hours without a meal break.
- c) Paid meal breaks are time worked for the purpose of calculating overtime.
- d) Meal breaks may be extended to not more than one (1) hour, provided that any extension beyond thirty (30) minutes shall be taken without pay.
- e) An employee entitled to a meal break shall be paid a meal allowance as set in Section 6 Clause 6.14 (Table 3 Essential Energy Far West Electricity Allowances) of this Agreement.
- f) An employee who either works two (2) hours or more prior to normal working hours or works overtime which is broken by a period of ordinary working hours or rostered shift, and the overtime in the aggregate is two (2) hours or more, the employee shall be entitled to a meal allowance as described in (e) above. This entitlement does not entitle the employee to a meal break.

2.5.6 Shift Work Overtime

Meal breaks during periods of overtime and the payment of meal allowances shall apply to shift workers required to work overtime outside the hours of their ordinary rostered shift, except where, by an approved arrangement made between employees or at their request, excess time is incurred in changed shifts or in their ordinary rostered shifts.

2.6 TRAVELLING TIME AND FARES

2.6.1 Normal Travel to and From Work

Time spent by an employee in normal daily travel, to and from the employee's home and normal place of work to attend for work, shall be at the employee's expense and without payment.

2.6.2 Additional Travel to and From Work

Time spent by an employee in travel, outside the usual working hours and in addition in length to the employee's normal (as defined above) travel time, to attend for work or overtime will be paid at the appropriate overtime rate.

2.6.3 Travel Time for Training

- a) Time spent by an employee in travel, outside the usual working hours and in addition to the employee's normal travel time to attend employer arranged training which is related to the employee's current or possible future appointment or grading, will be at ordinary time rate.
- b) This does not apply for time in excess of two (2) hours per working day, or for travel on any day the employee would not normally be at work. These periods shall be paid at the appropriate overtime rates or by mutual agreement, can be taken as time in lieu.
- c) Where learning and skills development takes place out of hours, employee family commitments will be taken into consideration.
- d) Penalty rates shall apply to all travel for regulatory training and/or assessment that occurs outside normal working hours, except where the training was rescheduled at the request of, or the result of actions of the employee (other than annual leave application received prior to the initial scheduled date for training and/or assessment).

2.6.4 Normal Place of Work

An employee's normal place of work is the location to which an employee is usually attached and is regularly used as the employee's base or headquarters or normal place of work.

For the purposes of this Agreement, this covers all locations to allow flexibility of employees commencing at other depots.

2.6.5 Payment of Fares

The employee shall be reimbursed for any additional fares, which the employee has reasonably incurred in respect of a period of additional travel.

2.6.6 Use of Private Vehicle

An employee who agrees to undertake additional travel in a private motor vehicle shall receive, in addition to payment for travelling time, reimbursement for the casual use at the Australian Tax Office kilometre rates.

2.6.7 Reasonable Travel

When calculating travel time, the most reasonable way and the most expeditious route available will be used.

2.6.8 Travel Within Minimum Period

An employee entitled to a minimum period payment for overtime or other penalty work shall not be entitled to payment for travel time where the travel occurred within that minimum period.

2.6.9 On Call Excluded

This clause does not apply to travelling involved in after hours On Call emergency and/or Supply Interruption work.

SECTION 3 - EMPLOYMENT PROVISIONS

3.1 TERMS OF EMPLOYMENT

3.1.1 Probationary Periods

- a) Essential Energy, when offering employment may include a probationary period of employment of up to three (3) months in the letter of offer of employment. The initial period of probation may be extended by up to a further three (3) months in which case, Essential Energy shall give the employee the reasons in writing.
- b) Regular performance reviews should be held with the employee during the probationary period.
- c) Probationary periods for apprentices will be in accordance with relevant State based training legislation.

3.1.2 Termination of Employment

a) Notice of Termination

Essential Energy shall give to an employee and an employee shall give to Essential Energy notice of termination of employment of not less than four (4) weeks other than for employees with less than twelve (12) months continuous service who shall be entitled to one (1) weeks' notice of termination. The period of notice may be reduced by mutual agreement.

Where an employee is over forty-five (45) years of age and has completed at least two (2) years continuous service with Essential Energy, the employee will receive an additional one (1) weeks' notice.

Except where the period of notice is reduced by mutual agreement, payment or part payment in lieu of the notice shall be made by Essential Energy if the full notice period or part notice is not given. If the employee fails to give notice or gives incomplete notice, Essential Energy shall withhold payment in lieu of notice or part notice from any termination payment due to the employee.

The period of notice shall not apply to dismissal for conduct that justifies instant dismissal or for casual employees.

An employee working during notice of termination (notice given by the employer) shall be allowed at least one (1) day off with pay to look for work. Time off shall be convenient to the employee after consultation with Essential Energy. Further time off may be granted at the discretion of Essential Energy.

b) Statement of Employment

Essential Energy shall, on request from an employee whose employment has been terminated, give the employee a written statement specifying the period of employment and the classification or the type of work performed by the employee.

c) Abandonment of Employment

If an employee is absent without notifying Essential Energy for a continuous period of five (5) days (including Rostered Days Off) without reasonable cause, they will be considered to have abandoned their employment and this may begin the process by which they be dismissed effective from the last day actually worked.

3.2 TYPES OF EMPLOYMENT

Employees covered by this Agreement will be employed in one of the following categories:

3.2.1 Permanent Full Time Employment

Permanent full time employment covers employees working ordinary hours on a permanent basis.

3.2.2 Permanent Part Time Employment

- a) Permanent part time employment covers employees who work on a permanent basis less than the number of ordinary hours worked by full time employees. A part time employee's hours will be nominated at commencement of employment. If the employee consistently works in excess of their nominated hours, a review will be conducted with a view to extending the nominated hours.
- b) Part time employees shall be paid an hourly rate calculated by dividing the appropriate salary by the number of hours worked by full time employees in the same classification.
- c) Part time employees shall receive Agreement conditions and payments in respect of annual leave, long service leave and all other authorised leave on a proportionate basis as the employee's hours of work relate to those worked by full time employees.
- d) Leave shall accrue in proportion to the number of hours actually worked up to a maximum of thirty six (36) hours per week.
- e) When a part time employee's nominated day of work falls on a public holiday, the employee shall be entitled to take the day as a holiday without loss of pay.
- f) A part time employee shall be entitled to the overtime provisions of this Agreement in respect of work performed outside the span of hours or in excess of a full time employees normal daily, or weekly hours of work.
- g) A part time employee may, by agreement, work additional hours at single time up to thirty six (36) hours per week subject to receiving all pro-rata leave entitlements as prescribed for those additional hours.

3.2.3 Temporary Employment (Fixed Term Employment)

- a) Temporary employment covers employees engaged on a temporary basis and shall not include a casual employee.
- b) A temporary employee shall be paid a rate of pay and receive Agreement conditions as is appropriate to either their full time or part time employment under this Agreement.
- c) Temporary appointments may be made for a period of up to twelve (12) months, except for the Organisational Transition Division where temporary appointments may be made for up to the life of the Transitional Services Agreement.
- d) At the expiration of a temporary appointment period, work requirements shall be reviewed and where Essential Energy seeks to extend the temporary appointment, this will occur in consultation with the unions.
- e) Temporary employees will not be eligible to apply for positions internally advertised.
- f) Temporary employees are not eligible to be covered by the NSW State Government's Employment Protections and associated employment letter provided to retail affected employees.

- g) Notwithstanding, Essential energy confirms that permanent employment is the preferred means of employment across the business and temporary employment shall not be used as an alternative to permanent employment.

3.2.4 Casual Employment

- a) "Casual Employee" means an employee engaged intermittently in work of an irregular, occasional and/or unexpected nature, and who is engaged and paid by the hour, but does not include an employee who could properly be classified as a full time or part time employee.
- b) A casual employee shall be paid the hourly rate of pay for the appropriate classification plus a loading of twenty (20) per cent with a minimum payment of three (3) hours pay for each start.
- c) A casual employee shall receive overtime rates for any time worked in excess of the ordinary hours of work for a full time employee. The casual loading is excluded in the calculation of overtime.

The casual loading prescribed is in lieu of the annual leave, personal leave, carers' leave and public holiday entitlements arising under this Agreement, however, the loading is not in lieu of entitlements prescribed in Section 4 Clause 4.6 (Long Service Leave).

- d) A casual employee shall not be used to replace a full-time or part-time position other than where a permanent employee is absent on approved leave or working on a project.
- e) Casual appointments shall be reviewed after a continuous period of three (3) months.

3.2.5 Apprentices and Trainees

- a) The provisions of this Agreement apply to apprentices and trainees employed by Essential Energy, with the exception of requirements of the relevant State based training legislation.
- b) Employment as an apprentice or trainee shall not continue beyond the completion of the term of the apprenticeship or traineeship unless further employment is offered and accepted.

3.3 PERFORMING ALTERNATIVE WORK

An employee, who is competent to do so, shall where required perform alternative work to that usually performed by the employee, without reduction in pay.

3.3.1 Acting Higher Grade

- a) An employee who performs, for at least one (1) ordinary working day, the work of another employee which is paid at a higher rate than the employee's position, shall be paid according to the employee's skills, qualifications and experience but not less than the entry level for the position.
- b) Where a public holiday or group of public holidays occur during a period when an employee is acting in a higher paid position, the employee shall be paid for the holiday(s) at the rate for acting in the position where the employee has acted in the higher grade position both the day before and the day after the public holiday.
- c) An employee shall not receive higher grade pay whilst on leave unless the employee has acted in the position for an aggregate of at least six (6) months during the twelve (12) month period prior to going on leave or continuously for at least three (3) months immediately preceding the commencement of the leave.
- d) Except where an employee is relieving an employee who is on approved leave, periods of acting in a higher grade position shall not exceed six (6) months.

- e) For extended periods (greater than two (2) months) of appointment, this arrangement will be formalised and appropriate notification forwarded to payroll.
- f) At the completion of the alternate work period an employee shall return to their former position or a mutually agreed role.

3.4 WORKING AWAY FROM HOME

- a) Where Essential Energy requires employees to travel and work away from home, it should be at no personal monetary expense and/or monetary gain to the employees.
- b) An employee required to remain away overnight shall, except as provided for in paragraphs c), d), e) and f) of this clause, be entitled to:
 - (i) Have Essential Energy pay for accommodation costs only and the employee to be paid beforehand for meal and incidental allowances as per Table 1 of the Australian Tax Office Reasonable Amounts determination for approved travel allowance expenses; or
 - (ii) Have Essential Energy arrange and pay for accommodation costs, meals and incidental expenses; or
 - (iii) A lump sum amount for accommodation, meals and incidentals paid beforehand in accordance with Table 1 of the Australian Tax Office Reasonable Amounts determination
- c) For Apprentices/Cadets/Trainees attending training, directly in relation to their Training Contract, Essential Energy shall provide reasonable accommodation. All meals and incidental expenses will be covered as per clause b) (i) above.
- d) Where a Corporate Card has been issued to an employee the card shall be used to pay for overnight accommodation. Meals and incidentals can be claimed as a lump sum. Any expenses that cannot be paid for by the card shall be reimbursed on supply of receipts.
- e) Claims for allowances, except incidentals, cannot be made for employees attending internal training sessions, inductions, conferences and staff development activities where Essential Energy has provided reasonable accommodation and meals.
- f) Where crews are organised and sent to other locations in response to major storm / disaster events, Essential Energy will arrange, book and pay for accommodation and the employees can then claim meals and incidental expenses as per Table 1 of the Australian Tax Office Reasonable Amounts determination.
- g) Reasonable accommodation, for the purposes of this clause, will be of at least three (3) star standard, where available.

3.5 WORKPLACE FLEXIBILITY

3.5.1 Intention

These flexibility arrangements are to apply to short term arrangements between a group of employees and Essential Energy which shall be by mutual agreement. They are not to permanently replace the standard Agreement conditions and should be specifically project orientated. The Unions will be advised in writing of any proposed workplace flexibility alternate arrangements.

3.5.2 Consultation

The Unions will be consulted in respect to workplace flexibility alternate arrangements.

3.5.3 Workplace Flexibility Arrangements

a) Nature of Arrangements

Under the terms of this Agreement the workplace flexibility arrangements that may be entered into may include, but not be limited to, the following matters:

- Hours of Work
- Overtime including accrual and cashing in of time in lieu of overtime
- Travel and accommodation expenses

b) Negotiating Workplace Flexibility Arrangements

Discussions leading to agreed workplace flexibility arrangements should be between the relevant manager/team leader, the local Union Delegate and the employee(s) affected by the arrangement. Discussions should include all relevant details including:

- Nature of work to be performed
- How the work is to be performed
- Who is to perform the work
- When the work is to be done
- The basis on which payment, or otherwise, is to be made; and
- The timeframe the arrangement is to run for

Essential Energy will endeavour to source employees from within the Regions/Depots concerned. When insufficient numbers are available, consultation will occur with the relevant Union/s prior to seeking interest external to the Region/Depots concerned.

Where this occurs and the interested employees exceed the required numbers, the normal selection process shall apply.

c) Recording the Arrangement

The agreed workplace flexibility arrangement shall be committed to writing.

SECTION 4 - LEAVE AND HOLIDAY PROVISIONS

4.1 ANNUAL LEAVE

4.1.1 Accrual & Taking of Annual Leave

- a) Employees other than casuals, shift workers and part time employees accrue five (5) weeks annual leave per annum which accrues progressively throughout an employee's year of service.

Shift workers – employees required to perform regular rostered shift work shall be entitled to six (6) weeks annual leave.

- b) Rostered days off do not accrue during periods of annual leave.
- c) Annual leave shall be taken in accordance with the Annual Holidays Act 1944 (NSW) as amended, unless consistent with the terms of this Agreement.
- d) Employees shall not commence annual leave whilst on personal or accident leave.
- e) Where an employee has more than eight (8) weeks accrued Annual Leave the employee must, in conjunction with their Manager, develop a leave Plan for the following twelve (12) months that will facilitate the reduction of the overall balance to no more than six (6) weeks accrued annual leave at the end of the twelve (12) month period.
- f) Annual leave may be taken at half pay, but only where the employee has a balance of eight (8) weeks or less at the time of commencing the leave.
- g) Employees who relieve employees engaged on regular rostered shift work, shall be entitled to one day additional annual leave for each ten (10) weeks or portion of such 10 weeks they so relieved. A week shall mean any single period of seven (7) days.
- h) All employees on leaving or being discharged from Essential Energy's service shall receive payment in lieu of annual leave pro rata according to the time worked.
- i) Paid time lost as a result of accident shall be regarded as time worked for the purpose of calculating annual leave.
- j) Payment for annual leave will be made at the employee's current hourly base rate.

4.1.2 Cashing Out

- a) An employee may request in writing for annual leave to be cashed out at their ordinary rate of pay but only in the following circumstances. An employee must have:
- an annual leave balance of more than four (4) weeks after any cashing out of annual leave;
 - taken four (4) weeks annual leave in the preceding twelve (12) month period prior to making the request.
- b) Where an employee meets the above criteria, cashing out is only allowed to the equivalent of half the annual leave balance accrued at the time the employee makes the request.

4.1.3 Notice Periods

Employees must submit their application for annual leave no less than two (2) weeks prior to the proposed commencement date. Managers must approve, reject or discuss the annual leave request within five (5) working days of the employee submitting the request.

The above notice periods may be waived in exceptional circumstances and by agreement.

4.2 ADDITIONAL ESSENTIAL ENERGY HOLIDAY

- a) In addition to any day proclaimed as a State-wide public holiday, all permanent full time and part time employees shall be entitled to leave on full pay of one (1) working day falling between Christmas and New Year's Day each year. This day is recognised as being in lieu of local community show days etc.
- b) Employees required to work on the Additional Holiday shall not be paid penalty rates but shall be allowed time off equivalent to that worked, without loss of pay. Part Time employees not scheduled to work on the day shall be granted time on a proportional basis. Part Time Employees working on the day will accrue either the actual hours worked or their proportional rate whichever is greater.

4.3 PUBLIC HOLIDAYS

4.3.1 Paid Public Holidays

Employees shall be granted the following days as public holidays with pay:

- a) Any day proclaimed as a State-wide public holiday.
- b) Union Picnic Day

The Picnic Day shall be a recognised holiday for employees who are members of the Unions party to this Agreement. Upon request from Essential Energy, evidence of attendance at the Picnic Day will be sufficient if a butt of the ticket to the Picnic Day is produced in order to claim payment for the day.

- c) By agreement in accordance with local community arrangements a day other than the prescribed Union Picnic Day may be taken as a substitute day.

4.3.2 Alternate Religious Beliefs

In order to recognise genuinely held non-Christian religious beliefs and employee may, where it meets customer needs, business operations and with the agreement of their Manager, substitute Christian based public holidays for those relevant to the employee's stated religion.

4.3.3 Payment for Work on an Public Holiday

- a) An employee;
 - (i) who is required to work on a public holiday or the day substituted, shall be paid at the rate of double time, such rate to continue until they are relieved from duty, in addition to the usual pay for the day.
 - (ii) who is required to work outside of their usual working hours on a public holiday shall be paid at the rate of double time and one half until released. For a shift worker this includes overtime which is continuous with the beginning of an Award holiday.
 - (iii) who is required to work on a public holiday shall be paid for a minimum of four (4) hours work at, at the appropriate rate, either (i) or (ii) above.

- b) Employee Absent Prior to and After a Public Holiday

An employee shall not be entitled to payment for a public holiday if absent from work without approval on the ordinary day before or after the public holiday.

- c) Public Holiday During Leave of Absence

An employee, absent without pay for more than five (5) consecutive working days, shall not receive payment for any public holiday which occurs during the absence.

4.4 PERSONAL LEAVE

Essential Energy operates a debit free personal leave arrangement. In light of the need to manage personal leave absences, the parties recognise that access to personal leave is not an unfettered right.

4.4.1 Managing Personal Leave Absences

An employee who is absent from work due to personal illness or injury, not due to injury by accident arising out of and in the course of employment, shall have access to personal leave with pay subject to the following:

- a) An employee shall notify their immediate supervisor, within one (1) hour of the employee's usual starting time, of the employee's inability to attend on account of personal illness or injury and the estimated duration of absence.
- b) An employee will be required by Essential Energy to produce a medical certificate or other satisfactory evidence of their illness or injury where the period of absence is for more than two (2) consecutive working days, or where Essential Energy identifies a pattern of absences.
- c) The management of personal leave shall be in accordance with Essential Energy's Personal and Carers Leave Policy (CEOP2000.44) as varied from time to time with consultation, which may include a requirement that the employee undergo personal leave case management.
- d) Where an employee is undergoing Personal Leave Case Management, Essential Energy reserves the right to refer the employee to an independent medical practitioner where there is a disputed diagnosis of the employee's medical condition.
- e) Where an employee has a long term illness or injury, which has caused the employee to be absent for more than six (6) months in any twelve (12) month period, Essential Energy will consult with the employee's medical adviser or refer the employee to a nominated medical practitioner to determine the likelihood of the employee returning to work. If the medical advice confirms that the employee will be unable to return to work, Essential Energy may terminate the employee's service.
- f) At any stage of the management of personal leave the employee may involve their union.

Where Essential Energy terminates employment in accordance with this clause, the employee will be paid an amount equivalent to two (2) week's pay for each year of service with Essential Energy up to a maximum of twenty six (26) week's pay plus four (4) week's pay in lieu of notice.

4.4.2 Avoidance of Duplicate Benefits

An employee, who has been granted personal leave under this clause, and who in respect of the same period of Sick Leave receives compensation under any Act or law, shall reimburse Essential Energy from that compensation, any amounts paid as personal leave.

4.4.3 Existing Accumulation

- a) Employees shall have their untaken personal leave/sick leave accumulated preserved in accordance with the following entitlements:
 - Barrier Industrial Council (BIC) Electricity Field and Administration staff as at 1 April 1994
 - Australian Services Union (ASU) / Municipal Employees Union (MEU) as at 1 November 1997
 - Balranald Energy Lodge (BEL) as at 30 June 1997

Any existing balance will remain at the dollar value of the balance as at 30 June 2011.

- b) An employee shall be paid their preserved balance where an employee's service is terminated

for any reason.

- c) Where an employee dies, the preserved balance shall be paid to the employee's legal representative.
- d) Unused preserved sick leave can be accessed by each employee voluntarily, There are to be two (2) access dates per year, spreading over more than one (1) financial year, for the life of this Agreement.

4.4.4 Illness During Annual and Long Service Leave

If an employee suffers personal illness or injury for a period of at least five (5) consecutive days whilst on Annual or Long Service Leave, the employee will be granted additional leave equivalent to the period of personal illness or injury, which occurred during the leave. In these circumstances, satisfactory medical evidence will be necessary.

Lesser periods will be considered on a case by case basis provided satisfactory medical evidence is available.

4.5 CARER'S LEAVE

- a) An employee, other than a casual employee, with responsibilities in relation to a class of person set out in paragraph c) who needs the employee's care and support, shall be entitled to use, in accordance with the sub-clause, up to ten (10) days carers leave per year, for absences to provide care for such persons when they are ill. Such leave may be taken for part of one day.
- b) The employee shall, if required,
 - (i) establish either by production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person, or
 - (ii) establish by production of documentation acceptable to the employer or a statutory declaration, the nature of the illness resulting in the person concerned requiring care by the employee.

In normal circumstances, an employee must not take carer's leave under this sub-clause where another person had taken leave to care for the same person.

- c) The entitlement to use carers leave in accordance with this clause is subject to:
 - (i) The employee being responsible for the care and support of the person concerned: and,
 - (ii) The person concerned being:
 - a spouse of the employee; or
 - a de facto spouse, who, in relation to a person, is a person of the opposite sex to the first mentioned person who lives with the first mentioned person as the husband or wife of that person on a bona fide domestic basis although not legally married to that person; or
 - a child or adult child (including an adopted child, a step child, a foster child or an ex-nuptial child), parent (including a foster parent and legal guardian), grandparent, grandchild or sibling of the employee or spouse or de facto spouse of the employee; or
 - a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis; or
 - a relative of the employee who is a member of the same household, where for the purpose of this paragraph:

- 'relative' means a person related by blood, marriage or affinity.
 - 'affinity' means a relationship that one spouse because of marriage has to blood relatives of the other; or
 - 'household' means a family group living in the same domestic dwelling.
- d) An employee shall notify their immediate supervisor of the requirement to take leave, the reason for taking such leave and the estimated length of absence at the first opportunity or on the day of absence.
- e) An employee may elect with the consent of the employer, to take unpaid leave for the purpose of providing care and support to a class of person set out in sub-clause 4.5 c) (ii) above who is ill or who requires care due to an unexpected emergency.
- f) An employee may elect with the consent of the employer, to take annual leave not exceeding ten (10) days in single day periods, or part thereof, in any calendar year at a time or times agreed by the parties, for the purposes of providing care to a class of person set out in sub-clause 4.5 c) (ii).
- (i) An employee may elect with the employer's agreement to take annual leave at any time within a period of twenty-four (24) months from the date at which it falls due.
- g) An employee may elect, with the consent of the employer, to take time off in lieu of payment for overtime at a time or times agreed with the employer within twelve (12) months of the said election.
- h) Overtime taken as time off during ordinary time hours shall be taken at the ordinary time rate, which is an hour for each hour worked.
- i) If, having elected to take time as leave, in accordance with sub-clause 4.5 f) above, the leave is not taken for whatever reason, payment for time accrued at overtime rates shall be made at the expiry of the twelve (12) month period or on termination.
- j) Where no election is made in accordance with the said sub-clause 4.5 f) above, the employee shall be paid overtime rates in accordance with the Agreement.
- k) An employee may elect, with the consent of the employer, to work 'make-up time' under which the employee takes time off ordinary hours, and works those hours at a later time, during the spread of ordinary hours provided in the Agreement, at the ordinary rate of pay.
- l) An employee on shift work may elect, with the consent of the employer, work 'make-up time' (under which the employee takes time off ordinary hours and works those hours at a later time) at the shift work rate which would have been applicable to the hours taken off.
- m) Carer's entitlement for casual employees
- (i) Subject to the evidentiary and notice requirements in sub-clause b) and d) above, casual employees are entitled to not be available to attend work, or to leave work if they need to care for a person prescribed in sub-clause c) of this clause who are sick or injured and require care and support, or who require care due to an unexpected emergency, or the birth of a child.
- (ii) The employer and the employee shall agree on the period for which the employee will be entitled to not be available to attend work. In the absence of agreement, the employee is entitled to not be available to attend work for up to forty eight (48) hours (i.e. two (2) days) per occasion. The casual employee is not entitled to any payment for the period of non-attendance.
- (iii) The employer must not fail to re-engage a casual employee because the employee accessed the entitlements provided for in this clause. The rights of the employer to engage or not engage a casual employee are otherwise not affected.

4.6 LONG SERVICE LEAVE

4.6.1 Long Service Leave Entitlement

Essential Energy shall grant each employee, long service leave on full pay as follows:

Length of Continuous Service	Amount of Leave
After ten (10) years	13 weeks
Between ten (10) and fifteen (15) years	1.7 weeks per year
After fifteen (15) years	2.7 weeks per year

4.6.2 Accrual of Leave

Long service leave shall accrue during a period of continuous service on a pro rate basis proportionate to the scale of leave set out above. However, the amount of accrued leave which an employee has shall be reduced by any period of leave previously taken.

4.6.3 Taking of Leave

An employee shall not be entitled to take any period of long service leave until the employee has completed ten (10) years continuous service with Essential Energy. The taking of Long Service Leave shall be at the discretion of the employee but at a time convenient to, and by mutual agreement with Essential Energy taking into consideration staffing levels and workloads.

4.6.4 Fragmented Leave

Long service leave may be taken in separate periods of not less than one (1) week.

4.6.5 Notice of Leave

An employee shall give Essential Energy at least one (1) months' notice of the taking of Long Service Leave. However, a shorter period of notice may be given in cases of unforeseen events which necessitate an employee taking leave.

4.6.6 Continuous Service

Continuous service shall be the period from the date of commencement to the date of termination of employment and shall include:

- a) for employees employed by Essential Energy as at 1 January, 1997 who had been credited for employment with a city, municipality, shire or county district, or local government body or electricity distributor or for employment in New South Wales with any person or corporation which has supplied electricity to the public under a franchise agreement in accordance with the New South Wales Local Government Act.
- b) all approved leave.
- c) previous employment with Australian Inland, Australian Inland Energy, Australian Inland Energy and Water, Broken Hill Water Board, Murray River County Council, Murray River Electricity, Broken Hill City Council and PcPro.

Periods which shall not be included in the calculation of continuous service are unapproved unpaid absences, absence on maternity leave and leave without pay.

4.6.7 Discharged Entitlements

Long service leave shall be subject to the deduction of any period of long service leave already taken and/or the period of long service represented by any payment in lieu thereof made to the employee upon termination of employment in respect of any service counted in accordance with this clause.

4.6.8 Apprentices/Traineeships

Persons who have completed an apprenticeship/traineeship with Essential Energy or third party and who are re-employed by Essential Energy within 12 months of completing the apprenticeship shall have the period of the apprenticeship recognised for long service leave purposes.

4.6.9 Payment

a) Allowances

An employee who regularly receives payment of On Call and Standing By allowances, shift allowances, and leading hand allowance will receive payment of those allowances during periods of long service leave on the same basis of payment or average payment to the employee in the four (4) week (twelve (12) months for leading hands) period prior to the date of commencement of the leave.

b) Full Pay

During a period of long service leave, an employee shall be paid the employee's rate of pay which the employee would have received for the period had the employee not been on leave. Provided that in the case of a part time employee, the payment of leave shall be calculated by averaging the employee's hours over the previous twelve (12) months.

c) Payment Before Leave

An employee shall be entitled to receive payment for the full period of Long Service Leave prior to the date upon which leave commences.

4.6.10 Holidays Excluded

Long Service Leave shall be exclusive of all public holidays which occur during such period of leave.

4.6.11 Termination of Employment

a) Ten (10) Years

Where an employee has completed at least ten (10) years continuous service, and the employee's employment is terminated for any reason, or the employee dies, the employee or the employee's legal representative shall be paid the amount due for the employee's accrued long service leave.

b) Short Service

Where an employee has completed at least five (5) years' service and less than (10) years' service and their employment is terminated by Essential Energy for any reason other than serious misconduct, or if the employee terminates their employment on account of illness, incapacity or other domestic or pressing necessity, or by reason of death, Essential Energy shall pay to the employee or the employee's legal representative the monetary equivalent of the employee's accrued Long Service Leave.

c) **Payment on Termination**

On termination of employment, an employee shall be paid the ordinary rate of pay, excluding allowances, for the accrued long service leave.

4.6.12 No Payment in Lieu

Essential Energy shall not pay an employee in lieu of long service leave, whilst the employee remains an employee of Essential Energy.

4.7 PARENTAL LEAVE

The following provisions shall apply in addition to those set out in Chapter 2, Part 2-2, Division 5 – ‘Parental leave and related entitlements’ of the National Employment Standards (NES) under the Fair Work Act 2009 (Cth); and the Paid Parental Leave Act 2010 (Cth).

- a) In the period immediately following the birth or adoption of a child, an employee who is the primary care giver shall, subject to the completion of twelve (12) months continuous service with Essential Energy, be entitled to;
- (i) Parental leave with full pay for a period of fourteen (14) weeks, or, in the alternative, twenty eight (28) weeks at half pay and;
 - (ii) Adoption leave with full pay for a period of fourteen (14) weeks, or in the alternative, twenty eight (28) weeks at half pay and;
 - (iii) Request Parental Leave on a Part Time basis until the child reaches school age.
 - (iv) An employee who is the not the primary care giver shall, subject to the completion of twelve (12) months continuous service with Essential Energy, be entitled to Paternity leave with full pay for a period of two (2) weeks or in the alternative, four (4) weeks at half pay.
- b) An employee shall be entitled to request such additional leave without pay as shall amount in aggregate to a total period of parental leave and adoption leave not exceeding one hundred and four (104) weeks.
- c) In accordance with this clause, an employee may utilise the whole or part of any Annual Leave and/or Long Service Leave or other paid leave provided that the total period of leave does not exceed one hundred and four (104) weeks.
- d) An employer must not fail to re-engage a regular casual employee because:
- (i) The employee or the employee’s spouse is pregnant; or
 - (ii) The employee is or has been immediately absent on parental leave.

The rights of an employer in relation to engagement and re-engagement of casual employees are not affected, other than in accordance with this clause.

e) **Right to Request**

- (i) An employee entitled to parental leave may request the employer to allow the employee:
- To extend the period of simultaneous unpaid parental leave use up to a maximum of eight (8) weeks;
 - To extend the period of unpaid parental leave for a further continuous period of leave not exceeding twelve (12) months;
 - To return from a period of parental leave on a part-time basis until the child reaches school age;
 - To assist the employee in reconciling work and parental responsibilities.

- (ii) The employer shall consider the request having regard to the employee's circumstances and, provided the request is genuinely based on the employee's parental responsibilities, may only refuse the request on reasonable grounds related to the effect on the workplace or the employer's business. Such Grounds might include cost, lack of adequate replacement staff, loss of efficiency and the impact on customer service.
- (iii) The employee's request and the employer's decision must be recorded in writing.
- (iv) Request to return to work part-time

Where an employee wishes to make a request, such a request must be made as soon as possible but no less than seven (7) weeks prior to the date upon which the employee is due to return to work from parental leave.

f) Communication during parental leave

- (i) Where an employee is on parental leave and a definite decision has been made to introduce significant change to the workplace, the employer shall take reasonable steps to:
 - Make information available in relation to any significant effect the change will have on the status or responsibility level of the position the employee held before commencing parental leave; and
 - Provide an opportunity for the employee to discuss any significant effect the change will have on the status or responsibility level of the position the employee held before commencing parental leave.
- (ii) The employee shall also take reasonable steps to inform the employer about any significant matter that will affect the employee's decision regarding the duration of parental leave to be taken, whether the employee intends to return to work and whether the employee intends to request to work on a part-time basis.
- (iii) The employee shall notify the employer of changes of address or other contact details which might affect the employer's capacity to comply with paragraph (i).

- g) Paid leave of absence granted under this clause shall be counted as service for the purposes of this Agreement.

4.8 JURY SERVICE LEAVE

The following provisions shall apply in addition to those set out in Chapter 2, Part 2-2, Division 8 – 'Community Service Leave' of the National Employment Standards (NES) under the Fair Work Act 2009.

- a) An employee shall notify Essential Energy as soon as possible of the date upon which they are required to attend for Jury Service.
- b) An employee shall be paid by Essential Energy the difference between the Jury Service fee received and the employee's ordinary time rate of pay for Jury Service during the employee's usual ordinary working hours.
- c) An employee who attended Jury Service during a period of Annual or Long Service Leave or paid Maternity Leave shall, on application and on production of satisfactory evidence, be credited with leave, for the period during which the employee would have been on annual or long service leave had the employee not been on Jury Service.

4.9 COMPASSIONATE LEAVE

4.9.1 Permanent and Temporary Employees

- a) An employee is entitled to two (2) days of compassionate leave for each occasion (a permissible occasion) when a member of the employee's immediate family (as defined in paragraph d)), or a member of the employee's household:
 - (i) contracts or develops a personal illness that poses a serious threat to his or her life; or
 - (ii) sustains a personal injury that poses a serious threat to his or her life; or
 - (iii) dies.
- b) Where an employee's immediate family member dies, the employee shall be granted compassionate leave with pay for any unworked part of the ordinary working day or rostered shift during which the employee was notified of the death.
- c) An employee may take compassionate leave for a particular permissible occasion as consecutive days, single days or separate periods as agreed.
- d) Immediate family includes:
 - (i) the employee's spouse (including former spouse, a de facto spouse and a former de facto spouse), same sex partner, or a child or an adult child (including an adopted child, a step child or an ex nuptial child), parent, parent in law, grandparent, aunt or uncle, grandchild or sibling; or
 - (ii) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the employee
- e) Compassionate leave for permanent and temporary employees is without loss of pay for ordinary hours occurring during the period of the compassionate leave.

4.9.2 Casual Employees

- a) Compassionate leave for casual employees is unpaid.
- b) Subject to the evidentiary and notice requirements in Section 4 Clause 4.5 (Carer's Leave) paragraph (b) and (d), casual employees are entitled to not be available to attend work, or leave work upon the death of a person prescribed in Section 4 Clause 4.5 (Carer's Leave) paragraph (c).
- c) The employer and the employee shall agree on the period for which the employee will be entitled to not be available to attend work. In the absence of agreement, the employee is entitled to not be available to attend work for up to forty eight (48) hours (i.e. two (2) days) per occasion.
- d) An employer must not fail to re-engage a casual employee because the employee accessed the entitlements provided for in this clause. The rights of an employer to engage or not engage a casual employee are not otherwise affected.

4.10 UNION TRAINING LEAVE

- a) An employee may make application to Essential Energy for paid leave to attend Union courses/conferences.
- b) Essential Energy's approval of an application for Union leave is subject to:
 - (i) The taking of the leave shall be dependent upon Essential Energy being able to make adequate staffing arrangements.

- (ii) Training courses/conferences should be for Union delegates or workplace representatives for whom the approved course is of relevance.
- (iii) Written application and at least six (6) weeks' notice, or other agreed period, for leave shall be given.
- (iv) Paid leave will not incur any other payment other than the ordinary rate of pay.
- (v) An annual pool of paid leave up to a maximum of one hundred (100) days will be provided by Essential Energy for employees to use for Union leave. Extra leave may be granted by approval of the Managing Director.

4.11 ACCIDENT LEAVE

4.11.1 Accident Pay

- a) An employee, after a period or periods of worker's compensation totalling twenty six (26) weeks, shall be entitled to accident pay for a further period of absence, or absences up to a period of twenty six (26) weeks of incapacity.
- b) Accident Pay is not payable for the first twenty six (26) weeks of a period of incapacity.
- c) Accident Pay shall mean a weekly payment of an amount representing the difference between the amount of compensation to which the employee would be entitled to under the Workers' Compensation Act 1987 (NSW), as amended and the employee's ordinary rate of pay.
- d) Accident Pay shall be payable only for a period or periods of incapacity while the employee remains an employee of Essential Energy.
- e) An employee shall not be entitled to the payment of Accident Pay in addition to payment for any period of Annual Leave, Sick Leave, Long Service Leave or any Enterprise Agreement Holiday, or for any period for which the employee has received a verdict for damages or a payment as settlement for a claim related to a compensation injury.

4.11.2 Notice of Injury

An injured employee shall give notice in writing, of the injury and circumstances leading to the injury, to Essential Energy without undue delay, and shall provide in writing all other information as Essential Energy may reasonably require.

4.11.3 Medical Examination

Nothing in this clause shall in any way be taken as restricting or removing Essential Energy's right under NSW workers compensation laws, to require the employee to submit for examination by a legally qualified medical practitioner, provided and paid by Essential Energy.

If the employee refuses to submit to such examination or in any way obstructs the same, the employee's right to receive or continue to receive Accident Pay shall be suspended until such examination has taken place.

4.11.4 Damages or Settlement

The employee shall not be entitled to receive Accident Pay if the employee fails to give Essential Energy:

- a) an undertaking that if the employee obtains a verdict for damages against Essential Energy in respect of the injury or is paid an amount in settlement of any claim for damages that the employee has made against Essential Energy for the injury, the employee will immediately upon receipt of payment or upon receipt of payment by the employee's agent of a verdict for

damages or amount in settlement of the claim, repay to Essential Energy the amount of Accident Pay which Essential Energy has paid.

- b) an undertaking that where the injury was caused under the circumstances creating a liability in a third party to pay damages and the employee obtains a verdict for damages or is paid an amount of money in settlement of any claims for damages against that third party the employee will out of such verdict or amount of money repay to Essential Energy the amount of Accident Pay which Essential Energy has paid.
- c) an irrevocable authority addressed to any third party requiring such third party out of any verdict which may be obtained by the employee against that third party or any amount of money payable to the employee in settlement of any claim for damages made against that third party to pay to Essential Energy the amount of Accident Pay which Essential Energy has paid to the employee.

4.12 DOMESTIC VIOLENCE LEAVE

4.12.1 General Principle

Essential Energy recognises that employees sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. Therefore Essential Energy is committed to providing support to staff that experience domestic violence.

4.12.2 Definition of Domestic Violence

Domestic violence includes physical, sexual, financial, verbal or emotional abuse by an immediate family member as defined in this Agreement.

4.12.3 General Measures

- a) Proof of domestic violence may be required and can be in the form of an agreed document issued by the Police Service, a Court, a Doctor, a Domestic Violence Support Service or Lawyer.
- b) All personal information concerning domestic violence will be kept confidential in line with Essential Energy Policy and relevant legislation. No information will be kept on an employee's personnel file without their express written permission.
- c) No adverse action will be taken against an employee if their attendance or performance at work suffers as a result of experiencing domestic violence.
- d) Essential Energy will identify a contact in Human Resources who will be trained in domestic violence and privacy issues. Essential Energy will advertise the name of the contact within the organisation.
- e) An employee experiencing domestic violence may raise the issue with their immediate supervisor or the Human Resources contact. The supervisor may seek advice from Human Resources if the employee chooses not to see the Human Resources contact.
- f) Where requested by an employee, the Human Resources contact will liaise with the employee's supervisor on the employee's behalf, and will make a recommendation on the most appropriate form of support to provide in accordance with sub-clauses 4.12.4 and 4.12.5.
- g) Essential Energy will develop guidelines to supplement this clause which detail the appropriate action to be taken in the event that an employee reports domestic violence.

4.12.4 Leave

- a) An employee experiencing domestic violence will have access to paid special leave for medical appointments, legal proceedings and other matters and activities arising from domestic violence. This leave will be in addition to existing leave entitlements and may be

taken as consecutive or single days or as a fraction of a day and can be taken without prior approval.

- b) An employee who supports a person experiencing domestic violence may take special leave to accompany them to court, to hospital, or to mind children.

4.12.5 Individual Support

- a) In order to provide support to an employee experiencing domestic violence and to provide a safe work environment to all employees, Essential Energy will support any reasonable request from an employee experiencing domestic violence for
 - i. changes to their span of hours or pattern or hours and/or shift patterns;
 - ii. job redesign or changes to duties;
 - iii. relocation to suitable employment within Essential Energy;
 - iv. a change to their telephone number or email address to avoid harassing contact;
 - v. any other appropriate measure including those available under existing provisions for family friendly and flexible work arrangements.
- b) An employee experiencing domestic violence will be referred to the Employee Assistance Program (EAP) and/or other local resources. The EAP shall include professionals trained specifically.

SECTION 5 – ALLOWANCES

5.1 LEADING HAND ALLOWANCE

- a) An employee employed at or below Pay Point 25 in a field based position who is in charge of and responsible for a work group comprising that employee and at least two (2) other employees shall receive the Leading Hand allowance.
- b) An amount per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) shall be paid when performing the duties and requirements of a Leading Hand. This allowance is only payable for ordinary hours worked, overtime and superannuation where the employee performs the duties and requirements of a Leading Hand.
- c) An employee performing the duties and requirements of a Leading Hand for three (3) or more days in any one (1) week shall be paid the allowance for the remainder of the working week (Monday to Friday), either a four (4) or five (5) day week, as appropriate.
- d) Leading Hand is not a permanent appointment except for those employees who, prior to approval of this Agreement, had been appointed as a permanent Leading Hand and continue to perform the role in accordance with this clause above. In this circumstance, the employee will receive the allowance on a permanent basis which will be payable for all purposes.
- e) Essential Energy retains the right to manage the process for engaging a Leading Hand including rotation of the duties and functions of a Leading Hand within the work group(s).

5.2 ELECTRICAL SAFETY RULES ALLOWANCE

- a) The Electrical Safety Rules Allowance (ESRA) will be paid to employees appointed to electrical positions who have passed the safety rules test and who are required to work or supervise or direct work in accordance with these rules. Typically employees who hold a trades' certificate from the family of electrical trades (including apprentices) will receive this allowance.
- b) Employees in non-electrical trades' technical and professional classifications, who are required to sit an abridged version of the safety rules exam, and are required to work in accordance with these rules, will receive 80% or 60% of the allowance. Employees in the Administrative Officer stream shall have an examination of their role and requirements to determine whether they are eligible for payment of the Safety Rules Allowance.
- c) Notwithstanding the above, the applicability of the electrical safety rules to the particular functions of a position may change from time to time and be subject to review. As a result, the ongoing payment of ESRA is also subject to review.
- d) To continue receiving the ESRA an employee must remain competent in their understanding and workplace application of the electrical safety rules. The ESRA may be temporarily suspended for a period of up to six (6) months where it is demonstrated that an employee has failed to follow and apply electrical safety rules in accordance with Essential Energy policies or procedures.
- e) For further detail regarding the ESRA, refer to Section 6 Clause 6.15 Table 4 (Essential Energy Far West Electricity Electrical Safety Rules Allowance) and Section 6 Clause 6.16 (Electrical Safety Rules Allowance Guidelines)

5.3 FIRST AID ALLOWANCE

All employees will be encouraged to obtain a First Aid Certificate. The cost of obtaining the certificate and the ongoing renewal costs will be met by Essential Energy where the certificate is obtained or renewed through an accredited training organisation and approved by the relevant manager.

An employee who is the holder of a current recognised First Aid Certificate and who is designated first aid attendant shall be paid a weekly First Aid Allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.4 CHIEF FIRE WARDEN ALLOWANCE

An employee who has received the appropriate training and is designated as a Chief Fire Warden shall be paid a weekly Chief Fire Warden allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances). An employee who is directed to act during a period of absence of the Chief Fire Warden shall be entitled to claim the allowance for the period whilst directed to act.

5.5 AREA CLIMATE ALLOWANCE

- a) Employees working within the area of supply of Essential Energy shall be paid a daily allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) of this Agreement.
- b) This allowance does not form part of the ordinary rates of pay for the purpose of the calculation of overtime. This allowance is not paid for other purposes.

5.6 AIRCRAFT ALLOWANCE

An employee who is required in the course of employment to be engaged in a rotary or fixed wing aircraft in inspection and reporting on the distribution network shall be paid an allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances), per day or part thereof whilst so engaged.

Prior to use by employees, the full service history of the particular aircraft to be used are to be made available.

5.7 TRAINING ALLOWANCE

- a) A training allowance shall be paid to:
 - (i) employees who are required to prepare and present approved regulatory training courses to other staff members; and
 - (ii) employees who conduct formal assessments (of a course and/or individual participant).
- b) The training allowance shall not apply where the responsibility for the above duties is a function of the employee's appointed position.
- c) All employees who receive training will be paid at ordinary time where the course has been approved by Essential Energy.

5.8 PRIVATE MOTOR VEHICLE ALLOWANCES

Employees shall not ordinarily be required to use their private motor vehicle for Essential Energy business purposes. However, in extenuating circumstances and with the prior agreement of their manager/supervisor, an employee who uses a privately owned motor vehicle in their role shall be paid for the casual use at the Australian Taxation Office rates.

5.9 CREW COORDINATOR ALLOWANCE

An employee appointed to the role of Crew Coordinator will be entitled to a Crew Coordinator allowance as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.10 DEPOT CONTROLLER ALLOWANCE

A Resource Supervisor or Crew Supervisor at each Grade 'C', 'D' & 'E' depot who in addition to their normal responsibilities acts as the person in charge of their depot will be paid a Depot Controller allowance. The recipient of the allowance is responsible for the efficient and effective daily function of the depot. The allowance is as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances)

This allowance is not payable to Senior Resource Supervisors as the depot responsibility forms part of their role.

Where the depot controller is on leave the employee assigned responsibility for the depot controller duties is eligible to receive the depot controller allowance on a pro rata daily basis.

5.11 CAMPING ALLOWANCE

- a) Where an employee is required to perform work that renders it necessary for an employee to sleep away from the employee's usual residence and where hotel/motel accommodation is not available the employee shall be paid a camping allowance per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).
- b) Where the existing camping requirements cause extreme hardship to an employee and the employees' family because of such exceptional circumstances, Essential Energy, on application by the employee will review its policy on the matter in that particular case and subject to the merits of the case, an alternative arrangement to camping may be negotiated.

5.12 TOWING ALLOWANCE

Where an employee is required to drive a vehicle towing another vehicle or a semi (articulated) trailer, the employee shall be paid a towing allowance per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.13 CLIMBING ALLOWANCE

Where an employee is trained and qualified in radio and communications tower work to work on towers above 30 metres in height and the employee carries out work on such towers they shall be paid a climbing allowance per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.14 CONFINED SPACES ALLOWANCE

Where an employee is required to perform construction, maintenance and repair jobs in a confined a confined space, they shall be paid a confined spaces allowance per hour as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.15 DIRTY WORK ALLOWANCE

A dirty work allowance shall be paid hourly as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) to an employee required to:

- a) work in the sedimentation and flocculation tanks at Mica Street Water Treatment Plant when the tanks are empty and repairs are undertaken;
- b) work in the suction tunnel at the Stephens Creek Pumping Station;
- c) internally clean fuel storages;
- d) internally clean service reservoirs and/or balance tanks;
- e) internally clean and/or repair sewerage settling and sludge digesting tanks(as distinct from sewerage pump wells);
- f) clean and oil shutters;
- g) work in sewerage pump wells (wet or dry) or in any situation where the employee comes in direct contact with sewerage matter;
- h) work in situations that the employee is unable to arrange adequate protection (e.g. water proof boots) from excessively wet or muddy conditions;
- i) pull down dirty ceilings or roofing

5.16 LIVING AWAY ALLOWANCE

Where an employee is required to remain away overnight and has not claimed incidentals in accordance with Section 3 Clause 3.4 Working Away From Home sub-clause b) they shall be paid a Living Away allowance per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances).

5.17 PLANT OPERATOR ALLOWANCE

Where an employee is required to operate a crane borer/lifter they shall be paid a Plant Operator allowance per day as per Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances), provided that, when plant operating is not available to be carried out, the plant operator undertakes any other work allocated by the supervisor.

5.18 MOVEMENT OF ALLOWANCES

Allowances described in Section 6 Clause 6.14 Table 3 (Essential Energy Far West Electricity Allowances) shall increase at the same percentage rate as the rates of pay in Section 6 Clause 6.12 Table 1 (Essential Energy Far West Electricity Rates of Pay), excluding Electrical Safety Rules (ESRA).

SECTION 6 – MISCELLANEOUS

6.1 OUTSOURCING

- a) Where Essential Energy is considering outsourcing work which would normally be performed by Essential Energy employees, Essential Energy will consult with the affected employees and the relevant Union(s) in accordance with the requirements of this clause.
- b) In the event that Essential Energy identifies that it will outsource/contract out work, which is work that would normally be performed by Essential Energy employees, the nature of the activity or project will be referred to the Outsourcing Consultative Committee, following a Briefing Paper being forwarded to the Union parties.
- c) This Committee shall comprise of the Manager Employee Relations (or his/her nominee), and the General Secretary of the relevant Union(s) (or his/her nominee). As required, the involvement of the relevant General Manager and/or a maximum of two (2) relevant union delegates from each Union may be co-opted to assist with detailed information regarding the activity/project to be outsourced. All Committee meetings are to be minuted. The minutes will be circulated to all parties in attendance no later than four (4) days following the meeting.
- d) For any activity or project being submitted for consultation to the Outsourcing Committee the following criteria shall be demonstrated:
 - (i) where insufficient resources are available (including consideration of the usage of permanent part time, temporary or casual employment arrangements) to meet the current Essential Energy work commitment and work timetable or;
 - (ii) the failure to complete the work in a reasonable time would jeopardise the safety of the public or impact adversely upon system performance, or
 - (iii) the use of outsourcing or contracting to the work is commercially the most advantageous option taking into account; quality, safety, system performance, cost and the overall strategic direction of Essential Energy.
- e) The Committee shall adhere to a timeframe of no more than twenty eight (28) days, after the Briefing Paper has been provided, to complete the consultative process on the activity/projects before them.
- f) Either party may seek the assistance of Fair Work Commission during the consultation process.
- g) If after this process has been conducted a decision to outsource has been made, the Contractor engaged to perform the work must:
 - (i) provide a written undertaking to comply with the safety, environmental and quality standards of Essential Energy.
 - (ii) provide a written undertaking to conform to all Acts, Enterprise Agreements and agreements affecting the employees of the Contractor.
 - (iii) demonstrate it has established appropriate industrial relations policies and practices.

6.2 DRIVERS LICENCE

An employee appointed to a position which requires the employee to hold a motor vehicle drivers' licence shall be reimbursed the cost of such license by Essential Energy.

6.3 WET WEATHER AND EXTREME CONDITIONS

6.3.1 Wet Weather

It is not the intent of Essential Energy for its employees to normally work in wet weather.

Essential Energy shall however provide its field based employees with suitable wet weather gear for those occasions where due to an emergency, or an outage that has already commenced, it requires the employees to work through.

Where an employee stops work due to wet weather, the employee shall be paid for time not worked provided the employee:

- Remains at work until directed to leave work;
- Stands by as directed; and
- Reports for duty as directed.

6.3.2 Extreme Conditions

Individuals working in heated conditions need to as a minimum adhere to the following measures within the workplace:

- Ensure that the appropriate PPE is worn at all times
- Ensure the adequate intake of fluids
- Observe that regular rest breaks are utilised
- Take early actions if any signs or symptoms of heat stress occur

In extreme conditions, work should be arranged so that it is not performed when temperatures are at their highest. In such cases it may be an alternative to alter the commencing times to coincide with the coolness of the morning subject to agreement between Essential Energy and the employees concerned.

6.4 TOOLS

- a) Essential Energy shall provide employees with the necessary tools to perform their duties. Tools will only be supplied and or purchased in accordance with the Essential Energy tools policy. Damaged, lost or worn tools shall be replaced by Essential Energy.
- b) Employees shall use the tools for their intended purpose only. Employees shall exercise all care in the use of and safe keeping of tools.

6.5 PERSONAL PROTECTIVE EQUIPMENT (PPE) AND CLOTHING

- a) Essential Energy shall provide PPE and clothing to fulfil safety requirements relating to the provision of such equipment and clothing.
- b) Employees must ensure they wear and/or use appropriate PPE and clothing for the purpose for which it was provided.

PPE and clothing will be replaced on a fair wear and tear basis approved by the employee's manager/team leader.

6.6 UNION DELEGATES' CHARTER

6.6.1 Essential Energy shall be able to:

- a) Expect that employees, be they Union Delegates or not, will perform the job in which they are employed.
- b) Be given reasonable notice by Delegates that they intend to carry out their Union duties.
- c) Expect that Union Delegate(s) shall not be able to claim or be paid overtime for attendance at Delegates meetings.
- d) Expect that Union Delegate(s) be reasonably available as required to assist in the facilitation of effective workplace relations practices.

6.6.2 To the extent permitted by the Fair Work Act 2009, Union Delegates at Essential Energy shall be able to:

- a) Approach, or be approached by a member for the payment of union dues or other payments, or to discuss any matter related to this member's employment, during working hours.
- b) After obtaining the permission of the employer, move freely for the purpose of consulting other Delegates during working hours.
- c) Have access to Union Officials, subject to the Fair Work Act 2009, as required within operational hours and on business premises as required for the purposes of Union business.
- d) Be able to represent employees or request a Union Official to represent the employee.
- e) To negotiate with management together with other Union Delegates on behalf of all or part of the members on any matters in accord with union policy affecting the employment of members who work in Essential Energy.
- f) Call meetings and for members to attend these meetings on the job. Such meetings are to be outside of work time unless prior permission is obtained from management.
- g) Have protection from victimisation and this right to be expressed in prohibiting the employer from seeking to separate the delegate from the union members who elected them without first consulting the union.
- h) Have access to a telephone and computer, including email and to have within their work proximity suitable cupboards and furniture to enable them to keep records, union circulars, receipt books etc. so as to efficiently carry out their union responsibilities.
- i) Attend meetings and training held by the union in which they hold office without loss of any rights or ordinary pay following the approval of Essential Energy. Attendance at these meetings shall not be unreasonably withheld. Leave granted for this purpose may be accessed by the relevant special leave provisions and or relevant training leave provisions.
- j) Have all agreements and arrangements negotiated with Essential Energy set out in writing and for these agreements and arrangements, including Agreements, to be provided to delegates on request.
- k) Place appropriate union endorsed notices on defined union notice boards.

6.7 SUPPLY OF RESIDENCE

Where an employee is provided with a residence by Essential Energy (with or without concessions), the weekly value of such residence and concessions shall be determined by Essential Energy.

6.8 NO EXTRA CLAIMS

The parties to this Enterprise Agreement agree not to pursue any additional or extra claims during the term of this Enterprise Agreement except in accordance with Section 1 Clause 1.7 (Future Negotiations), or in accordance with any decision of Fair Work Commission.

6.9 PHASED RETIREMENT

A range of flexible work and leave arrangements may be available by agreement between Essential Energy and an employee to better manage transition to retirement. Any agreed arrangement is in recognition of an ageing workforce in Essential Energy and the need to retain skills and experience within the organisation while managing the transfer of corporate knowledge prior to retirement.

Flexible work and leave arrangements include:

- (a) Part-time work;
- (b) Leave without pay;
- (c) Annual leave at half pay;
- (d) Job sharing arrangements;
- (e) Variations to ordinary hours and rosters;
- (f) Job redesign

The terms of any flexible work and/or leave arrangements shall be in writing and may be varied from time to time, by agreement, to suit the specific needs of Essential Energy and the employee.

6.10 ISOLATED AREAS – INCLUDING INDIGENOUS ISSUES

The parties agree to proactively support recruitment and employment in isolated areas. The union parties are also committed to an involvement in developing the terms of reference for such work and the work of the existing Recruitment Group for Isolated Areas.

6.11 ENGAGEMENT OF LABOUR HIRE AGENCY WORKERS

- a) The parties to this Agreement recognise the need for Essential Energy to engage labour hire agency workers from time to time to meet short term business needs. These engagements may need to be undertaken within short time frames. Essential Energy will consult with the relevant parties where the engagement of labour hire agency workers is required.
- b) In this context the parties define short term business needs as a maximum of twelve (12) months except in circumstances where consultation has taken place prior to any extension of this timeframe. As part of this process, Essential Energy will meet with the relevant union(s) on a six (6) monthly basis to discuss labour hire resource requirements. Essential Energy will provide a report as to labour hire agency workers at each of these meetings.
- c) Essential Energy confirms that labour hire shall not be used as an alternative to permanent employment.

6.12 TABLE 1: ESSENTIAL ENERGY FAR WEST ELECTRICITY RATES OF PAY

Pay point	Weekly \$ 1.7.12	Hourly rate \$ 1.7.12	Weekly \$ 1.7.13	Hourly rate \$ 1.7.13	Weekly \$ 1.7.14	Hourly rate \$ 1.7.14
			2.7%		2.7%	
C1*	408.84	11.36	419.88	11.66	431.22	11.98
C2*	451.03	12.53	463.21	12.87	475.72	13.21
C3*	497.54	13.82	510.97	14.19	524.77	14.58
1	536.92	14.92	551.42	15.32	566.31	15.73
2	652.33	18.12	669.94	18.61	688.03	19.11
3	755.42	20.98	775.82	21.55	796.77	22.13
4	846.49	23.51	869.35	24.15	892.82	24.80
5	875.32	24.31	898.95	24.97	923.22	25.65
6	904.99	25.14	929.42	25.82	954.51	26.51
7	919.83	25.55	944.67	26.24	970.18	26.95
8	948.91	26.36	974.53	27.07	1000.84	27.80
9	967.98	26.89	994.12	27.61	1020.96	28.36
10	1,027.53	28.54	1,055.27	29.31	1,083.76	30.10
11	1,068.75	29.69	1,097.61	30.49	1,127.25	31.31
12	1,090.05	30.27	1,119.48	31.10	1,149.71	31.94
13	1,111.95	30.89	1,141.97	31.72	1,172.80	32.58
14	1,134.10	31.51	1,164.72	32.35	1,196.17	33.23
15	1,157.04	32.15	1,188.28	33.01	1,220.36	33.90
16	1,180.20	32.78	1,212.07	33.67	1,244.80	34.58
17	1,203.79	33.44	1,236.29	34.34	1,269.67	35.27
18	1,227.57	34.10	1,260.71	35.02	1,294.75	35.97
19	1,252.23	34.78	1,286.04	35.72	1,320.76	36.69
20	1,277.33	35.48	1,311.82	36.44	1,347.24	37.42
21	1,290.72	35.86	1,325.57	36.82	1,361.36	37.82
22	1,302.87	36.19	1,338.05	37.17	1,374.18	38.17
23	1,328.75	36.92	1,364.63	37.91	1,401.48	38.93
24	1,355.54	37.65	1,392.14	38.67	1,429.73	39.71
25	1,382.54	38.41	1,419.87	39.44	1,458.21	40.51
26	1,438.70	39.97	1,477.54	41.04	1,517.43	42.15
27	1,467.15	40.75	1,506.76	41.85	1,547.44	42.98
28	1,526.65	42.41	1,567.87	43.55	1,610.20	44.73
29	1,557.07	43.25	1,599.11	44.42	1,642.29	45.62
30	1,588.08	44.12	1,630.96	45.30	1,675.00	46.53
31	1,619.98	44.99	1,663.72	46.21	1,708.64	47.46
32	1,652.56	45.90	1,697.18	47.14	1,743.00	48.42
33	1,685.52	46.82	1,731.03	48.08	1,777.77	49.38
34	1,753.65	48.72	1,801.00	50.03	1,849.63	51.38
35	1,788.57	49.68	1,836.86	51.02	1,886.46	52.40
36	1,824.26	50.67	1,873.52	52.04	1,924.11	53.45
37	1,898.02	52.73	1,949.27	54.15	2,001.90	55.61
38	1,974.94	54.86	2,028.26	56.34	2,083.02	57.86
39	2,054.50	57.07	2,109.97	58.61	2,166.94	60.19
40	2,137.56	59.38	2,195.27	60.98	2,254.54	62.63

* Used for Cadet Engineers stream only

6.13 TABLE 2: ESSENTIAL ENERGY FAR WEST ELECTRICITY SHIFT ALLOWANCES

Section / Clause	Allowance Description	Frequency	Amount 1.7.12	Amount 1.7.13 2.7%	Amount 1.7.14 2.7%
Section 2 Clause 2.2	Shift :				
	Afternoon Shift	Per Shift	\$34.71	\$35.65	\$36.61
	Night Shift	Per Shift	\$47.73	\$49.02	\$50.34
	Early Morning Shift	Per Shift	\$11.85	\$12.17	\$12.50

6.14 TABLE 3: ESSENTIAL ENERGY FAR WEST ELECTRICITY ALLOWANCES

Section / Clause	Allowance Description	Frequency	Amount 1.7.12	Amount 1.7.13 2.7%	Amount 1.7.14 2.7%
Section 2 Clause 2.4.9	On Call (7 days)	Per Week	\$292.51	\$300.40	\$308.51
	On Call Weekly (5 days)	Per Week	\$208.94	\$214.14	\$219.92
	On Call Weekday (Mon to Fri)	Per Day*	\$41.79	\$42.92	\$44.08
	On Call Weekend (Sat/Sun/Hol)	Per Day*	\$48.75	\$50.07	\$51.42
	On Call Short Notice	Per Day*	\$48.75	\$50.07	\$51.42
Section 2 Clause 2.5.5	Overtime Meal Allowance	Per meal	\$25.05	\$27.10 ¹	\$27.83
Section 5 Clause 5.11	Camping Allowance	Per day	\$44.77	\$45.98	\$47.22
Section 5 Clause 5.3	First Aid Allowance	Per day	\$2.57	\$2.64	\$2.71
Section 5 Clause 5.4	Chief Fire Warden Allowance	Per week	\$16.88	\$17.34	\$17.81
Section 5 Clause 5.1	Leading Hand Allowance	Per day	\$16.70	\$17.15	\$17.61
Section 5 Clause 5.6	Aircraft Allowance	Per day	\$14.97	\$15.37	\$15.78
Section 5 Clause 5.5	Area Climatic Allowance	Per day	\$1.67	\$1.72	\$1.77
Section 5 Clause 5.7	Training Allowance	Per day	\$37.35	\$38.36	\$39.40
Section 5 Clause 5.13	Climbing Allowance	Per day	\$24.00	\$24.65	\$25.32
Section 5 Clause 5.14	Confined Spaces Allowance	Per hour	\$5.99	\$6.15	\$6.32
Section 5 Clause 5.15	Dirty Work Allowance	Per hour	\$0.24	\$0.25	\$0.26
Section 5 Clause 5.16	Living Away Allowance	Per day	\$39.50	\$40.57	\$41.67
Section 5 Clause 5.17	Plant Operator Allowance	Per day	\$10.75	\$11.04	\$11.34
Section 5 Clause 5.12	Towing Allowance	Per day	\$9.18	\$9.43	\$9.68
Section 5 Clause 5.9	Crew Coordinator Allowance	Per week	\$86.53	\$88.87	\$91.27
Section 5 Clause 5.10	Depot Controller Allowance ²	Per week	\$33.05	\$33.94	\$34.86

* Not to exceed maximum allowable weekly amount

1 Once off adjustment to bring into line with ATO rates

2 This represents 2% of Pay Point 32

6.15 TABLE 4: ESSENTIAL ENERGY FAR WEST ELECTRICITY SAFETY RULES ALLOWANCE

ELECTRICAL SAFETY RULES ALLOWANCE (per week)			
	1.7.12	1.7.13	1.7.14
100%	\$120.00	\$120.00	\$120.00
80%	\$96.00	\$96.00	\$96.00
60%	\$72.00	\$72.00	\$72.00

6.16 ELECTRICAL SAFETY RULES ALLOWANCE GUIDELINE

6.16.1 Purpose

To ensure the Company outlines the application of the Electrical Safety Rules Allowance in accordance with the Essential Energy Conditions of Employment Agreement.

6.16.2 Scope

This applies to employees who:

- are required to work in accordance with Essential Energy Electrical Safety Rules
- require a working knowledge and application of the Electrical Safety Rules to fulfil their role
- are required to maintain currency and competency in Electrical Safety Rules with training and assessment; and
- through the application of this guideline, are eligible for the Electrical Safety Rules Allowance.

6.16.3 References

CEOP8030 Electrical Safety Rules
 CEOP2061 High Voltage Live Line Work Operational Requirements
 CEOF2000.15 HR: Employee Notification Form

6.16.4 Definitions

For the purposes of this guide only:

Electrical Trade – the employee will hold an AQF III or above, qualification in either Systems Electrician, Powerline Worker, Cable Jointer (or their recognised equivalents) or Electrical Engineering qualification.

Electrical Position – is a position within Essential Energy's Infrastructure Operations or Engineering Services business units that is directly involved with the reticulation and supply of electricity and the employee is deemed an Authorised person, in accordance with CEOP8030. For the purpose of this guide only, this may include associated positions that provide Technical Planning, Direction, Advice, Training or Supervision of those positions, and may be within other Business units.

Employee – a person who has permanent, temporary or casual employment with Essential Energy. It does not include persons who are engaged by a contract or provides a service to Essential Energy

Trade Qualification – the employee will hold an AQF III, or above, qualification in a Trade other than an Electrical Trade (see above) For example Plumber, Mechanic, Communications, Horticulture, Surveying or Engineering.

Trade Position – is a position within any of Essential Energy's business units that requires the employee to hold a Trade Qualification other than an Electrical Trade.

CATT Certified – means the employee is certified, and current, for Close Approach Tree Trimming (3 & 4) by an approved Organisation, and is required by Essential Energy to perform the work.

As defined in CEOP8030 – Electrical Safety Rules:

Authorised – means a person with technical knowledge or sufficient experience who has demonstrated competency and has been approved, in writing, by Essential Energy to carry out specific duties associated with the supply or use of electricity.

Competent Assistant – means a person who has, every twelve (12) months (six (6) months in Queensland), demonstrated the capabilities to rescue and resuscitate a person appropriate to the type of work being performed.

Instructed Person – means a person adequately advised or supervised by an authorised person to enable them to avoid the dangers electricity may create.

Near - means when there is a reasonable possibility of a person's body or any movable object that the person might be wearing, touching or carrying which is not designed for safe use on live conductors of the same or higher voltage, coming closer to a live exposed conductor than the minimum safe approach distances.

6.16.5 Assessment Criteria

To determine the eligibility of a new position or a current employee for the Electrical Safety Rules Allowance, the following assessment must apply:

6.16.6 100% Allowance

To be eligible for this allowance, the employee must be appointed to an electrical position, holds an Electrical Trade qualification, during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) required to work on or near the electrical network as an Electrically Qualified and Authorised person in accordance with CEOP8030 - Electrical Safety Rules; or
- b) carry out Operating Work on the electrical network; or
- c) is authorised and required to enter zone substations alone for the purposes of work; or
- d) provide direct supervision at a task level to others performing work in the above criteria; or
- e) for the purpose of training, auditing, network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake the role.

6.16.7 80% Allowance

To be eligible for this allowance, the employee must be appointed to a trade position, hold the appropriate trade qualification, during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) work on or near the electrical network as an Authorised person in accordance with CEOP8030 - Electrical Safety Rules; or
- b) is nominated, and confirmed, by Infrastructure Operations or Engineering Services as a Competent Assistant for the purpose of attending an Electrically Qualified and Authorised Person as required; or
- c) is authorised and required to enter zone substations alone for the purposes of work; or
- d) for the purpose of training, auditing, network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake role.
- e) employed in the role of either a CATT Certificated Electrical Worker or as an Asset Inspector.

6.16.8 60% Allowance

To be eligible for this allowance, the employee must be appointed in the role of Electricity Worker (or equivalent) during the previous twelve (12) months demonstrated competency in the relevant sections of the electrical safety rules and

- a) required to have and hold close approach for plant and equipment accreditation*; or
- b) work on or near the electrical network as an Instructed Person in accordance with CEOP8030 – Electrical Safety Rules; or
- c) is nominated, and confirmed, by Infrastructure Operations or Engineering Services as a Competent Assistant for the purpose of attending an Electrically Qualified and Authorised Person as required; or
- d) is authorised and required to enter zone substations alone for the purposes of work; or
- e) for the purpose of network design, network planning, technical written or verbal advice, the role requires specific knowledge of the Electrical Safety Rules and the employee is required to apply this knowledge to undertake role.

* NOTE: **Crane Plant Operators** that are designated and required to work to the safe approach distances for Live Line Work in accordance with CEOP2061 High Voltage Live Line Work Operational Requirements, shall receive the allowance Section 6 Clause 6.16.7 (80% Allowance) at all times, whilst still designated.

6.16.9 Qualifications

- a) In the case where the employee does not hold an electrical qualification or trade qualification (as defined), the eligibility for the payment of the Electrical Safety Rules Allowance will be assessed under Section 6 Clause 6.16.8 (60% Allowance).

Note: Where the employee is not appointed to the role of Electrical Worker (or equivalent), the assessment may occur under Section 6 Clause 6.16.8 (60% Allowance).

- b) In the case where an employee holds an Electrical Qualification and is engaged in a role that does not require the use of the qualification (e.g. Meter Reader, Asset Inspector), but is occasionally utilised, and nominated, by Infrastructure Operations or Engineering Services to perform duties of an electrical position, they will be assessed under Section 6 Clause 6.16.10 (Secondments or Acting Duties).

6.16.10 Secondments or Acting Duties

Where an employee is required to work in a role that does receive the allowance, they will receive the allowance for the duration of the secondment or acting duties, on the basis that their Electrical Safety Rules training is current. If the secondment or acting occurs on a regular basis then it is

recommended that the allowance be paid at all times, subject to being competent in the Electrical Safety Rules.

6.16.11 Position Changes

Where an employee changes his/her position within Essential Energy, an assessment of the position requirements in accordance with this procedure should be undertaken. Where the Electrical Safety Rules Allowance does not apply, any existing Electrical Safety Rules Allowance and payments to the employee must cease.

6.16.12 Present Occupant Only or Present Employee

Where an employee has been identified as being paid the Electrical Safety Rules Allowance in error or not in accordance with this procedure following the review in 2007 and the Allowance was frozen, this amount only applies to the present employee, not the role or position. Any other employee entering the role in the future will NOT be eligible for the allowance. If the present employee changes positions the allowance will be re-assessed under Section 6 Clause 6.16.11 (Position Changes).

6.16.13 Approval Process

Where it is established an employee may be eligible for the Electrical Safety Rules Allowance, an Employee Notification Form must be submitted to the business unit General Manager or Regional Manager for endorsement and then forwarded to the Manager Employee Relations or his delegate for final approval.

6.16.14 Authorities and Responsibilities

Regional Managers and General Managers have the authority and responsibility for:

- endorsing applications for the Electrical Safety Rules Allowance.
- ensuring that all managers; and employees understand their responsibilities under this procedure

Manager Employee Relations has the authority and responsibility for:

- monitoring compliance with this procedure and
- approve or reject applications for the Electrical Safety Rules Allowance.
- recording eligibility for Electrical Safety Rules Allowance against positions, and,
- ensuring human resources information systems are updated and accurate.

Manager Technical Training has the authority and responsibility for:

- providing training and testing in the Electrical Safety Rules; and
- providing timely and accurate training records to Employee Relations and/or Human Resources.

SECTION 7 – CLASSIFICATIONS FOR PURPOSES OF COVERAGE

- Administration Officer up to & including Level 23
- Divisional Assistant up to & including Level 4
- Zone Substation Electrical Technician up to & including Level 8
- Zone Substation Senior Electrical Technician up to & including Level 12
- Zone Substation Specialist Electrical Technician up to & including Level 16
- Trainee Technical Officer up to & including Level 3
- Technical Officer up to & including Level 16
- Apprentice & Trainee up to & including Level 4
- Asset Inspector up to & including Level 4
- Powerline Worker up to & including Level 9
- Cable Joints up to & including Level 5
- Electrical Technician up to & including Level 8
- Crew Coordinator Depot Grade A to D up to & including Level 5
- Crew Supervisor Depot Grade E up to & including Level 3
- Resource Supervisor Depot Grade D up to & including Level 3
- Resource Supervisor Depot Grade A, B, C up to & including Level 3
- Senior Resource Supervisor up to & including Level 4
- Works Supervisor up to & including Level 3
- Dual Qualified Electrical Technician & Powerline Worker up to & including Level 6
- Ancillary Trade up to & including Level 4
- Electrical Worker up to & including Level 6
- Workplace Trainer & Assessor up to & including Level 7
- Managers & Specialist up to & including Level 4 (excluding Human Resource Managers)
- Cadet Engineer, Graduate Engineer, Professional Engineers & Engineering Managers up to & including Level 12

SECTION 8 - AGREED VARIED CONDITIONS FOR PARTICULAR CLASSIFICATIONS

8.1 APPLICATION

Schedules contained in this section of the Agreement contain terms and conditions relevant to those employees classified in the following categories:

- Divisional Assistants
- Managers & Specialists
- Technical Training Services / Operations (Workplace Trainer & Assessor)

These Schedules shall be read and interpreted wholly in conjunction with the terms and conditions of this Agreement, provided that where there is any inconsistency between these Schedules and the terms and conditions of this Agreement, these Schedules shall take precedence to the extent of the inconsistency.

All other conditions of employment will be as per the terms and conditions of this Agreement unless specifically covered by these Schedules.

8.2 SCHEDULE 1 – DIVISIONAL ASSISTANTS

8.2.1 Hours of Work & Additional Loading

Divisional Assistant positions are required to be available to serve the requirements of their manager in accordance with business hours on a 10 day fortnight arrangement Monday to Friday.

Employees covered by this Schedule shall be paid the appropriate salary according to their appointed position set out in the Progression Guidelines with an additional 11% which shall be superable to compensate for working a 10 day fortnight and recognition that the position works a minimum of forty (40) hours a week.

Where additional hours are worked, they shall be recorded on the payroll/personnel system and, where approved, paid at the appropriate overtime rates.

8.3 SCHEDULE 2 - MANAGERS & SPECIALISTS

8.3.1 Hours of Work & Additional Loading

Employees under this Schedule shall devote their attention, time and skill during normal business hours, and at other times as necessary, to fulfil the requirements of their duties. The nominal hours of work will be seventy-two (72) hours, to be performed over a 10 day fortnight, worked Monday to Friday, unless otherwise agreed.

Employees shall be remunerated at the appropriate rate of pay for their classification plus any relevant allowance that is required for the employee to perform their role. An additional eleven percent (11%) is paid in addition to the appropriate evaluated rate of pay in return for a forty (40) hour week and working a 10 day fortnight.

8.3.2 Overtime

The normal overtime provisions of this Agreement do not apply to employees under this schedule. It is not the intent to have employees under this Schedule work excessive hours. Employees who find they are working excessive hours have the ability with the agreement of their manager to enter into an arrangement to have those excessive hours recognised in the following manner;

- a) pay those hours at the ordinary single rate of pay, or
- b) to grant time-in-lieu for the actual hours worked

Such agreement will not to be unreasonably withheld.

8.3.3 Professional Indemnity

Provided that the Employee acts honestly, diligently and in good faith, the Employee shall not suffer any loss or damage of any kind by reason of any liability incurred by the Employer as a result of the conduct of the Employee and the Employer shall hold the Employee harmless and indemnify the Employee against any loss, claim, and cause of action of any kind arising out of or in the course of employment.

8.3.4 Inventions

- a) The Employee agrees that any discovery, invention, developmental process or technique made by the Employee during the course of employment and which in any way affects or relates to the business of the Employer shall be disclosed by the Employee to the Employer and shall be the absolute property of the Employer.
- b) The Employee further agrees, in respect of any such discovery, invention, developmental process or technique, that the Employee will do all necessary things to ensure that the Employer obtains the necessary protection through letters, patent, trade mark or other similar protection.
- c) The Employee grants the Employer consent to do or admit to do any act which would otherwise infringe the Employee's moral rights under the Copyright Act 1968 (Commonwealth) in relation to all copyright works the Employee makes in the course of the Employee's employment.

8.4 SCHEDULE 3 – TECHNICAL TRAINING SERVICES/OPERATIONS (WORKPLACE TRAINER & ASSESSOR)

8.4.1 Hours of Work

Employees classified in accordance with the Workplace Trainer and Assessor (Technical Trainings / Operations) are remunerated for working a ten (10) day / seventy-two (72) hour fortnight.

SECTION 9 – PROGRESSION GUIDELINES

9.1 PROGRESSION GUIDELINES

All new and existing positions in Essential Energy other than those within the Engineering & Professional officers' classification stream will be developed and aligned with the Australian Qualifications Framework (AQF) in order to determine an appropriate qualification or training outcome for each position. Consultation will take place with the relevant hiring managers and/or the incumbent in relation to the functions and objectives of the position.

If the AQF outcome of a position is disputed a panel consisting of the incumbent, their supervisor, a Employee Relations representative and a union official will meet to consider and review the evaluation.

Appointments

- (i) All appointments will be made at the entry level for the classification established for the position.
- (ii) All new appointments should hold a relevant qualification for the position.
- (iii) If an appointment is made where the employee does not hold the relevant qualification, they will remain at the entry level until such time as they achieve the required qualification.
- (iv) Where an appointment has been made to a position which spans two classification bands the appointment will be made at the entry level of the lower classification band.
- (v) Where an appointment has been made without the required qualification, the employee will be provided the opportunity to complete the qualification and be provided with study assistance as per the relevant Essential Energy policy.
- (vi) Appointments may be made above the entry level classification for an applicable role within the appropriate evaluated band subject to approval by executive level management.

Progression

- (i) Progression within the evaluated classification band shall be based on documented satisfactory performance review on an annual basis.
- (ii) Where the evaluated classification of a position spans more than one classification band, progression to the higher classification band will only occur where the employee obtains the higher relevant qualification.
- (iii) Where an employee is required to undertake training relevant to the attainment of AQF qualifications for the appointed position, training will be undertaken in the employees' own time unless otherwise agreed.
- (vii) Where an employee is required to obtain a qualification or relevant training outcome in relation to their current role Essential Energy will provide that opportunity in accordance with the study assistance policy. If the employee does not satisfactorily complete the qualification or relevant training outcome progression will not be available.
- (viii) Managers/Team Leaders are required to conduct annual performance reviews with all direct reports and are encouraged to provide six (6) monthly documented reviews with regard to progress. Employees are required to participate in the performance review process.

9.2 PROGRESSION ARRANGEMENTS

9.2.1 ADMINISTRATION OFFICER

ADMINISTRATION OFFICER		
AQF II Level	Pay Point	Requirements
1	8	• Entry level
2	10	• 12 months satisfactory performance at Level 1
3	12	• 12 months satisfactory performance at Level 2
3.1	13	• 12 months satisfactory performance at Level 3
AQF III Level	Pay Point	Requirements
4	14	• Appropriate AQF III qualification
5	16	• 12 months satisfactory performance Level 4
6	19	• 12 months satisfactory performance at Level 5
7	22	• 12 months satisfactory performance at Level 6
AQF IV Level	Pay Point	Requirements
8	25	• Appropriate AQF IV qualification
9	26	• 12 months satisfactory performance at Level 8
10	27	• 12 months satisfactory performance at Level 9
11	28	• 12 months satisfactory performance at Level 10
AQF V Level	Pay Point	Requirements
12	29	• Appropriate Diploma qualification
13	30	• 12 months satisfactory performance at Level 12
14	31	• 12 months satisfactory performance at Level 13
15	32	• 12 months satisfactory performance at Level 14

ADMINISTRATION OFFICER		
AQF VI Level	Pay Point	Requirements
16	33	• Appropriate Advanced Diploma qualification
17	34	• 12 months satisfactory performance at Level 16
18	35	• 12 months satisfactory performance at Level 17
19	36	• 12 months satisfactory performance at Level 18
Degree Level	Pay Point	Requirements
20	37	• Appropriate Degree qualification
21	38	• 12 months satisfactory performance at Level 20
22	39	• 12 months satisfactory performance at Level 21
23	40	• 12 months satisfactory performance at Level 22

9.2.2 DIVISIONAL ASSISTANTS

DIVISIONAL ASSISTANTS		
Level	Pay Point	Requirements
1	29	<ul style="list-style-type: none"> • Diploma Qualifications • Entry Level – by appointment only
2	30	• 12 months satisfactory performance at Level 1
3	31	• 12 months satisfactory performance at Level 2
4	32	• 12 months satisfactory performance at Level 3
<p>Notes:</p> <ul style="list-style-type: none"> • Employees classified as Divisional Assistants shall receive an additional 11% loading. This loading is payable for superannuation purposes and compensates Divisional Assistants for working a ten (10) day fortnight/forty (40) hours a week. 		

9.2.3 ZONE SUBSTATION ELECTRICAL TECHNICIAN

ZONE SUBSTATION ELECTRICAL TECHNICIAN (AQF III/IV)		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> • Appropriate AQF III Qualifications • Entry Level • Zone Substation Appointment
2	17	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
6	26	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 5
7	27	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 6
8	28	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 7
<p>Notes:</p> <ul style="list-style-type: none"> • Apprentices who complete their trade in the Electricity Supply industry will commence at Level 2. • For employees to progress from Level 5 through to Level 8 it is expected that they are achieving acceptable progress towards attaining an appropriate AQF IV qualification. 		
ZONE SUBSTATION SENIOR ELECTRICAL TECHNICIAN (AQF V)		
Level	Pay Point	Requirements
9	29	<ul style="list-style-type: none"> • By appointment only ** • Appropriate AQF IV & V Qualifications • Entry level
10	30	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 9
11	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 10
12	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 11
<p>Notes:</p> <ul style="list-style-type: none"> • Employees employed as Zone Substation Electrical Technicians prior to 8 July 2009 can progress through to Level 10 and no further without an AQF V Qualification as a present occupant only. ** Employees employed as Zone Substation Electrical Technicians prior to 8 July 2009 who gain an appropriate AQF V qualification can progress to Level 12. 		
ZONE SUBSTATION SPECIALIST ELECTRICAL TECHNICIAN (AQF VI)		
Level	Pay Point	Requirements
13	33	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF IV, V & VI Qualifications • Entry Level
14	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 13
15	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 14
16	36	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 15

9.2.4 TRAINEE TECHNICAL OFFICER

TRAINEE TECHNICAL OFFICER GRADE		
Level	Pay Point	Requirements
1	22	• Appropriate AQF III qualification
2	23	• 12 months satisfactory performance at Level 1
3	24	• 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • The purpose of these classifications is to allow employees to apply for positions that require AQF IV qualifications within the Technical Officer stream. • After successful completion of the AQF IV qualification, subject to satisfactory performance, the employee will progress to Technical Officer Grade 1. 		

9.2.5 TECHNICAL OFFICER

TECHNICAL OFFICER (AQF IV)		
Level	Pay Point	Requirements
1	25	• Appropriate AQF IV Qualifications
2	26	• 12 months satisfactory performance at Level 1
3	27	• 12 months satisfactory performance at Level 2
4	28	• 12 months satisfactory performance at Level 3
TECHNICAL OFFICER (AQF V)		
Level	Pay point	Requirements
5	29	• Appropriate AQF V qualification
6	30	• 12 months satisfactory performance at Level 5
7	31	• 12 months satisfactory performance at Level 6
8	32	• 12 months satisfactory performance at Level 7

TECHNICAL OFFICER (AQF VI)		
Level	Pay Point	Requirements
9	33	• Appropriate AQF VI Qualification
10	34	• 12 months satisfactory performance at Level 9
11	35	• 12 months satisfactory performance at Level 10
12	36	• 12 months satisfactory performance at Level 11
TECHNICAL OFFICER (Degree/Technical Management)		
Level	Pay Point	Requirements
13	37	• Appropriate Degree qualification
14	38	• 12 months satisfactory performance at Level 13
15	39	• 12 months satisfactory performance at Level 14
16	40	• 12 months satisfactory performance at Level 15

9.2.6 APPRENTICES & TRAINEES

APPRENTICES & TRAINEES (Trades & Vocations)		
Level	Pay Point	Requirements
1	1	• Appointment to a designated apprenticeship or traineeship
2	2	• 12 months satisfactory performance at Level 1 & successful completion of coursework requirements
3	3	• 12 months satisfactory performance at Level 2 & successful completion of coursework requirements
4	4	• 12 months satisfactory performance at Level 3 & successful completion of coursework requirements
<p>Notes:</p> <ul style="list-style-type: none"> • An apprentice who turns 21 years of age during the course of their apprenticeship will be regraded to Level 4 (pay point 4) effective from the date of their 21st birthday and will remain on this grade for the duration of their apprenticeship. • There is no guarantee of ongoing employment on completion of an apprenticeship. 		

9.2.7 ASSET INSPECTOR

ASSET INSPECTOR		
Level	Pay Point	Requirements
1	10	<ul style="list-style-type: none"> • Trainee Asset Inspector
2	11	<ul style="list-style-type: none"> • 6months satisfactory performance & completion of training at Level 1 • Entry point for qualified Asset Inspector
3	13	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2 or • 6 months at level 1 and then 6 months at Level 2
4	15	<ul style="list-style-type: none"> • 24 months satisfactory performance at Level 3
<p>Notes:</p> <ul style="list-style-type: none"> • Asset inspectors (employed with Essential Energy prior to 1 July 2011) who are qualified Powerline Workers will retain their current grade whilst they remain in their current role. 		

9.2.8 POWERLINE WORKER

POWERLINE WORKER		
Level	Pay Point	Requirements
1	11	<ul style="list-style-type: none"> • An appointed Adult Apprentice remains at this grade until completion of apprenticeship
2	14	<ul style="list-style-type: none"> • Entry point Qualified PLW
3	15	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	17	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	19	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
6	20	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4 or 5 • Live Line Stick Competency plus related course of studies
7	21	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4 or 5 • Live Line Glove & Barrier Competency plus related course of studies
8	23	<ul style="list-style-type: none"> • 2 years satisfactory performance at Level 7
9	24	<ul style="list-style-type: none"> • 3 years satisfactory performance at Level 8
<p>Notes:</p> <ul style="list-style-type: none"> • An Adult Apprentice is an employee who is 21 years of age or more at the time of commencing an apprenticeship. • Progression beyond Level 5 is by appointment to Live Line Positions as required. • Live Line Stick and/or Live Line Glove & Barrier training only provided to employees at or beyond Level 4. In circumstances where this is not possible, Level 3 is absolute minimum requirement. • Progression to Level 6 possible after acquiring only Live Line Stick competency. • Progression to Level 7 possible after acquiring both Live Line Stick and Live Line Glove and Barrier competency. • To remain at Level 6 & above requires the employee to maintain their competence through annual assessment & continued Live Line duties. Failure/refusal to do so will result in a regrade to Level 5. 		

9.2.9 CABLE JOINTER

CABLE JOINTER		
Level	Pay Point	Requirements
1	11	<ul style="list-style-type: none"> An appointed adult apprentice remains at this grade until completion of apprenticeship
2	14	<ul style="list-style-type: none"> Entry point Qualified Cable Joiner Appropriate AQF III Qualification
3	15	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2
4	17	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3
5	19	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4
Notes: <ul style="list-style-type: none"> All cable jointers are required to work at heights 		

9.2.10 ELECTRICAL TECHNICIAN

ELECTRICAL TECHNICIAN		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> Appropriate AQF III Qualification Qualified Supervisors Certificate
2	15	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 1
3	17	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2
4	19	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3
5	22	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4
6	23	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 5
7	24	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 6
8	25	<ul style="list-style-type: none"> 5 years satisfactory performance at Level 7
Notes: <ul style="list-style-type: none"> A Qualified Supervisors Certificate must be obtained and maintained in all levels. 		

9.2.11 NETWORK OPERATIONS SUPERVISORS & COORDINATORS

CREW COORDINATOR DEPOT GRADE A to D		
Level	Pay Point	Requirements
1	20	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF III Qualification
2	21	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	23	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes • Crew Coordinators receive a crew coordinator allowance in addition to the above rates. 		

CREW SUPERVISOR DEPOT GRADE E		
Level	Pay Point	Requirements
1	24	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF III Qualification
2	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	26	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes 		

RESOURCE SUPERVISOR DEPOT GRADE D		
Level	Pay Point	Requirements
1	27	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF IV Qualification **
2	28	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	29	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
Notes: <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010.		

RESOURCE SUPERVISOR DEPOT GRADE A, B, C		
Level	Pay Point	Requirements
1	30	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF V Qualification **
2	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
<p>Notes:</p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

SENIOR RESOURCE SUPERVISOR		
Level	Pay Point	Requirements
1	33	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF VI Qualification**
2	34	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	35	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	36	<ul style="list-style-type: none"> • By appointment only • Additional qualifications are required as determined to meet business needs
<p>Notes:</p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Resource Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

WORKS SUPERVISOR		
Level	Pay Point	Requirements
1	30	<ul style="list-style-type: none"> • By appointment only • Appropriate AQF V Qualification **
2	31	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	32	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
<p>Notes:</p> <ul style="list-style-type: none"> • Annual progression is subject to meeting agreed performance outcomes ** Progression available to Works Supervisors is based on adherence to the Pay Scale & Progression Guidelines Page 5 of the Infrastructure Operations Field Restructure Implementation document April 2010. 		

9.2.12 DUAL QUALIFIED: ELECTRICAL TECHNICIAN & POWERLINE WORKER

DUAL QUALIFIED - ELECTRICAL TECHNICIAN & POWER LINEWORKER		
Level	Pay Point	Requirements
1	18	<ul style="list-style-type: none"> • By appointment only • AQF III Qualifications in ESI Powerline Worker & ESI Electro-technology Electrician (or equivalent) • Qualified Supervisors Certificate
2	20	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	22	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	24	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
5	25	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4 **
6	28	<ul style="list-style-type: none"> • Incumbents only – no further appointments

Notes:

- Dual Qualified is an appointed position.
- To be appointed as Dual Qualified requires the employee to hold and maintain a current Qualified Supervisors Certificate.
- Employees who are Dual Qualified must acquire and maintain agreed competencies applicable to the relevant Powerline Worker or Electrical Technician level.
- To be appointed as Dual Qualified, a substantial part of the employee's duties must include and maintain Electrical Technician and Powerline Worker responsibilities and tasks.
- Dual Qualified appointments made with regard to duties/tasks performed whilst On Call will be reviewed if participation on the On Call roster voluntarily ceases.

** Applicable only from the commencement of this Agreement

9.2.13 ANCILLARY TRADE

ANCILLARY TRADE		
Level	Pay Point	Requirements
1	14	<ul style="list-style-type: none"> • Appropriate AQF III qualification
2	15	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	17	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2
4	19	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3
<p>Notes:</p> <ul style="list-style-type: none"> • Ancillary trade covers all non Electrical AQF III trades e.g. Arborists, Plumbers, Painters, Motor Mechanics, Mechanical Fitters, and Carpenters 		

9.2.14 ELECTRICAL WORKER

ELECTRICAL WORKER		
Level	Pay Point	Requirements
1	9	<ul style="list-style-type: none"> • Relevant skill set at AQF II level • Entry Level - except for industry experienced and licensed Plant Operator (Crane Borer/Lifter only)
2	10	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 1
3	11	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 2 • Entry level for industry experienced and licensed Plant operator (Crane Borer/Lifter only)
4	12	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 3 • Be employed in one of the following specific roles: Meter Reader/Plant Operator/Stores/Logistics/Vegetation Management • Competent Field Assistant
5	14	<ul style="list-style-type: none"> • 12 months satisfactory performance at Level 4. • Be employed in one of the following specific roles: • Appointed dedicated Plant Operator, Vegetation Management or Stores/Logistics
6	15	<ul style="list-style-type: none"> • Be employed as a Plant Operator (HV Live Line) • Vegetation management. • 12 months satisfactory performance at Level 5, with at least 2 years satisfactory performance as a nominated Plant Operator for a live line team/s.
<p>Notes:</p> <ul style="list-style-type: none"> • Appointed Plant Operator is defined as an employee who is specifically employed to regularly use and is certified for the operation of a Crane Borer/Lifter, or a Mobile Crane with over 10 Tonnes Lifting Capacity. 		

9.2.15 WORKPLACE TRAINER & ASSESSOR (TECHNICAL TRAINING SERVICES/OPERATIONS)

WORKPLACE TRAINER & ASSESSOR		
Level	Pay Point	Requirements
1	34	<ul style="list-style-type: none"> Entry Level for employee without T&A Qualification
2	35	<ul style="list-style-type: none"> Completion of T&A Qualification 12 months at Level 1 with satisfactory performance based on an Annual Performance Review Specified progression criteria achieved
3	36	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 2 based on an Annual Performance Review Specified progression criteria achieved
4	37	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 3 based on an Annual Performance Review Specified progression criteria achieved
5	38	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 4 based on an Annual Performance Review Specified progression criteria achieved
6	39	<ul style="list-style-type: none"> By appointment only to a designated position and job evaluation Specified progression criteria achieved
7	40	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 5 based on an Annual Performance Review Specified progression criteria achieved

Notes:

SPECIFIC PROGRESSION CRITERIA

Progression is available to all Workplace Trainers (Technical Training Services/Operations) from Level 1 to Level 5. However, all progression will be dependent on the successful completion of the following criteria.

Level 1 will be the commencing rate for all Workplace Trainers without a current Certificate IV in Training & Assessment and at least one (1) years full time experience in training delivery and conducting assessments. Essential Energy's salary maintenance policies may over ride this provision.

Progression from Level 1 to Level 2 will take place after the successful completion of the following criteria:

- A minimum of one year at the Grade 1 range of pay
- Completion of a current Certificate IV in Training and Assessment
- Satisfactory completion of one evaluation of their training delivery performance for agreed sessions after achieving the above Certificate IV qualification. The assessment is to be based on the performance criteria set in Essential Energy's Registered Training Organisation Manual CEM7084
- Satisfactory completion of one evaluation of their conduct of competency Assessments. The assessment is to be based on the performance criteria set out in Essential Energy's Registered Training Organisation Manual CEM7084
- Achieving an average course participant rating of 85% during either of the Training/Assessment evaluations conducted by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEF6226
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.

Progression from Level 2 to Level 3 will take place after the successful completion of the following criteria:

- A minimum of one year at the Grade 2 rate of pay
- Satisfactory completion of one evaluation of their training delivery performance for agreed sessions after achieving the above Certificate IV qualification. The assessment is to be based on the performance criteria set in Essential Energy's Registered Training Organisation Manual CEM7084
- Satisfactory completion of one evaluation of their conduct of competency Assessments. The assessment is to be based on the performance criteria set out in Essential Energy's Registered Training Organisation Manual CEM7084
- Achieving an average course participant rating of 85% during either of the Training/Assessment evaluations conducted by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEF6226
- A satisfactory annual performance review in accordance with Essential energy's performance review process.

Progression from Level 3 to Level 4 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 3 rate of pay.
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.
- Completion of a Certificate IV in Frontline Management (optional).
- Maintaining an annual average course participant rating of 85% for 75% of all training and assessment courses delivered by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEF6226.

Progression from Level 4 to Level 5 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 4 rate of pay.
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.
- Completion of a Certificate IV in OH&S or two Units of competency for a Diploma Qualification from the Training and Assessment Training Package (optional).
- Maintaining an annual average course participant rating of 85% for 75% of all training and assessment courses delivered by the employee based on the Essential Energy Training and Assessment "Customer Feedback Form" CEF6226. In addition the customer feedback to include that of at least two Regional Managers, two Area Manager's and two Team Leaders responsible for employees that have been trained and/ or assessed by the Trainer.

In the event of any of the applicable criteria for progression through to Level 5 not being met a Workplace Trainer will retain their existing Level until such criteria have been met, other than where matters that are the responsibility of Essential Energy have not been undertaken.

Level 6 through to Level 7 will be by appointment to a designated position and a job evaluation. Appointees to positions at these Levels will be expected to have completed or substantially completed a Diploma of Management or Training and Assessment or equivalent and will progress through to Level 7 based on the following criteria.

Progression from Level 6 to Level 7 will take place after the successful completion of the following criteria:

- A minimum of one year at the Level 6 rate of pay.
- Completion of the current Certificate IV in Frontline Management or completion of Essential Energy Team Leader Development Program or completion of the current Diploma of Training and Assessment or equivalent recognised under the Australian Qualification Framework (optional).
- A satisfactory annual performance review in accordance with Essential Energy's performance review process.

Progression for "Learning Resource Developers"

Progression from Level 6 to Level 7 will be by appointment to a designated position. Entry level appointees for Learning Resource Developer at Level 6 will be required to enrol in the Associate Degree in Vocational Education and Training.

Progression to Level 7 requires a minimum of 12 months satisfactory performance at Level 6 and completion of 3 initial units of the prescribed course.

9.2.16 MANAGERS & SPECIALISTS

MANAGERS & SPECIALISTS (BAND 1)		
Level	Pay Point	Requirements
1	37	<ul style="list-style-type: none"> • By appointment only • Relevant degree qualification or equivalent
2	38	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
3	39	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement
4	40	<ul style="list-style-type: none"> • Progression will be determined by achievement of agreed key result areas/targets as per the terms of an individual performance agreement

Notes:

- Employees classified as Managers & Specialists shall receive an additional 11% loading. This loading is payable for superannuation purposes and compensates Managers & Specialists for working a ten (10) day fortnight/forty (40) hours a week.

9.2.17 CADET, GRADUATE, PROFESSIONAL ENGINEERS & ENGINEERING MANAGERS

CADET ENGINEER		
Level	Pay Point	Requirements
1	C1	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program
2	C2	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program
3	C3	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program
4	4	<ul style="list-style-type: none"> Undertaking appropriate Degree qualification through cadet program 12 months satisfactory performance at Level 3
5	5	<ul style="list-style-type: none"> Undertaking final year of Degree qualification through cadet program
PROFESSIONAL ENGINEER – Band 1		
6	23	<ul style="list-style-type: none"> By appointment only Appropriate Degree qualification Participation in graduate engineering program
7	26	<ul style="list-style-type: none"> Entry point for person having completed 5 year cadet program 12 months satisfactory performance at Level 6 Participation in graduate engineering program
8	30	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 7 Participation in graduate engineering program
9	33	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 8; or At least 3 years relevant industry experience post graduate
10	36	<ul style="list-style-type: none"> 12 months satisfactory performance at Level 9
PROFESSIONAL ENGINEER – Band 2		
11	38	<ul style="list-style-type: none"> By appointment only Appropriate Degree qualification
12	40	<ul style="list-style-type: none"> Appropriate Degree qualification 24 months satisfactory performance at Level 11 & agreed performance outcomes

SECTION 10 - FAR WEST REDUNDANCY PROVISIONS

10.1 FAR WEST REDUNDANCY PROVISIONS

- a) Where Essential Energy has made a definite decision that an employee's job is redundant, Essential Energy shall hold discussion with the employee directly affected and their Union.

Discussions are to identify alternatives to retrenchment including transfers to other work, retraining and voluntary redundancy programs.

For the purposes of the discussion Essential Energy shall, as soon as practicable, provide to the employees concerned and their Union or Unions, all relevant information about the proposed redundancy including the reasons for, the number and categories of employees likely to be affected, and the number of workers normally employed and the period over which the retrenchments are likely to occur. Essential Energy shall not be required to disclose confidential information, which is not in its business interests.

- b) Where an employee is transferred to lower paid duties as an alternative to retrenchment, the employee shall be entitled to four (4) weeks' notice of transfer and the prevailing salary maintenance program as agreed between the Unions and Essential Energy will be applied.
- c) Where a business is, before or after the date of this Agreement, transmitted to Essential Energy and an employee who as a result of the transmission transfers to Essential Energy:
- (i) the continuity of the employment of the employee shall be unbroken because of a transmission; and
 - (ii) the period of employment, which the employee had with the transmitter or any prior transmitter, shall be service with Essential Energy.
- d) During the period of notice of termination given by Essential Energy an employee shall be allowed at least one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.
- e) Where a decision has been made to make a position redundant, Essential Energy shall notify the appropriate agency as soon as possible of the number and categories of the employees likely to be affected and the period over which the terminations are intended to be carried out.
- f) An employee whose employment is terminated shall be entitled to the following amount of severance pay in respect of a continuous period of service:

10.2 VOLUNTARY REDUNDANCY

10.2.1 Service between 1 year and 13 years

- a) Four (4) weeks' notice or payment in lieu. Plus an additional one weeks' notice or pay in lieu for employees aged 45 years and over with five (5) or more years of completed service.
- b) Severances pay at the rate of three (3) weeks per year of continuous service up to a maximum of thirty nine (39) weeks, with pro rata payments for incomplete years of service to be on a quarterly basis.
- c) The benefit allowable as a contributor to a retirement fund.

- d) An additional acceptance payment, if a severance offer is accepted within two (2) weeks of the written offer, as follows:

Period of Continuous Service	Severance Pay
Less than one (1) year	2 weeks' pay
One (1) year and less than two (2) years	4 weeks' pay
Two (2) years and less than three (3) years	6 weeks' pay
Three (3) years or more	8 weeks' pay

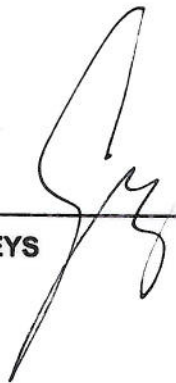
Weeks' pay means the ordinary time rate of pay for the employee concerned.

10.2.2 Service between 14 years and 17 years

- a) 52 weeks with pro-rata payments for incomplete years of service to be on a quarterly basis.

10.2.3 Service of 18 years plus

- a) Severance pay at the rate of three (3) weeks per year of continuous service, with pro-rata payments for incomplete years of service to be on a quarterly basis.
- b) In the event that payment under enforced redundancy is less than what would be received under voluntary redundancy, then Clause 10.1 (f) applies.
- c) In addition to the above payments, an employee who has a preserved balance of sick leave under Section 4 Clause 4.4.3 (Existing Accumulation) shall be paid for that preserved balance of sick leave.
- d) An employee may terminate employment during a period of notice and, if so, shall be entitled to the same benefits and payments under this clause had the employee remained with Essential Energy until the expiry of the notice.
- e) This clause shall not apply where employment is terminated as a consequence of conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, in the case of temporary employees, casual employees or apprentices.



GARY HUMPHREYS
Essential Energy

Date 21-11-2013

PER 

GREG BRAES
Construction, Forestry, Mining & Energy Union
(CFMEU) & General Division (South Western
Districts) NSW Branch

Date 21.11.2013

GRAEME KELLY
Australian Municipal, Administrative, Clerical &
Services Union NSW United Services Branch (USU)

Date _____

DONALD BLAIRS
Shop Distributors & Allied Employees' Association
South Australian Branch (SDA)

Date _____





countryenergy

CORPORATE POLICY

SALARY MAINTENANCE CEC1026

IMPORTANT NOTICE

1. Country Energy may change the information in this document without notice. All changes take effect on the date made by Country Energy. Before using this document, please ensure that it is still current.
2. This document may contain confidential information. Restrictions on the use and disclosure of confidential information by employees are set out in your contract of employment. Restrictions on the use and disclosure of confidential information by contractors are set out in your contract of engagement with Country Energy. Sub-contractors are bound by the confidentiality provisions set out in their contract with the contractor engaged by Country Energy.

**ORIGINAL ISSUE
15 AUGUST 2002**

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1 PURPOSE

Country Energy has adopted a salary maintenance policy to assist in the ongoing management and support of employee's whose position, for whatever reason, has been identified as being no longer required. This policy recognises that salary maintenance is an important mechanism for meeting the special needs of employees in times of organisational change, particularly during periods of organisational restructuring and industry reform, and underpins the initiative of Country Energy being an employer of choice.

Salary maintenance only applies to employees whose positions are deemed to be no long required. Where an employee seeks and is offered a position that has a pay range which is lower than the employee's current arrangements then the employee shall be offered a salary that is the maximum salary that can be offered for the position.

2 KEY TERMS AND DEFINITIONS

Salary: Shall mean the ordinary rate for the employee's position, plus any associated all purpose allowances or other allowances and benefits which form part of the employee's contract of employment with Country Energy.

2.1 EMPLOYEE PARTICIPATION

An employee's access to ongoing salary maintenance, beyond the guaranteed 12 month period, will continue provided satisfactory Employee Participation in the following activities occurs. Satisfactory Employee Participation will be determined through an ongoing evaluation process:

- 1 Acceptance of appropriate special projects and performing other suitable work while awaiting redeployment and/or alternative external employment.
- 2 Seeking "mix and match" opportunities for redeployment within Country Energy, which will include participating in appropriate training and development opportunities offered by Country Energy.
- 3 Acceptance of the first or second offer of a redeployed position.
- 4 Making a concerted effort to obtain a position of at least equivalent value to current salary arrangements, including:
 - Participating in appropriate training and development opportunities, offered by Country Energy.
 - Continuation of efforts to seek promotion through applying for suitable advertised vacancies and/or attending interview for higher graded redeployment opportunities.

Note: Where job and work redesign broadens the scope of positions, employees would be expected to attend all training required to meet the full scope of the newly designed jobs and to apply for such jobs as they become available.

- 5 Demonstration of concerted efforts to seek alternative employment opportunities external to the organisation, as evidenced by the employee:
 - Utilising the services offered by Country Energy (such as the Career Transition Management Services referred to below) and/or

- Actively pursuing employment, through self initiated job search activities, (such as responding to press advertisements and/or cold canvassing potential employers and/or by pursuing alternative employment services).

6 Continuation of a satisfactory work performance record.

3 POLICY STATEMENT

- Employees whose positions have been identified as being no longer required and who elect to remain with the organisation will be subject to the salary maintenance provisions of this policy from the date of being informed in writing that their position is no longer required.
- Such employees shall be guaranteed salary maintenance for a period of 12 months from that date.
- Salary maintenance will continue provided that employees are able to demonstrate commitment in seeking alternative employment, both internally and externally (including redeployment opportunities), in accordance with the following requirements:
 - An ongoing Employee Participation evaluation process will commence within the guaranteed salary maintenance period. Throughout the Employee Participation process employees will be provided with assistance and access to counselling in relation to their performance.
 - At the end of the guaranteed salary maintenance period if an employee has not satisfactorily met their Employee Participation obligations, as determined through the evaluation process, the employee will be given a further month to meet their Employee Participation obligations. If by the end of that month the employee meets their Employee Participation obligations, salary maintenance shall continue. Should the employee still not meet their Employee Participation obligations by the end of that month, or at any subsequent review time, salary maintenance will discontinue and the employee's salary arrangements will be adjusted to reflect the appropriate rate of pay, determined through job evaluation, for the work being undertaken
 - At any time after the end of the guaranteed salary maintenance period, if an employee has not satisfactorily met their Employee Participation obligations, as determined through the evaluation process, the employee will be given one month in which to meet their Employee Participation obligations. If, at the end of that month the employee meets their Employee Participation obligations, salary maintenance shall continue. Should the employee still not meet their Employee Participation obligations either by the end of that month, or at any subsequent evaluation, salary maintenance will discontinue and the employee's salary arrangements will be adjusted to reflect the appropriate rate of pay, determined through job evaluation, for the work being undertaken.

Country Energy will circulate information on an ongoing basis, in relation to any redeployment opportunities, which will include identification of training and/or retraining activities which may become available.

In the event that issues arise from the application of this Policy, the existing Award Grievance Resolution Procedure will be used to resolve any concerns.

3.1 CAREER TRANSITION MANAGEMENT SERVICES

This policy recognises the obligation for employees to seek employment opportunities outside of Country Energy, where such opportunities cannot be provided within the organisation in the foreseeable future.

It is recognised that Career Transition Management Services play an important role in assisting employees in obtaining suitable alternative employment outside of Country Energy. As such, employees subject to this policy will be provided with access to Career Transition Management Services to assist in obtaining suitable alternative employment outside of Country Energy.

The Career Transition Management Services will be provided by a highly professional and reputable service provider. The services provided will be the subject of ongoing monitoring and review to ensure an effective and user-friendly range of career transition management services.

The Unions and Country Energy, as part of the operation of the Salary Maintenance Policy, will inform employees of the availability of the Career Transition Management Services.

3.2 REVIEW MECHANISM AND CURRENCY OF THIS POLICY

Country Energy and the Unions agree to monitor and review the application of this Policy on an ongoing basis and review its applicability in two years time.

4 REFERENCES

Country Energy Enterprise Award 2001

5 REVISIONS

Issue Number	Section	Details of Changes in this Revision

Company Policy



MANAGEMENT OF SURPLUS EMPLOYEES

1.0 POLICY STATEMENT

The Company is committed to achieving continuous improvement in the performance of its business. From time to time this may include restructuring the Company or changing how work is performed. On occasions, this may result in positions being made redundant. However, the Company believes that positions become redundant, people do not become redundant.

The Company, at its discretion, after thoroughly analysing all the circumstances, will decide if a position becomes redundant. If the employee in the position falls under the Company's Enterprise Agreement, the Company may choose in the first instance to provide the employee with an acceptable alternative position within the Company. If an acceptable alternative position is not available or the employee's skills have become redundant, the Company may make an offer of voluntary redundancy to the employee. Where voluntary redundancy is offered, it is the employee's choice whether to accept or reject this offer.

Employees who are not placed into an acceptable alternative permanent position and who are not taking voluntary redundancy will be referred to the Employee Mobility section for redeployment. While the HR Manager and employee are working towards finding an appropriate permanent position, the employee will be placed into a meaningful work placement.

A redeployee may request to be considered for a voluntary redundancy until they have been placed in a suitable role. Where an employee selects redeployment, at its discretion, the company may require an employee to take all accrued leave in lieu, annual and long service leave (excluding pro rata accruals) in accordance with the Enterprise Agreement notice periods (where applicable).

Employees are not able to decide that their position has become redundant. However, where an employee in an existing position wishes to voluntarily give up their current position to a surplus employee and if the surplus employee has the skills and ability to fill that position, then the Company may agree to a "mix and match" process. In these circumstances the person wishing to relinquish their position would be offered voluntary redundancy. The "mix and match" process is entirely at the discretion of the management. An employee is not entitled to determine that they are eligible for a "mix and match" process.

Employees who elect to leave under voluntary redundancy conditions cannot be re-employed on a permanent (full-time or part-time), temporary, casual, fixed term or contract basis for a period of two years from their exit date.

In exceptional circumstances based on genuine business needs, ex-employees who left under voluntary redundancy circumstances may be re-employed less than two years after their exit date on a strictly short-term temporary/casual basis, provided prior approval by the Chief Executive Officer has been given.

Employees who choose voluntary redundancy may be eligible for Outplacement Services as determined and paid for by the Company.

This policy does not apply to employees on a contract, temporary or casual employees.

2.0 PURPOSE

To ensure that employees in positions which are identified as surplus to the Company's requirements are treated in a fair and equitable manner.

To ensure an opportunity for surplus employees to secure a position in the event that the permanent incumbent is willing to take voluntary redundancy, thereby maximising "mix and match" situations. This avenue will only be explored where the redeployee can demonstrate that they possess the requisite skills to successfully fulfil the role and approval is given by the Chief Executive Officer.

To ensure that employees who have declined an offer of voluntary redundancy (and thereby commit to the redeployment process), are given opportunities and assistance to secure an acceptable alternative position.

MANAGEMENT OF SURPLUS EMPLOYEES

3.0 REFERENCES

CECP1005 - Corporate Policy: Human Resources (CECP1005)
CEOP2000.60 - CHRM Operational Procedure: Building a Respectful Workplace - Preventing and Managing Vilification, Discrimination, Bullying and Harassment
CEOM7062 – Essential Energy Enterprise Agreement 2011
CEC1083 – Redeployment
Fair Work Act 2009 (Cth)
Annexure A – Voluntary Redundancy Table

4.0 DEFINITIONS

a mix and match situation

Occurs when an employee in a substantive position wishes to take voluntary redundancy and is able to find a surplus employee who has the required skills and competencies to successfully undertake the substantive position. The position incumbent then takes voluntary redundancy and the surplus employee is appointed to the position. An employee does not have the authority to confirm a mix and match situation. Approval by the Chief Executive Officer must be given prior to a mix and match being implemented.

PeopleSoft

The Company's current integrated accounting system incorporating a human resources module.

Executive Leadership Team

Chief Operating Officer, General Manager Health, Safety & Environment, General Manager People & Services, Chief Engineer, General Manager Network Development, General Manager Network Operations, General Manager Finance & Compliance and General Manager Information, Communications & Technology.

redeployee

Employee who is redeployed into an acceptable alternative position.

redeployment into an acceptable alternative position

Employment by the Company in a position for which the employee has the necessary skills to perform (or could develop these skills within a reasonable time frame), is within the employee's area of expertise and offers no less salary compared to the employee's position which has become surplus.

meaningful work placement

Any position that the Company feels is suitable for the redeployee prior to a permanent position becoming available through redeployment. It can involve undertaking: the duties of someone on leave, to act or be seconded temporarily into a vacant position; project work or specific tasks and/or activities to increase or enhance an employee's current knowledge, skills and experience. This may include attending training and/or workshops.

voluntary redundancy

Means that a position has been declared surplus to requirements, that there is no acceptable alternative position for the employee and that the Chief Executive Officer has determined that the employee in the surplus position may be offered voluntary redundancy and the employee freely chooses this option instead of redeployment.

5.0 KEY REQUIREMENTS

- 5.0.1 The Company is committed to acting in accordance with our corporate values and commitments in alignment with best practice principles.
- 5.0.2 The Company will ensure that appropriate resources are allocated for the management of the processes involved in the redeployment of employees.
- 5.0.3 The Company will ensure employees are able to use the grievance mechanism if they have any issues with the Management of Surplus Employees policy and procedure.
- 5.0.4 The Company may engage the services of a professional outplacement service provider where required.
- 5.0.5 The application of this policy will be subject to clause 1.13 (Consultation and Communication) of the Essential Energy Enterprise Agreement.

MANAGEMENT OF SURPLUS EMPLOYEES

6.0 ACTIONS TO ACHIEVE IMPLEMENTATION OF THIS POLICY

- 6.0.1 The provision of fair compensation and assistance for employees who elect to leave through voluntary redundancy.
- 6.0.2 The development and maintenance of appropriate procedures.
- 6.0.3 The allocation of appropriate resources to achieve compliance with this policy.
- 6.0.4 Education or training of employees as required, in line with the relevant policies and procedures to assist with performing an acceptable alternative position or a redeployment position.

7.0 AUTHORITIES AND RESPONSIBILITIES

Chief Executive Officer has the authority and responsibility for:

- ensuring that appropriate resources are allocated to achieve the objectives of this policy;
- approving offers of voluntary redundancy being made to employees;
- approving the implementation and operation of mix and match opportunities; and
- approving this policy.

Chief Operating Officer has the authority and responsibility for formally declaring that a position is redundant.

General Manager People & Services has the authority and responsibility for:

- monitoring and reporting on the operation of this policy and associated procedures; and
- facilitating the resolution of any debate as to whether an adequate alternative position satisfies the necessary criteria.

Executive Leadership Team has the authority and responsibility for:

- identifying any excess positions within their division;
- facilitating the identification of acceptable alternative positions; • recommending mix and match requests to the Chief Executive Officer; and
- complying with appropriate policies and procedures.

Manager Employee Relations has the authority and responsibility for regular review of the Company's Management of Surplus Employees policy and procedure.

Employee Relations Manager the authority and responsibility for ensuring this policy and associated procedures are being interpreted and applied consistently across the Company, by providing advice, interpretation and coaching to managers.

HR Manager has the authority and responsibility for:

- providing advice and guidance to managers and employees on the redeployment and redundancy process;
- providing career transition advice, support and resources to managers and redeployees;
- facilitating the redeployment process; and
- ensuring that redeployees are classified appropriately within PeopleSoft.

Managers (Executive Leadership Team to Front line Supervisors) have the authority and responsibility for:

- ensuring all performance reviews are completed prior to the employee being declared surplus and moving to the Employee Mobility section; and
- working with the Career Development Coach to identify any training the redeployee may require to perform their acceptable alternative position and/or meaningful work placement.

Employees have the **responsibility** for:

- participating in the redeployment process, undertaking the duties allocated to them; and
- maintaining reasonable absenteeism and leave balances.

MANAGEMENT OF SURPLUS EMPLOYEES

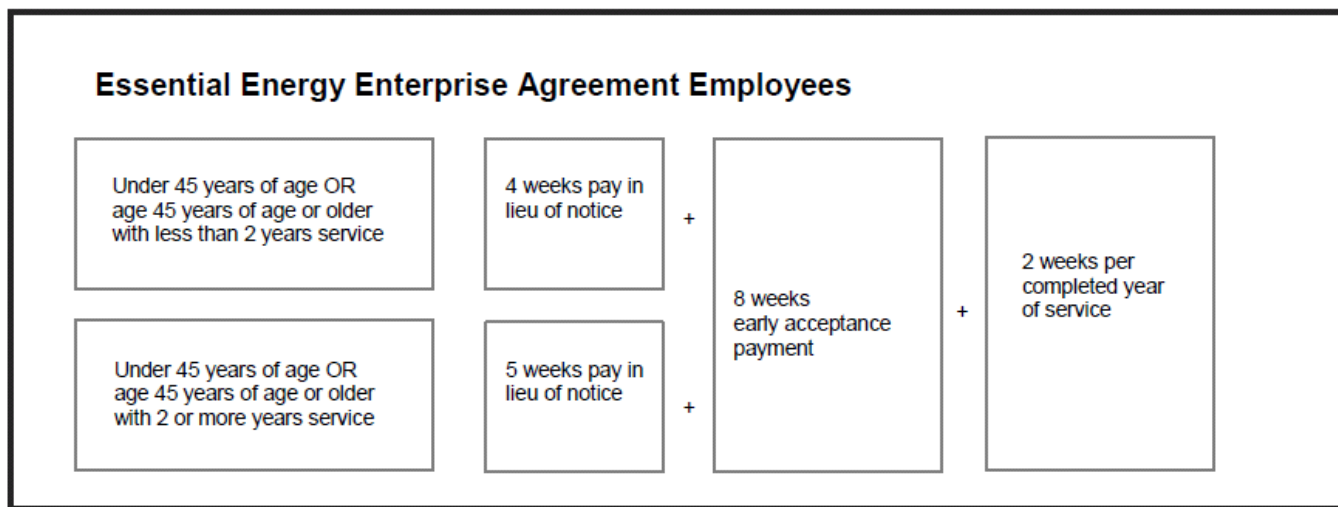
8.0 DOCUMENT CONTROL

Content Coordinator : Manager Employee Relations

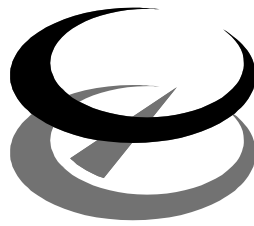
Distribution Coordinator : Business Operations & Risk Manager

MANAGEMENT OF SURPLUS EMPLOYEES

ANNEXURE A – Voluntary Redundancy Table



The total amount of Redundancy will not exceed 52 weeks, inclusive of Payment in Lieu of Notice and any Early Acceptance Payment.



countryenergy

CORPORATE POLICY

REDEPLOYMENT CEC1083

IMPORTANT NOTICE

1. Country Energy may change the information in this document without notice. All changes take effect on the date made by Country Energy. Before using this document, please ensure that it is still current.
2. This document may contain confidential information. Restrictions on the use and disclosure of confidential information by employees are set out in your contract of employment. Restrictions on the use and disclosure of confidential information by contractors are set out in your contract of engagement with Country Energy. Sub-contractors are bound by the confidentiality provisions set out in their contract with the contractor engaged by Country Energy.

**ORIGINAL ISSUE
25 JUNE 2004**

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1 PURPOSE

Country Energy has embarked on a journey to be Australia's Leading Utility Business and to achieve this it is essential that we build and maintain a high performance culture.

Building and maintaining a high performance culture and managing and leading teams is about keeping efforts aligned with the Corporate Dashboard, meeting and exceeding our performance indicators, responding to development opportunities and ensuring that timely appropriate action is taken to achieve desired individual and team performance levels.

How we meet our priorities may involve the restructuring of business units. The purpose of this policy is to ensure that permanent employees whose substantive positions have been identified as no longer being required are treated in a fair and equitable manner and provided with opportunities and all the information necessary to make an informed decision about their future career.

This policy also applies to employees who are unable to continue to perform normal duties due to medical reasons.

In line with normal business philosophy consultation will occur with all concerned parties with the intention of reaching a satisfactory outcome.

2 KEY TERMS AND DEFINITIONS

Redeployment: An employee, as a result of their substantive position having been identified as no longer required (or who are unable to continue to perform normal duties due to medical reasons), who moves to another position in Country Energy.

Redeployee: An employee whose substantive position has been identified as no longer required or who is unable to perform normal duties due to medical reasons.

Suitable Vacancy: A position that the redeployee has the necessary skills and qualifications to perform.

3 POLICY STATEMENT

As a normal ongoing business practice it will be necessary to continually review divisional and departmental structures and roles to ensure Country Energy continually meet the needs of the dynamic business environment in which we operate. As a result there will be occasions where roles are no longer required. In such circumstances a Redeployment situation will occur.

When this occurs Country Energy will consider the suitability of the Redeployee/s for all vacant positions before advertising. Country Energy will also provide the necessary support and assistance to ensure the Redeployee is provided with the best opportunity of being successful in obtaining the vacant position. Redeployee's who are redeployed to a lower paid role shall be subject to the provisions of the Salary Maintenance Policy, CEC1026

A Redeployee who has been offered redeployment to a suitable vacancy (which includes short term roles to meet business requirements) is expected to accept the offer. If a Redeployee continuously declines to accept the offer of suitable vacancies, clause 3.0 of the Salary Maintenance Policy will apply.

Alternatively, a Redeployee who does not wish to be redeployed may request to be considered for voluntary redundancy.

3.1.1 Leave

Country Energy has an obligation to ensure employees on leave (particularly those employees on extended leave) are consulted with in the event they are redeployed and considered for redeployment opportunities and kept aware of all relevant issues.

4 REFERENCES

CEC1046 – Country Energy Enterprise Award

CEC1026 – Salary Maintenance Policy

CEC1018 – Relocation Policy

CEC1052 – Performance Counselling Policy

5 REVISIONS

Issue Number	Section	Details of Changes in this Revision

**THE TREASURER OF THE STATE OF NEW SOUTH WALES
(Treasurer)**

and

**ENERGY INDUSTRIES SUPERANNUATION SCHEME PTY LTD
(Trustee)**

**ENERGY INDUSTRIES SUPERANNUATION SCHEME
TRUST DEED
CONSOLIDATION AS AT 29 January 2014**

Original Deed dated 30 June 1997

This Consolidation encompasses the following amendments:

- Amendment No. 1 dated 27 April 1998
- Amendment 2 dated 20 October 2000 (*amended Schedules only*)
- Amendment 3 dated 11 January 1999 (*added Schedule 6 only*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999 (*amended Schedules only*)
- Amendment 6 dated 1 October 1999
- Amendment 7 dated 4 May 2000
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000
- Amendment 11 dated 28 September 2000
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001
- Amendment 14 dated 20 September 2002
- Amendment 15 dated 8 September 2002
- Amendment 16 dated 25 October 2002
- Amendment 17 dated 22 November 2002
- Amendment 18 dated 5 February 2003
- Amendment 18A dated 17 July 2003
- Amendment 19 dated 5 September 2003
- Amendment 20 dated 1 June 2003
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004
- Amendment 23 dated 18 February 2005
- Amendment 24 dated 21 September 2005
- Amendment 25 dated 22 June 2007
- Amendment 26 dated 28 March 2008
- Amendment 27 dated 22 March 2010
- Amendment 28 dated 19 March 2009
- Amendment 29 dated 11 March 2011

Amendment 30 (*not approved, did not proceed*)
Amendment 31 dated 1 July 2013

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ENERGY INDUSTRIES SUPERANNUATION SCHEME

DEED dated

1997 by:

- 1. THE TREASURER OF THE STATE OF NEW SOUTH WALES (TREASURER)**
(Treasurer)
- 2. ENERGY INDUSTRIES SUPERANNUATION SCHEME PTY LTD**
(ACN 077 947 285) of Level 12, 83 Clarence Street, Sydney, NSW 2000 *(Trustee)*.

BACKGROUND:

- A.** The New South Wales Parliament has enacted the Superannuation Administration Act 1996 *(Administration Act)*.
- B.** Under the Administration Act, the Minister (being the Treasurer) may approve the preparation of a trust deed providing for a superannuation scheme for the benefit of state public sector employees, or a class or classes of state public sector employees (including employees of a local authority or a public authority) or other employees, or a class or classes of other employees, of employers under FTC or STC schemes (being employees associated with or involved in local government or local government activities, or associated with or involved in the electricity industry). Before approving the preparation of the trust deed the Minister must consult with the Labor Council of New South Wales.
- C.** The Minister has consulted with the Labor Council of New South Wales and has approved the preparation of a trust deed providing for a superannuation scheme for the benefit of certain employees employed in the local government sector and regulations have been made under section 128 of the Administration Act for that purpose.
- D.** The Minister has determined to appoint the Trustee as trustee of the superannuation scheme to be established by this Deed and to be known as the Energy Industries Superannuation Scheme and the Trustee has consented to that appointment.

IT IS DECLARED as follows.

1. INTERPRETATION

1.1 Definitions

In this Deed and Rules, unless the contrary intention appears:

Accounts means one or more accounts established and maintained by the Trustee in accordance with this Deed whether such account is referred to as an account or a reserve;

Actuary means an actuary appointed by the Trustee under sub-clause 6.5;

Administration Act means the Superannuation Administration Act 1996;

Adjustment Amounts means;

- (a) estimated costs and expenses of realising the investments of the Division;

- (b) allowances for future losses in respect of any investment for which the market value cannot be fairly or accurately assessed;
- (c) allowance for the averaging of the earnings of the Division whether on income or capital account, to take into account possible or actual periodic fluctuations in those earnings and any losses of the Division not otherwise deducted; and
- (d) allowances for any other purpose or purposes that the Trustee considers desirable or necessary;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Application Price means the price per unit calculated in accordance with Clause 3.4A.8;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Appointed Day means the date of commencement of the *Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Amendment Regulation 1999*.

[inserted by Deed of Amendment No.6 operative 1/10/99]

Auditor means the Auditor-General of New South Wales for the 1997–1998 financial year ending 30 June 1998, and, for subsequent financial years means, an approved auditor appointed by the Trustee;

Basic Death or Invalidity Benefit has the same meaning as it has in rule 1.1 of Division A;

[inserted by Deed of Amendment No.18A operative 17/7/03]

Basic Death Invalidity Premium has the same meaning as it has in rule 1.1 of Division A;

[inserted by Deed of Amendment No.18A operative 17/7/03]

Basic Death or Temporary Salary Continuance Benefit has the same meaning as it has in rule 1.1 of Division N;

[inserted by Deed of Amendment No.18A operative 17/7/03]

Basic Death or Temporary Salary Continuance Premium has the same meaning as it has in rule 1.1 of Division N;

[inserted by Deed of Amendment No.18A operative 17/7/03]

Beneficiary means a Member, Deferred or Preserved Member, Pensioner or any other person who is a transferred member under the Transfer Regulation;

Benefit means any amount payable or which may become payable to or in respect of a Beneficiary from the Fund;

Benefit Account means one or more accounts in respect of an Employer or Beneficiary established and maintained by the Trustee in accordance with this Deed;

Binding Nominations means the nomination made by the Member under clause 14.17A.1;

[inserted by Deed of Amendment No.[24] operative 24/10/05]

Connell Wagner means Connell Wagner Pty Limited, its administrators, successors and permitted assigns;

[inserted by Deed of Amendment No. 18 operative 5/2/03]

Connell Wagner Reserve means the reserve containing the following amounts:

[inserted by Deed of Amendment No. 18 operative 5/2/03]

- (a) the Employer reserve for Connell Wagner consisting of the following amounts;

- the Connell Wagner reserve created under Rule 2.4 of Division B;
 - the Connell Wagner reserve created under Rule 2.2 of Division C;
 - the Connell Wagner reserve created under Rule 2.4 of Division D;
- (b) a Contributor reserve consisting of that part of the Contributors Reserve in Division D that is attributable to Contributors who are or were employees of Connell Wagner (other than such amounts transferred to a non-Connell Wagner reserve);

Contribution means any amount paid to the Fund by or on behalf of an Employer or a Member and includes any amount transferred to the Fund in respect of a Beneficiary;

Custodian Trustee means a custodian which satisfies the requirements of Superannuation Law;

Death, Invalidity, and Temporary Salary Continuance Benefit Management Reserve means the Death, Invalidity and Temporary Salary Continuance Benefit Management Reserve established under this Deed;

[inserted by Deed of Amendment No.18A operative 17/7/03]

Deed means this Deed and the Rules set out in the Schedules together with any amendments made to this Deed or Rules including those effected by the establishment of a new Division of the Fund;

Deed of Adherence means the Deed of Adherence set out in Annexure B or such similar deed as the Trustee may from time to time approve;

Deferred or Preserved Member means a Member who has a Benefit which in accordance with the Rules is deferred or preserved;

Defined Benefit means a Benefit defined, wholly or in part, by reference to either or both of the following:

- (a) the amount of:
- (i) the Member's salary at a particular date, being the date of the termination of the Member's employment or of the Member's retirement or an earlier date; or
 - (ii) the Member's salary averaged over a period before retirement; or
- (b) a specified amount,

but does not include such a Benefit which is only payable on the death or disability of a Beneficiary;

Dependant has the same meaning as defined in the *Superannuation Industry (Supervision) Act, 1993*;

[inserted by Deed of Amendment No.[24] operative 24/10/05]

Division means a division of the Fund established under clause 3;

Due Date means any date for payment of contributions agreed to between the Trustee and the Employer and otherwise fourteen days after the end of the month in which salary or wages the subject of contributions to the Fund were paid to the Employee;

EISS Employer means an employer responsible for making contributions for the benefit of the employee under any of Divisions B, C or D of the Fund;

[inserted by Deed of Amendment No.6 operative 1/10/99]

EISS Payment Deed means the Deed made in February 2003 between the Treasurer of New South Wales, Energy Industries Superannuation Scheme Pty Limited and Connell Wagner Pty Limited whereby the Treasurer agreed to be responsible for certain risks associated with the difference between actual investment returns of Pool B and certain assumed investment returns;

[inserted by Deed of Amendment No. 18 operative 5/2/03]

Election means an election under clause 12A to exercise a Transfer Option;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Elector means a person eligible to exercise a Transfer Option under clause 12A;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Eligible Fund means a complying superannuation fund, a complying ADF or a roll-over annuity, an eligible annuity, an annuity complying with the standards prescribed under Superannuation Law or such other fund, annuity or source of payment which the Trustee determines to be a fund or body the acceptance of moneys or assets from or the payment or transfer of moneys or assets which would not in the opinion of the Trustee jeopardise the status of the Fund as a complying superannuation fund in any year of income;

Employee means a person who is an employee within the meaning of the *Superannuation Industry (Supervision) Act 1993* and is employed by an Employer or in respect of whom an Employer is required to make superannuation contributions;

Employer means any person which has been admitted to participation in the Fund as an Employer but does not include any person which has ceased to be an Employer in the Fund. When used in relation to an Employee or Beneficiary it means the Employer or former Employer of that person;

Expert Adviser means any accountant, auditor, actuary, barrister, solicitor, medical practitioner, other professional person, expert or adviser;

Family Court Order means a court order issued by the Family Court of Australia;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Family Law Act means the Family Law Act 1975 and the regulations thereunder;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Family Law Spouse Amount means the amount of the payment split determined in accordance with a Family Court order, Superannuation Agreement or Flag Lifting Agreement and the rules applying for each Division;

[inserted by Deed of Amendment No. [21] operative 28/12/02]

Flag means a 'payment flag' as defined in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No. [21] operative 28/12/02]

Flag Lifting Agreement has the meaning ascribed to that term in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Former Funds means the STC schemes (as defined in the Administration Act) being part of the amalgamated fund as continued under the Administration Act and the FTC schemes as defined in the Administration Act;

Fund means each/both of the superannuation funds being the funds constituted by Pool A and Pool B, established by this Deed as the context requires;

Government Entity means:

- (a) any government or semi-government or any government person or entity of Australia or any State or Territory of Australia; or
- (b) any person or entity whose obligations are secured by a guarantee or indemnity of any person or entity specified in paragraph (a) of this definition;

GST means any goods and services tax, consumption tax, value-added tax or any similar impost or duty which is or may be levied or becomes payable in connection with the supply of goods or services;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Income Tax Acts means the Tax Act, the Income Tax Rates Act 1986 and any other Act relating to the imposition, collection and administration of Tax and any regulations made under those Acts;

Industrial Relations Commission means the Industrial Commission of New South Wales in court session;

Insured Benefit means a death or disability Benefit (or part of such a Benefit) where the entitlement to the Benefit (or part of the Benefit) is determined by the terms of an insurance policy other than an insurance policy the purpose of which is to protect the Fund or the Trustee in respect of the Fund's liability to pay a Benefit. *Insured Benefit* does not include any Benefit or part of a Benefit payable from a Benefit Account to, or in respect of, a Beneficiary on the death or disability of the Beneficiary;

Invalidity means a Member who ceases to be employed and the Trustee is satisfied that the cessation of employment is on the ground of permanent incapacity or permanent invalidity (not caused by any act or default of the Member intended to produce that incapacity or invalidity);

[inserted by Deed of Amendment No.18A operative 17/7/03]

Investment Direction means a written direction issued by a Member to the Trustee directing the Trustee as to the investment of the contributions made in respect of the Member;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

LGSS means the superannuation scheme established by Deed of Settlement made on 30 June 1997 by LGSS Pty Limited and the Treasurer of New South Wales and known as the Local Government Superannuation Scheme;

[inserted by Deed of Amendment No.6 operative 1/10/99]

LGSS Employer means an employer responsible for making contributions for the benefit of the employee under any of Divisions B, C or D of the LGSS;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Mandated Contributions means:

[inserted by Deed of Amendment No.4 operative 1/7/97]

- (a) contributions that reduce the employer's potential liability for superannuation guarantee charge;
- (b) contributions that are payments of shortfall component;
- (c) contributions required by an obligation under an agreement certified, or an award made by an industrial authority;

Member means an Employee or other person who is a member under the rules of a Division who has been accepted for membership of the Fund and who has not ceased to be a Member;

[amended by Deed of Amendment No.[1] operative 27/4/98]

Minister means the Minister responsible for the administration of the Administration Act or such other Minister determined by the Premier of New South Wales;

Net Asset Value means, at any time (as the case may be), the amount determined by the Trustee according to Australian accounting principles (as referred to in Section 272–5(2) of Schedule 2F of the Income Tax Assessment Act 1936 to be equal to the total value of the Division or the portion of the Division allocated to a Pool determined in accordance with Clause 3.4A at that time less the liabilities of the Division or Pool at that time;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Nominated Beneficiary means the legal personal representative nominated by the Member under clause 14.17A.1;

[inserted by Deed of Amendment No.[24] operative 24/10/05]

Non-Member Spouse has the meaning ascribed to that term in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Operational Risk means those risks characterised as such from time to time by the Trustee and permitted to be treated as such under the Superannuation Law and the Prudential Standards;

[inserted by Deed of Amendment No. 31 operative 01/07/13]

Operational Risk Financial Requirement Strategy means the strategy named as such established and maintained in accordance with the Prudential Standards;

[inserted by Deed of Amendment No. 31 operative 01/07/13]

Operational Risk Reserve Account means the Operational Risk Reserve Account for Pool A and the Operational Risk Reserve Account for Pool B;

[inserted by Deed of Amendment No. 31 operative 01/07/13]

Operational Risk Reserve Account for Pool A means the account established and operated pursuant to clause 6.14B.1;

[inserted by Deed of Amendment No. 31 operative 01/07/13]

Operational Risk Reserve Account for Pool B means the account established and operated pursuant to clause 6.14B.2;

[inserted by Deed of Amendment No. 31 operative 01/07/13]

Operative Time has the meaning ascribed to it in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Pensioner means a person who has become entitled to, and who has not ceased to be entitled to receive a pension under the Rules;

Police Superannuation Scheme means the superannuation Scheme established under the *Police Regulation Superannuation Act 1906*;

[inserted by Deed of Amendment No. 16 operative 1/7/97]

Pool means any pool of assets referred to in Clause 3.4A.1.1;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Pool A means the pool of assets established under clause 3.4(a);

Pool B means the pool of assets established under clause 3.4(b);

Prescribed Public Sector Employer has the meaning given by the *Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Amendment Regulation 1999*;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Relevant Date has the meaning ascribed to that term in regulation 3 of the Family Law (Superannuation) Regulations 2001;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Rules means those rules governing each Division established by the Trustee under sub-clause 3.2 or 3.7 and contained in the Schedules to this Deed;

Secretary of the Fund means the person appointed to that office by the Trustee under clause 6.4;

Splittable Payment has the meaning as ascribed to that term in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

State Authorities Non-contributory Superannuation Scheme means the superannuation scheme established under the *State Authorities Non-contributory Superannuation Act 1987*;

[inserted by Deed of Amendment No.6 operative 1/10/99]

State Authorities Superannuation Scheme means the superannuation scheme established under the *State Authorities Superannuation Act 1987*;

[inserted by Deed of Amendment No.6 operative 1/10/99]

State Superannuation Scheme means the superannuation scheme established under the *Superannuation Act 1916*;

[inserted by Deed of Amendment No.6 operative 1/10/99]

STC Employer means an employer responsible for making contributions under a superannuation scheme of which STC is trustee;

[inserted by Deed of Amendment No.6 operative 1/10/99]

STC Scheme means a superannuation fund or superannuation scheme established or constituted under any of the following Acts:

- (a) *Superannuation Act 1916,*
- (b) *State Authorities Superannuation Act 1987,*
- (c) *State Authorities Non-contributory Superannuation Act 1987;*
[inserted by Deed of Amendment No.6 operative 1/10/99]

Superannuation Agreement has the meaning ascribed to that term in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Superannuation Authority means any person or body appointed under any Superannuation Law who is empowered under that legislation or some other legislation to exercise any discretion, give any consent or approval or otherwise give effect to and administer the Superannuation Law;

Superannuation Contributions Surcharge means the Superannuation Contribution Surcharge imposed under the *Superannuation Contributions Impositions Act 1997;*

[inserted by Deed of Amendment No.[1] operative 27/4/98]

Superannuation Guarantee Shortfall has the meaning ascribed to that term in the *Superannuation Guarantee (Administration) Act 1992;*

Superannuation Guarantee Charge Acts means the *Superannuation Guarantee Charge Act 1992 and the Superannuation Guarantee (Administration) Act 1992* and any other Act relating to the imposition, collection and administration of the superannuation guarantee charge and any regulations made under the foregoing Acts;

Superannuation Interest has the meaning ascribed to that term in section 90MD of the Family Law Act;

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Superannuation Law means requirements in any of the Superannuation Industry (Supervision) Act 1993, the Superannuation Entities (Taxation) Act 1993, the Tax Act, the Superannuation Guarantee Charge Acts and regulations made under those Acts and all other requirements, whether legislative or otherwise including:

- (a) any administrative guidelines issued by a Superannuation Authority; or
- (b) statements by government advising changes and proposed changes to Superannuation Law,

in each case with which the Fund must comply (or which, in the reasonable opinion of the Trustee, the Fund ought comply) in order to be a complying superannuation fund;

Tax means income tax (including any tax on the disposal of assets), contributions tax, surcharge including Superannuation Contributions Surcharge, withholding tax, stamp, financial institutions and other duties, tax and other taxes, levies, imposts, deductions and charges whatsoever (including in respect of any duty imposed on receipts or liabilities of financial institutions any amounts paid in respect thereof to another financial institution) together with any interest and penalties and charges, fees or other amounts made on or in respect of them;

[amended by Deed of Amendment No.[1] operative 27/4/98]

Tax Act means the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997;

Transfer Day means 1 July 1997;

Transfer Option means a transfer option exercised in accordance with clause 12A;
[inserted by Deed of Amendment No.6 operative 1/10/99]

Transfer Regulation means the Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Regulation 1997, the Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Amendment Regulation 1997 and any other Regulation made under section 128 of the Administration Act in relation to the transfer of employers or members to this Fund;

Transfer Regulation means:

- (a) *Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Regulation 1997;*
- (b) *Superannuation Administration (Local Government Superannuation Scheme Transitional Provisions) Regulation 1997;*

[inserted by Deed of Amendment No.6 operative 1/10/99]

Transferee Scheme means the superannuation scheme to which a person elects to transfer in accordance with clause 12A;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Transferor Scheme means the superannuation scheme from which a person elects to transfer in accordance with clause 12A;

[inserted by Deed of Amendment No.6 operative 1/10/99]

Trustee means the Trustee named in this Deed and any other Trustee appointed in accordance with the provisions of this Deed;

Units means a unit created under the provisions of this document;

[inserted by Deed of Amendment No.[26] operative 01/07/07]

Unit Value means the value determined in accordance with the provisions of Clause 3.4A

[inserted by Deed of Amendment No.[26] operative 01/07/07]

1.2 Definitions from Superannuation Industry (Supervision) Act

In this Deed and in any document issued by the Trustee under this Deed, unless the contrary intention appears, the following terms shall have the same meaning as they have in the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations and if any definition of such a term is amended that term shall have the amended meaning on and from the date that amendment takes effect unless either before or after that date the Trustee resolves to the contrary:

Annuity

APRA

approved auditor

approved deposit fund

ASIC

associate

Commissioner
compassionate grounds
condition of release
constitutional corporation
disqualified person
eligible rollover fund
investment manager
legal personal representative
preservation age
prudential standard
regulated superannuation fund
severe financial hardship
spouse
successor fund
Superannuation Complaints Tribunal
superannuation fund
year of income.

[amended by Deed of Amendment No.[1] operative 27/4/98; by Deed of Amendment No.7 operative 4/5/00; amended by Deed of Amendment No.[26] operative 01/07/07, amended by Deed of Amendment No.[29] operative 01/07/07, amended by Deed of Amendment No. [31] operative 01/07/13]

1.3 Definitions from Tax Act

In this Deed and in any documents issued by the Trustee under this Deed, unless the contrary intention appears, the following terms shall have the same meaning as they have in the Tax Act and if any definition of such a term is amended the term shall

have the amended meaning on and from the date the amendment takes effect unless either before or after that date the Trustees resolve to the contrary:

complying ADF
complying superannuation fund
eligible annuity
employment termination payment
registered organisation
superannuation lump sum

[amended by Deed of Amendment No.[26] operative 01/07/07]

1.4 Definitions in the Regulation

In this Deed and in any document issued by the Trustee under this Deed, unless the contrary intention appears, the terms defined in the Transfer Regulation shall have the same meaning as they have in the Transfer Regulation.

1.5 Payment in respect of a Beneficiary

In this Deed, unless the contrary intention appears, a payment in respect of a Beneficiary includes a payment or transfer of assets from the Fund in satisfaction of any obligation to or in respect of a Beneficiary and, without limitation, includes a payment or transfer of assets:

- (a) to or for the benefit of a Beneficiary;
- (b) to or for the benefit of another person specified in the Rules applying to the Beneficiary .

1.6 Interpretation

In this Deed unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) references to a person include a corporation, a body corporate, an unincorporated body or other entity, including any Government Entity and vice versa;
- (e) headings are for convenience only and shall not affect interpretation;
- (f) references to any party to this Deed or any other agreement or document include the party's successors and permitted assigns;
- (g) references to any agreement or document include references to such agreement or document as amended, novated, supplemented, varied or replaced from time to time except to the extent prohibited by this Deed; and
- (h) references to any legislation or to any provision of any legislation include any modification or re-enactment of it, any legislative provision substituted for it, and all regulations and statutory instruments under it.

2. DUTY TO ELECT

The Trustee shall elect that from the Transfer Day the Fund shall be a regulated superannuation fund and any election made under this clause may not be revoked.

3. THE FUND

3.1 Establishment of the Fund

On the date of this Deed, the Treasurer appoints the Trustee as trustee of the Fund and for that purpose settles the amount of \$2 on the Fund to be held on behalf of the Minister and for \$1 to be applied to Pool A and \$1 to be applied to Pool B as a Contribution to each Pool upon the Trustee electing that the Fund become a regulated superannuation fund. On that election the Fund is established as a superannuation fund which is:

- (a) intended to be a complying superannuation fund; and
- (b) established for the purpose of providing superannuation benefits to or in respect of Beneficiaries on their retirement, death, disablement or on reaching a particular age or for any other purpose which may be permitted under Superannuation Law.

The Trustee shall hold the assets, including all contributions or other moneys paid or payable to the Trustee in respect of Pool A and of Pool B in trust for the persons who are or will be entitled to Benefits under the Divisions of the Fund to which each Pool relates.

3.2 Initial divisions

As at the Transfer Day five Divisions are established, and:

- (a) Division A has the Rules set out in Schedule 1 to this Deed;
- (b) Division B has the Rules set out in Schedule 2 to this Deed;
- (c) Division C has the Rules set out in Schedule 3 to this Deed;
- (d) Division D has the Rules set out in Schedule 4 to this Deed; and
- (e) Division E has the Rules set out in Schedule 5 to this Deed.

3.3 Transferred Employers and Members

Each Division has the Employers and Beneficiaries being the transferred employers and the transferred members specified in the Transfer Regulation on and from the date they are transferred to the Fund under the Transfer Regulation. The Trustee may treat a Beneficiary as not having been transferred to the Fund or as having been transferred to the Fund if clause 14 of the Transfer Regulation which takes effect on 1 July 1997 applies and may do such things as may be necessary or convenient to give effect to that Transfer Regulation. In addition any Beneficiary incorrectly allocated to a particular Division may be allocated to the correct Division.

The Trustee shall give effect to the Transfer Regulation which takes effect on 1 July 1997 and the transfer agreement referred to in clause 16 of the Transfer Regulation.

3.4 Assets of the Fund

As at the Transfer Day, the Trustee shall establish two pools of assets within the Fund:

- (a) Pool A, which shall comprise the assets held by the Trustee for the purpose of providing the benefits specified in the Rules of Division A and Division E; and
- (b) Pool B, which shall comprise the assets held by the Trustee for the purpose of providing the benefits specified in the Rules of Divisions B to D inclusive.

3.4A Units

[inserted by Deed of Amendment No.[26] operative 01/07/07]

3.4A.1.1 The Trustee may (but need not do so) divide the interest in Pool A and/or Pool B into a separate class or separate classes of Units. If the Trustee does so divide the interest in Pool A and/or Pool B then the provisions of this Clause 3.4A.1 shall apply accordingly.

3.4A.1.2 All Units of a class of Units shall rank *pari passu* with all other Units of the Pool and each Unit of a class shall;

- (a) represent an undivided interest in the Pool referable to that class of Units in the Division that shall be equal to that conferred by every other Unit of that class; and
- (b) have an equal Unit Value to each other Unit of that class.

3.4A.1.3 The Trustee shall not issue any certificates for Units.

3.4A.1.4 The Trustee may determine such provisions for reserves in determining the Fund's earning rates or Unit Values as the Trustee shall consider reasonable for any purposes and, where appropriate, having regard to the Prudential Standards.
[inserted by Deed of Amendment No. 31 operative 01/07/13]

3.4A.2 Investment policy for pools

3.4A.2.1 Subject to clause 3.6, the general investment policy of each Pool shall be determined by the Trustee. The Trustee may at any time alter any general investment policy for any Pool.

3.4A.3 Segregation of assets

3.4A.3.1 Every asset shall be allocated to one or more of the Pools constituted pursuant to this Deed, provided that the Trustee may maintain and operate a payments Account for the Division as a whole, and shall maintain in that account the amount of cash which constitutes an asset of each Pool.

3.4A.4 Liabilities

3.4A.4.1 All assets of the Division shall be available to meet any liability of the Division. A Pool is not a separate trust.

3.4A.4.2 Subject to clause 3.6, the Trustee may allocate and designate the liabilities in whole or in part to any Pool as liabilities referable to that Pool. The cost of any asset may be paid by the Trustee out of the Division and shall be allocated by the Trustee as a Unit liability to the Pool to which the asset was or is to be allocated as a Unit asset.

3.4A.4.3 Subject to clause 3.6, any liability not specifically allocated and designated to a Pool may be apportioned by the Trustee between Pools as the Trustee determines provided that at all times the liabilities shall be fully allocated between Pools.

3.4A.5 Deductions from member accounts

3.4A.5.1 The Trustee may allocate to Member Accounts and discharge, whether by way of deduction from contributions or redemption of Units, the following liabilities relating to a Member;

- (a) any amounts payable for the benefit of any cover under any insurance policy;
- (b) any fees and charges pursuant to this document;
- (c) any tax;
- (d) any costs and disbursements relating more particularly to the Member than the Scheme as a whole; and
- (e) any Adjustment Amount arising from the Units held by that Member (including any contingent liability not satisfied from the relevant Pool).

3.4A.6 Creation of units

3.4A.6.1 When contributions are applied for the creation of Units in a class of Units, the contribution shall be applied to the Pool referable to that class of Units and additional Units of the same class shall be thereby created.

3.4A.7 Number of units

3.4A.7.1 The number of additional Units of a class that are created shall be that number determined by dividing the amount or value of the contributions applied for Units of the class by the Application Price of the Units of that class at that time.

3.4A.8 Application price

3.4A.8.1 For the purpose of this subclause the Application Price of Units shall be the aggregate of:

- (a) the Unit Value of the Units as last declared by the Trustee on or prior to the day the Units are deemed to be created; and
- (b) any transaction cost not taken into account in determining Net Asset Value which in the opinion of the Trustee may be payable on or in respect of a contribution or the creation or issue of Units or the conversion of contributions to investments including any stamp duty, receipt duty, transaction tax, GST or any other tax, impost and any costs, fees, brokerage or commissions,

and the Application Price of a Unit may be rounded down to the fourth decimal point of a cent as determined by the Trustee.

3.4A.9 Valuation of contributions made by transfer of investments

3.4A.9.1 Where the Trustee agrees to accept investments as contributions then for the purpose of determining the number of Units to be created the value of the investment shall be ascertained at the date of the creation of Units in respect of the contribution using the same method of valuation as prescribed in this Deed for such investments and after deduction any transaction costs and taxes which may become payable in respect of the acquisition by the Division of the investments.

3.4A.10 Time of creation of units

3.4A.10.1 If the Trustee accepts a contribution, then the Units so applied for shall be deemed to be created on the next business day or such other time as is determined by the Trustee.

3.4A.11 Payment out of contributions account

3.4A.11.1 Upon acceptance of a contribution:

- (a) if the Trustee has deposited the moneys relating to that contribution into the payments Account, those moneys shall be withdrawn from the payments Account;
- (b) the moneys relating to that contribution (less any fees and charges and taxes relating to the contribution) and any premiums for insurance benefits will be an asset of the Division and shall be applied to that Pool or Pools referable to the class or classes of Units for which the contribution is to be applied in accordance with Investment Directions.

3.4A.12 Inadequate Direction from Member

3.4A.12.1 In default of any Investment Direction or in default of any direction which the Trustee considers suitable, or where the amount is less than the minimum amount required for a valid Investment Direction, the Trustee may apply contributions as it in its absolute discretion determines.

3.4A.12.2 The Trustee may in its discretion refuse to comply with any Investment Direction which the Trustee considers invalid and in such case invest in accordance with the default strategy in respect of the Investment of that Member's interest in the Division.

3.4A.13 Rebalancing

3.4A.13.1 Where a Member gives an Investment Direction which requires allocation of contributions between Pools, that Investment Direction shall be deemed to apply in respect of each contribution received during any year (or such lesser period as the Trustee determines), notwithstanding that the proportions of Units held by the Member may vary by reference to changes in the Unit Value of Units in any Pool during that period.

3.4A.13.2 The Trustee may reapply the Investment Direction as at the end of each such period to ensure that the Units held in a Member Account comply with the proportion required by the Investment Direction and the Trustee shall be entitled to redeem any Units in a Pool and apply for any Units in another Pool then required by the Investment Direction.

3.4A.14 Minimum Amounts

3.4A.14.1 Subject to Superannuation Law the Trustee may from time to time specify:

- (a) the minimum amount which the Trustee will invest in Units in accordance with an Investment Direction;
- (b) the minimum number of Units which a Member may acquire pursuant to an Investment Direction or may hold as a result of giving effect to an Investment Direction; or
- (c) the minimum amount to be credited to a Member Account before the Trustee will give effect to an Investment Direction.

3.4A.15 Request to pay a Benefit

3.4A.15.1 The Trustee shall, subject to the provisions of this Deed, upon a Benefit becoming payable cause the redemption of the Units which relate to such Benefit.

3.4A.16 Trustee entitlement to redemption

3.4A.16.1 Where under this Deed the Trustee becomes entitled to redeem Units then such entitlement to redeem Units shall be deemed to be a notice of redemption given by the Trustee for the purpose of this Deed.

3.4A.17 Calculation and payment

3.4A.17.1 On receipt of a request for payment, the Trustee shall in respect of each Unit referable to the request for payment calculate the amount equal to the aggregate of the Unit Value of each Unit the subject of the request for payment as next declared by the Trustee after the

business day on which the request for payment is taken to be received by or given by the Trustee or on such other date as reasonably determined by the Trustee.

3.4A.17.2 The redemption price of a Unit shall be an amount determined by the Trustee from time to time by dividing the sum of the Net Asset Value of the Pool to which that class of Units are allocated. From the amount so calculated will be adjusted as follows:

- (a) By an amount to allow for any transaction cost not taken into account in determining Net Asset Value which in the opinion of the Trustee may be payable on or in respect of a contribution or the creation or issue of Units or the conversion of contributions to investments including any stamp duty, receipt duty, transaction tax, GST or any other tax, or impost and any costs, fees, brokerage or commissions;
- (b) by an amount to round to the nearest fourth decimal place of \$1.00 (or by such other amounts determined by the Trustee).

3.4A.17.3 The Trustee shall pay to the person entitled to receive the proceeds of the redemption calculated in accordance with this subclause.

3.4A.17.4 Unless otherwise agreed with the Member, the Trustee may select what class of Units are redeemed in order to meet any payment of a Benefit, premiums payable in respect of any insurance benefit, costs and disbursements, fees and charges or tax.

3.4A.18 Cancellation of Units

3.4A.18.1 The Units the subject of a notice of redemption shall be cancelled on the date on which the Trustee makes the redemption calculation.

3.4A.19 Request to Switch

3.4A.19.1 A member may request on a quarterly basis or such more frequent basis as the Trustee permits in such form as is determined from time to time by the Trustee that Units of one class held by the Member, be converted into Units of another class. The provisions as to redemption shall apply as if that request was a request for redemption of Units.

3.4A.19.2 For the purpose of such switching the Trustee may establish procedures as to the basis upon which the Trustee will accept any such request and as to the time or intervals on which such request shall be processed.

3.4A.20 Number of Units to be Redeemed

3.4A.20.1 In calculating the number of Units to be converted pursuant to a request under this subclause, the amount shall be the aggregate of the Unit Value of each Unit the subject of the conversion request as next declared by the Trustee after the business day on which the request is received and accepted by the Trustee, and the amount payable shall not be paid to the Member but shall be applied by the Trustee on behalf of the Member in the purchase of Units of the class specified in the request at a price calculated as if it were a request for a payment of a benefit. The Trustee may waive the deduction or addition of the transactions costs, if appropriate, having regard to the number and type of Units subject to the switch.

3.4A.21 Date of Redemption

3.4A.21.1 the redemption of the Units shall be effected on the day on which the redemption amount is calculated.

3.4A.22 Valuation of Units

3.4A.22.1 The Trustee shall ascertain the Net Asset Value of Units of each Pool at least weekly on a day of the week determined by the Trustee or the immediately preceding business day if that day is not a business day and at any other time in each month as the Trustee in its discretion may select (including on a daily basis).

3.4A.22.2 For the purposes of any valuation of the Net Asset Value of Unit assets where any Unit assets are valued by reference to a day or date then that day or date may be any period of 24 hours approved by the Trustee. For the purpose of calculating the number of business days after the 24 hour period, the 24 hour period shall be deemed to be the day or date on which the period commences.

3.5 Transfer of Assets

On or after the Transfer Day, the Trustee shall accept into the Fund from the Former Funds the assets referred to in the Transfer Regulation which takes effect on 1 July 1997 (and the transfer agreement made under clause 16 of that Transfer Regulation) which:

- (a) in case of assets transferred from an FTC scheme the assets shall be allocated to Pool A; and
- (b) in the case of assets transferred from an STC scheme being part of the amalgamated fund, the assets shall be allocated to Pool B.

The Trustee may at any time reallocate the assets allocated to a Pool to correct any misallocation occurring at the time of transfer of the assets to the Fund.

3.6 Application of Assets

The assets comprised in Pool A shall only be applied for the purpose of Division A and Division E and shall not be available to meet any liabilities in respect of Divisions B to D inclusive, and the assets comprised in Pool B shall only be applied for the purposes of Divisions B to D inclusive and shall not be available to meet any liabilities in respect of Division A or Division E.

3.6A Establishment and operation of the Connell Wagner Reserve

[inserted by Deed of Amendment No. 18 operative 5/2/03]

- (a) The Trustee will create an Employer reserve for Connell Wagner under rule 2.4 of Division B, rule 2.2 of Division C and rule 2.4 of Division D, determine that part of the assets (including the benefit of the EISS Payment Deed) in the Employee Reserve that are attributable to Connell Wagner, determine that part of the Contributors Reserve in Division D that is attributable to Contributors who are or were employees of Connell Wagner (other than such amounts transferred to a non-Connell Wagner reserve) and establish the Connell Wagner Reserve in Pool B.

- (b) The Connell Wagner Reserve is to be kept separate from all other reserves and the assets comprised in the Connell Wagner Reserve are available to be applied for the purposes of paying Benefits to Members or Contributors of Pool B who have accrued benefits in Pool B because of employment by Connell Wagner and will not be available to meet any liabilities in respect of benefits payable to other Contributors or Members of Pool B.
- (c) If any Member or Contributor of Pool B employed by Connell Wagner ceases employment with Connell Wagner and commences employment with another Employer, the Member's share of the Connell Wagner Reserve will be transferred to such other reserves of the Pool B as is appropriate and the Member will cease to have any right to payment out of the Connell Wagner Reserve.
- (d) The Benefits of Members or Contributors whose entitlements are payable out of the Connell Wagner Reserve may not be increased without the written consent of Connell Wagner unless such increase is required by Superannuation Law.
- (e) Once there are no Members or Contributors who have any right to payment of Benefits out of the Connell Wagner Reserve, any surplus in the Connell Wagner Reserve may be applied to meet any liabilities in Pool B.

3.6B No rights to other Reserves

[inserted by Deed of Amendment No. 18 operative 5/2/03]

No Benefit payable from the Connell Wagner Reserve shall be payable from any other reserve in the event that the Benefit is not paid from the Connell Wagner Reserve.

3.7 Constitution of new divisions

The Trustee may establish other Divisions of the Fund (other than a Division which is to provide Defined Benefits, which may only be established with the approval of the Minister) by executing a memorandum of commencement constituting the new Division of the Fund, containing the following particulars:

- (a) the name of the Division;
- (b) the Rules for that Division;
- (c) the pool of assets from which benefits may be provided (and for this purpose the Trustee may create a new pool but may not without the approval of the Minister apply Pool B for this purpose);
- (d) any other matters the Trustee determines,

and that memorandum of commencement shall take effect upon the date stated in the memorandum of commencement.

3.8 Beneficial interest in Division

Each Beneficiary is entitled to have the assets held in respect of the Division under which the person is a Beneficiary applied to provide the Benefit to which that person is entitled under the Rules but that shall not:

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- (a) entitle the Beneficiary other than as provided for in this Deed or permitted by law to:
 - (i) interfere with the rights or powers of the Trustee in respect of the Division or Fund;
 - (ii) exercise any rights, powers or privileges in respect of any assets of the Division or Fund; or
 - (iii) require the transfer to such Beneficiary of any assets of the Fund or held in respect of a Division; or
 - (b) confer any interest in any particular asset of the Fund or held in respect of a Division.

3.9 Membership of more than one Division

A Beneficiary may be a Beneficiary in more than one Division and where the Employer so requires it a Beneficiary shall be a Beneficiary of more than one Division.

3.10 Certain Divisions closed

Other than by the admission of Beneficiaries pursuant to a Transfer Regulation to:

- (a) Division B;
- (b) Division C; or
- (c) Division D,

those Divisions shall be closed to new Beneficiaries and no new Beneficiaries shall be admitted to any of those Divisions, except that a Member under Division D who was entitled to elect under section 2C of the *State Authorities Superannuation Act 1987* to contribute to the fund established under that Act may elect to cease to be a Member under Division D and become a Member under Division B.

3.11 Closure of Division or part of Division

The Trustee may close a Division or a part of a Division and thereafter no new Beneficiaries shall be admitted to the Division. The Trustee may reopen a Division or part of the Division previously closed (other than a Division closed under clause 3.10).

3.12 Rules of initial Divisions

At the Transfer Day the Rules of:

- (a) Division A are intended to reflect the rights, benefits and entitlements of transferred members under the First State Superannuation Fund established under the *First State Superannuation Act 1992*;
- (b) Division B are intended to reflect the rights, benefits and entitlements of transferred members under the State Authorities Superannuation Scheme established under the *State Authorities Superannuation Act 1987* and insofar as

they apply to a transferred member the provisions of the following Acts or Regulations:

- (i) New South Wales Retirement Benefits Act 1972;
 - (ii) Local Government & Other Authorities (Superannuation) Act 1927;
 - (iii) Public Authorities Superannuation Act 1985;
 - (iv) Transport Employees Retirement Benefits Act 1967, and
 - (v) Part 2, 3 and 6 of the State Authorities Superannuation (Transitional Provisions) Regulations 1988.
- (c) Division C are intended to reflect the rights, benefits and entitlements of transferred members under the State Authorities Non-Contributory Superannuation Scheme established under the *State Authorities Non-Contributory Superannuation Act 1987*;
- (d) Division D are intended to reflect the rights, benefits and entitlements of transferred members under the State Superannuation Scheme established under the *Superannuation Act 1916*;
- (e) Division E are intended to reflect the rights, benefits and entitlements of transferred members under the Public Sector Executives Superannuation Scheme established under the *Public Sector Executives Superannuation Act 1989*,

as at the time immediately before the Transfer Day, and where any person is transferred under a Transfer Regulation to the Fund after the Transfer Day then the rights, benefits and entitlements of that transferred member under the Rules shall reflect the rights, benefits and entitlements of any of the Acts or Regulations mentioned in this clause as at the date of the transfer of that transferred member.

3.13 Protection of Transferred Members

Subject to any contrary provision of the Superannuation Industry (Supervision) Act 1993, this Deed and the Rules are taken to include provisions to ensure that on the date of transfer of the transferred member, a right that a transferred member had under a scheme from which the transfer was made pursuant to the Transfer Regulation is not removed or restricted and the Trustee shall apply Deed and Rules as if any provision required to ensure this was so incorporated in the Deed and Rules.

3.14 Application of Rules

Any right, entitlement or obligation including any Benefit in respect of a transferred employer or transferred member which is granted, imposed or calculated by reference to any date or period of time shall be granted, imposed or calculated from the date or by reference to the period which that right, entitlement or obligation was granted, imposed or calculated prior to the date of transfer under the Act or Regulations which applied to that transferred employer or transferred member as if the transfer had not occurred.

3.15 No increase of rights

This Deed and the Rules are not to be taken to increase or create any rights which a transferred member or transferred employer had or did not have under a Former Scheme from which a transfer was made pursuant to the Transfer Regulation and the Trustee shall apply the Deed and Rules on that basis.

3.16 Superannuation Law to Prevail

Notwithstanding any of the provisions of this clause, the Trustee may apply and administer the Deed and Rules in a manner and to the extent that they comply with the requirements of Superannuation Law, and where Superannuation Law prohibits the doing of any act or thing or requires the doing of any act or thing then notwithstanding the requirements of the Deed or Rules the Trustee may refuse to do that act or thing or do that act or thing as the case requires.

4. THE TRUSTEE**4.1 Eligibility**

The Trustee shall be a constitutional corporation.

4.2 Term of Office

The Trustee shall hold office until:

- (a) it is a disqualified person or it is otherwise disqualified from that office by operation of law; or
- (b) it retires from that office by giving 60 days written notice to the Minister (or such lesser period as the Minister may agree).

4.3 Retirement of Trustee

- (a) If the office of Trustee becomes vacant the Minister shall by deed appoint another constitutional corporation (which shall execute that Deed) to act as Trustee in accordance with this clause within 90 days of the day on which the vacancy occurs.
- (b) Upon retirement, the Trustee shall be deemed to be discharged from the trusts of this Deed and the duties and obligations of a Trustee under this Deed at the time and on the date of retirement.
- (c) If the Trustee has retired from office, the Trustee shall do all such things as may be necessary to give proper effect to such retirement from office and the transfer or assignment to or otherwise the vesting of the assets of the Fund in the new Trustee.

4.4 Antecedent breach by Trustee

Nothing contained in this Deed shall relieve a constitutional corporation which ceases to be Trustee from liability for any antecedent breach of trust for which it would otherwise be liable.

4.5 Remuneration

The Trustee may be reimbursed from the Fund for remuneration paid by the Trustee to a director of the Trustee, for an amount not exceeding:

- (a) the maximum payable to directors or members of Governing Boards (Category B) within the appropriate Band as set out in Memorandum (Memorandum to all Ministers) No.93-43 issued by the Premier on 24 December 1993 and the attached Guidelines, as amended, by Memorandum (Memorandum to all Ministers) No.95-30 issued by the Premier on 25 August 1995 and as amended by any subsequent Memorandum or direction by the Premier; or
- (b) an amount approved by the Minister.

The Trustee may be reimbursed from the Fund for all reasonable expenses incurred by it in carrying out its duties in relation to the Fund.

5. PROCEEDINGS OF TRUSTEE

A Trustee may act by resolution of its board of directors or by any person appointed for the purpose by resolution of its directors, whether or not the exercise of a discretion is involved.

6. POWERS AND DUTIES OF THE TRUSTEE

6.1 General powers

Subject to this Deed and Superannuation Law, the Trustee shall have power to do all acts and things which it considers necessary, desirable or expedient for the administration, maintenance and preservation of the Fund or any part of it. In the exercise and performance of its powers and obligations under this Deed, and without limitation, the Trustee may:

- (a) provide receipts, releases or discharges for money or other assets payable or transferable to the Fund or for claims by or against the Fund;
- (b) open and operate on bank accounts or accounts with cash management trusts or other financial institutions as it thinks fit and all cheques and other negotiable instruments and all receipts for money paid to the Fund shall be signed, drawn, accepted and endorsed or otherwise executed in such manner as the Trustee thinks fit;
- (c) enter into all contracts, deeds and documents and do all acts and things which it considers necessary or desirable for the purpose of carrying out the trusts of this Deed;
- (d) settle, compromise or submit to arbitration any claims or matters relating to this Deed, the Fund or the rights of any Beneficiary or other person claiming to have rights;
- (e) commence, carry on or defend any proceedings in relation to this Deed, the Fund or any Beneficiary or any other person making any claim in respect of the Fund or any entitlement under it;

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- (f) effect or acquire policies of insurance of any kind on or relating to any risk, contingencies, liabilities of the Fund or the life or lives of any person or otherwise to insure the payment of the Benefits or any part thereof payable under this Deed;
 - (g) pay all insurance premiums, rates, Taxes, rents and other outgoings in connection with any real or personal property included in the Fund or any expenses of or incidental to the management or administration of the Fund;
 - (h) accept and receive as part of the Fund any property whether real or personal which may be conveyed, transferred, paid and accepted by the Trustee by way of addition or accretion to the Fund;
 - (i) instruct, at the expense of the Fund, and act upon the advice of, any Expert Adviser whether or not their advice was obtained by the Trustee;
 - (j) authorise one or more persons to exercise all or any of its powers and duties;
 - (k) make rules and adopt procedures in relation to determining when a member ceases to be employed by an Employer, the calculation and rounding off of Contributions, Benefits, amounts debited or credited to any account, the valuation of assets or any other matters as shall be necessary or convenient for the Fund;
 - (l) subject to Superannuation Law, borrow moneys from any person, firm or company upon such terms and conditions and upon giving such security as the Trustee in its absolute discretion may determine and invest any moneys so borrowed as part of the Fund and to mortgage, charge or encumber the whole or any part of the trust property from time to time to secure repayment of the moneys borrowed and interest on those borrowings;
 - (m) employ managers, servants, agents and contractors irrespective of whether such person has any beneficial interest, whether direct or indirect, in the Fund or any parts thereof and to pay out of the Fund any person or persons to do any act or acts (including the receipt of money) in connection with or arising out of the exercise of the powers under this deed and including, without limitation, acts which the Trustee could perform personally;
 - (n) delegate to any person, firm or corporation, including any firm or corporation in which the Trustee may be interested, any of its discretions, powers and authorities including the receipt or payment of money for such period and subject to such conditions or restrictions as the Trustee shall in its absolute discretion deem fit and to pay to any such person out of the Fund all proper fees, charges, commissions and disbursements;
 - (o) appoint by deed or otherwise any person to act as its attorney in any place in the world, to do any acts in connection with or arising out of the exercise of the trusts, powers and discretions under this Deed and in relation to all or any part of the Fund in the same manner as the Trustee could do personally. Such attorney may be given such ancillary powers and be subject to such provisions and restrictions as the Trustee thinks fit including a power to appoint substitutes. The Trustee shall not by reason only of having made the appointment be responsible for any loss arising thereby;

- (p) take on lease or hire and make improvements to any real or personal property on such terms and conditions as the Trustee shall in its absolute discretion determine;
- (q) deduct and pay as required all taxes, charges and levies payable on contributions made to the Fund and on benefits payable from the Fund and to charge for the costs and expenses directly or indirectly attributable to administering such tax, charge or levy;
- (r) to the extent permitted by the Administration Act and Superannuation Law, where appropriate, to charge fees for the provision of information required to be provided under Superannuation Law; and
- (s) incur expenses or other liabilities jointly in respect of Pool A and Pool B and allocate those expenses and liabilities equitably between each of the Pools.

6.2 Investment powers

[amended by Deed of Amendment No.[22] operative 1/11/03]

Subject to Superannuation Law, the Trustee shall invest the Fund on an arm's length basis, but otherwise in such manner as it shall in its absolute discretion determine. Despite any statutory provisions or any rule of law or equity to the contrary and in addition to all other powers conferred on it under this Deed, by statute or rule of law or equity, the Trustee has full and absolute powers of investing and transposing moneys and buying, selling or otherwise acquiring or dealing with property (both real and personal) and varying all or any part of the investments of the Fund from time to time in all respects as if it were the absolute owner of and beneficially entitled to those investments. The Trustee's power to invest shall not be restricted by any legislation relating to trustee investments. Without limiting the generality of the absolute powers given to it, the Trustee shall in particular have the following powers:

- (a) to invest in any investment for the time being authorised by the laws of the Commonwealth of Australia or any Australian State or Territory for the investment of trust funds;
- (b) to purchase, hold, deal in, sell and mortgage shares of any description (whether fully paid or contributing) in any company or corporation whether public, private or otherwise and wherever situated, and in any security, undertaking or venture of any kind;
- (c) to purchase, lease, hire or in any other way acquire any real or personal property of any nature and kind and wherever situate including without limitation, freehold, leasehold or conditionally purchased land whether such property is obtained subject to mortgage or otherwise;
- (d) to purchase or in any other manner, hold, deal in, sell and mortgage units, sub-units or other interests in any unit trust or similar scheme;
- (e) to invest in any mortgage or charge over land or any personal property of any kind and wherever situate;
- (f) to invest in any of the public stocks or funds or government securities of any country, kingdom, republic or any state anywhere in the world;

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- (g) to deposit moneys with any bank or company and to place moneys on deposit fixed or on call with or without interest in any bank or public or private company anywhere in the world;
 - (h) to invest, enter into or deal in any derivative, futures contract, any underwriting or sub-underwriting, options, foreign currency or rights or interests in relation thereto, interest rate or currency swap contracts or other like investments, contracts or dealings;
 - (i) to apply the whole, or any part, of the Fund to or for the purpose of and to apply the same to commence, carry on, manage, control, direct or otherwise participate in any company, undertaking, profit making venture, or other activity wherever situate as the Trustee in its absolute discretion may deem fit;
 - (j) to sell, call-in or otherwise convert any assets or investments comprised in the Fund at any time or from time to time for such consideration, on such terms and by such method as the Trustee determines and to re-invest or apply the proceeds in accordance with the trusts and discretions contained in this Deed;
 - (k) to invest any of the assets or moneys of the Fund in a common pool with the moneys of any other superannuation fund or other fund and to make such arrangements for determining the proportion of the investments so held which is attributable to the Fund and to such other superannuation fund or other fund as it considers just and equitable;
 - (l) to invest in ships, aircraft and chattels of any description and any shares or interest therein;
 - (m) to lend or advance money with or without security;
 - (n) to enter into securities lending arrangements;
 - (o) to invest in any reversionary or deferred property or rights of any description wheresoever situate or enforceable and whether by way of original creation or assignment or otherwise;
 - (p) to invest part of the Fund in assets for the purposes of capital gain only or which may be of a wasting nature;
 - (q) to invest or expend any part of the Fund in any annuity or policy on the life of any Beneficiary or the happening of any other event;
 - (r) to invest all or part of the Fund in one or more superannuation policies or pooled superannuation trusts;
 - (s) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
 - (t) to enter into bill facility or promissory note agreements; and
 - (u) to do any act or thing or enter any contract which the Trustee considers to be incidental to or necessary or convenient to any of the foregoing.

6.3 Investment managers and Custodian Trustees

- (a) Prior to the Transfer Day, and in accordance with clause 18 of the Transfer Regulation the Trustee shall appoint Axiom Funds Management Limited as the first investment manager of the assets of Pool B.
- (b) Subject to paragraph (a), Superannuation Law and the Transfer Regulation, the Trustee shall appoint one or more bodies corporate to act as investment manager and one or more bodies corporate to act as Custodian Trustee to hold on its behalf title to some or all of the assets of the Fund subject to such conditions as the Trustee determines and may delegate to and confer upon such investment manager or Custodian Trustee such powers as the Trustee may think fit.
- (c) Subject to Superannuation Law, the Trustee shall not be liable or responsible for any act, omission, error of judgement, negligence or breach of trust of any such investment manager or Custodian Trustee and shall not be bound to take proceedings against any investment manager or Custodian Trustee in respect thereof.
- (d) The Trustee may pay out of the Fund to any such investment manager or Custodian Trustee such remuneration for its services as the Trustee has agreed or considers proper and subject to clause 6.10 may remove such investment manager or Custodian Trustee or agree to alter the terms of its appointment as it sees fit.
- (e) Any powers, discretions or authorities of the Trustee which an investment manager or Custodian Trustee is authorised to exercise may be exercised by that investment manager or Custodian Trustee alone or jointly with the Trustee as the Trustee in its discretion shall agree or determine, but in any event must be exercised on behalf of the Trustee.

6.4 Appointment of Secretary

The Trustee may appoint a Secretary of the Fund on such terms as the Trustee thinks fit and the Trustee may remove a Secretary and appoint another person as Secretary of the Fund. The Secretary shall perform the duties and have the powers set out in this Deed and such other powers and duties as the Trustee may determine from time to time.

6.5 Appointment of Actuary

The Trustee may from time to time appoint as Actuary to the Fund a person satisfying any requirements specified in Superannuation Law, on such terms as the Trustee thinks fit. The Trustee may remove any Actuary it has appointed and appoint another person as Actuary to the Fund. The Trustee may instruct the Actuary to perform such actuarial investigations in relation to the Fund or any Division as it considers necessary or desirable.

6.6 Appointment of Administrator

Subject to paragraph (a), Superannuation Law and the Regulation:

- (a) Prior to the Transfer Day, the Trustee shall appoint the Superannuation Administration Authority as the first administrator of the Fund, in accordance with clause 17 of the Regulation.

- (b) Subject to paragraph (a), the Trustee may appoint in writing, on such terms as it thinks fit, including the granting of any indemnity reasonably required, one or more bodies corporate to act on behalf of the Trustee in the administration of the Fund.
- (c) Subject to Superannuation Law, the Trustee shall not be liable or responsible for any act, error, omission, error of judgment, negligence or breach of trust of any such administrator of the Fund and shall not be bound to take proceedings against any administrator in respect thereof.
- (d) The Trustee may pay out of the Fund to any administrator such remuneration for its services as the Trustee has agreed or considers proper and subject to clause 6.10 may remove such administrator or agree to alter the terms of its appointment as it sees fit.
- (e) Any powers, discretions or authorities of the Trustee which an administrator is authorised to exercise may be exercised by that administrator alone or jointly with the Trustee as the Trustee in its discretion shall agree or determine, but in any event, must be exercised on behalf of the Trustee.

6.7 Expenses

The Trustee shall pay out of the Pool B all expenses of or incidental to the establishment of the Fund. The Trustee shall pay out of the Fund all expenses of and incidental to the management and administration of the Fund, including any insurance premiums in relation to the Fund or the directors of the Trustee in the discharge of their duties as directors of the Trustee and shall allocate those payments as between Pool A and Pool B in a fair and equitable manner as determined by the Trustee.

6.8 Superannuation Law

The Trustee may do all things considered by it as necessary or convenient to comply with any provision of Superannuation Law and without limitation the Trustee may:

- (a) require Employers, Beneficiaries, dependants of Beneficiaries or other persons entitled to a Benefit or making Contributions to the Fund to provide such information as the Trustee may require in order to satisfy it that any provision of Superannuation Law or this Fund is complied with, to determine whether any Tax is payable or to calculate any Benefit;
- (b) refuse to accept any Contribution or refuse to pay any Benefit to any person where acceptance of the Contribution or the payment of the Benefit may in the reasonable opinion of the Trustee result in the Fund ceasing to be a complying superannuation fund or where information sought under paragraph (a) has not been provided; and
- (c) lodge any returns or other documents required by Superannuation Law, make objection to any assessment or seek review of any determination of any Superannuation Authority or to pursue any objection or review by way of legal or other proceedings.

6.9 Regulation and Transfer Agreement

- (a) The Trustee shall do all things considered by it as necessary or convenient to comply with any provision of the Transfer Regulation and without limitation the Trustee shall do all things required to be done by it by the Transfer Regulation.
- (b) On or before the Transfer Date the Trustee shall enter a transfer agreement as required by clause 16 of the Transfer Regulation to deal with the transfer of transferred employers, transferred members and assets and the costs of the transfer and the establishment of this Fund with the STC and the FTC and shall give effect to that transfer agreement.

6.10 Minister's Consent

The Trustee may not without the Minister's consent:

- (a) terminate any investment management agreement entered into pursuant to the Transfer Regulation or clause 6.3(a); or
- (b) terminate any administration agreement entered into pursuant to the Transfer Regulation or clause 6.6(a),

prior to the end of the initial term of either agreement.

6.11 Authorisation

The Trustee may authorise one or more persons to exercise any power vested in it in such manner and upon such terms and conditions as it thinks fit including:

- (a) the establishment and maintenance of any Accounts;
- (b) the receipt of Contributions and the payment of Benefits;
- (c) the establishment and maintenance of any records, registers or other information required to be maintained by this Deed;
- (d) the power to do anything or obtain any approval that may be necessary or convenient in order to comply with Superannuation Law or the Income Tax Acts;
- (e) the power to accept or reject applications by Employers or Members to join the Fund; and
- (f) such other matters relating to the administration and operation of the Fund as the Trustee may determine.

6.12 Exercise of powers and discretions

The Trustee in the exercise of any power, discretion or authority under this Deed or otherwise vested in the Trustee shall have an absolute and uncontrolled discretion and may exercise or enforce all or any of those powers, discretions or authorities from time to time or at any time and may refrain from exercising any of those powers, discretions or authorities from time to time or at all.

6.13 Disputes

Subject to Superannuation Law and any Transfer Regulation if there is any dispute or difference as to the effect or interpretation of this Deed the decision of the Trustee shall be final and binding.

6.14 Accounts

Subject to Superannuation Law, the Trustee may establish and maintain such accounts within the Fund as are, in the Trustee's opinion necessary or convenient for the operation or administration of the Fund or any Division of the Fund. The Trustee may:

- (a) credit to any account any amount that is required or permitted by or under the Deed or Rules to be credited to it; and
- (b) debit to any account any amount that is required or permitted by or under the Deed or Rules to be debited to it,

and the Trustee may designate those accounts as Benefit Accounts, reserve accounts or by such other titles as the Trustee may determine.

6.14A Death, Invalidation and Temporary Salary Continuance Benefit Management Reserve

[inserted by Deed of Amendment No.[18A] operative 17/7/03]

6.14A.1 The Trustee may establish and maintain a death, Invalidation and Temporary Salary Continuance Benefit Management Reserve or other equivalent reserve in respect of one or more Divisions of Pool A.

6.14B Operational Risk Reserve Account

[inserted by Deed of Amendment No. 31 operative 01/07/13]

6.14B.1 Operational Risk Reserve Account for Pool A

The Trustee may establish and maintain an account referred to as the Operational Risk Reserve Account for Pool A and may deal with the account in the following manner:

- (a) Amounts credited to the Operational Risk Reserve Account for Pool A:
 - (i) such amounts as the Deed and the Rules may require to be credited; or
 - (ii) such amounts as the Trustee may from time to time consider appropriate having regard to the Prudential Standards and the Trustee's Operational Risk Financial Requirement Strategy.
- (b) Amounts to be debited to the Operational Risk Reserve Account for Pool A:
 - (i) such amounts as the Deed and the Rules may require to be debited; or
 - (ii) such amounts as the Trustee may from time to time consider or determine to be an amount referable to an Operational Risk of the Fund or otherwise payable in accordance with the Trustee's Operational Risk Financial Requirement Strategy.

6.14B.2 Operational Risk Reserve Account for Pool B

The Trustee may establish and maintain an account referred to as the Operational Risk Reserve Account for Pool B and may deal with the account in the following manner:

- (a) Amounts credited to the Operational Risk Reserve Account for Pool B:
 - (i) such amounts as the Deed and the Rules may require to be credited; or
 - (ii) such amounts as the Trustee may from time to time consider appropriate having regard to the Prudential Standards and the Trustee's Operational Risk Financial Requirement Strategy.
- (b) Amounts to be debited to the Operational Risk Reserve Account for Pool B:
 - (i) such amounts as the Deed and the Rules may require to be debited; or
 - (ii) such amounts as the Trustee may from time to time consider or determine to be an amount referable to an Operational Risk of the Fund or otherwise payable in accordance with the Trustee's Operational Risk Financial Requirement Strategy.

6.15 Payments of levies

The Trustee may make any levy or other payment out of the Fund as is required by Superannuation Law to be made and may allocate the levy or payment to such accounts as it determines.

6.16 Related party dealings

Subject to Superannuation Law, the Trustee may enter into any financial, banking, insurance, agency or other transaction or any contract which it is empowered to enter into under the Deed or Rules with a related body corporate on arm's length terms. The question of whether a body corporate is related to the Trustee shall be determined in accordance with the Corporations Law.

7. ACCOUNTS, AUDIT AND INFORMATION

7.1 Records and Accounts

The Trustee shall maintain or cause to be maintained proper accounts and records of the Fund and its administration as may be required by Superannuation Law or the Income Tax Acts and as the Trustee may otherwise determine.

7.2 Provision of information

Subject to sub-clause 7.7, the Trustee shall provide Employers and Beneficiaries with such information in relation to the Fund as is required by Superannuation Law or as the Trustee otherwise determines.

7.3 Annual statements

The Trustee shall prepare in respect of each year of income those accounts and financial statements required by Superannuation Law.

7.4 Audit

The Auditor for the 1997/1998 financial year ending 30 June 1998 shall be the Auditor-General of New South Wales. For subsequent financial years, the Trustee shall appoint an Auditor approved for the purposes of Superannuation Law. The Trustee shall have the Fund audited by the Auditor in each year of income.

7.5 Information to Minister

The Trustee must promptly furnish to the Minister the following information (other than to the extent the Minister waives this requirement):

- (a) copies of returns to the Superannuation Authority and the annual accounts of the Fund;
- (b) copies of any reports to the Auditor or Actuary;
- (c) copies of any agreement with any investment manager, custodian, scheme administrator, investment adviser, other adviser or expert or any other similar agreement;
- (d) copies of any correspondence to or from the Superannuation Authority (other than correspondence relating to a particular Beneficiary);
- (e) any decision of the Resolution of Complaints Tribunal or of any other tribunal or court relating to the Fund; or
- (f) information relating to the general administration and operation of the Fund as the Minister may from time to time require but such information should not include information relating to an individual Beneficiary without that Beneficiary's consent.

7.6 Accounts evidence payment

The accounts of the Fund shall be sufficient evidence of all payments shown in them to have been made to or for the benefit of any person. The receipt of the Trustee for any property, the payment of any moneys or for any stock, shares, funds or securities of any kind transferred to it shall effectually discharge the person or persons paying or transferring the same in respect of any such obligation and from being bound to see to the application, or being answerable for the loss or misapplication, of such property.

7.7 Confidentiality

Subject to this Deed, the Trustee shall not be required to disclose to any person other than the Minister or Employer any information relating to a present or former Employer or Beneficiary unless that disclosure:

- (a) is reasonably necessary or convenient for the purpose of obtaining advice by the Trustee in relation to any matter pertaining to the Fund or is required by an insurer for the purpose of effecting or maintaining any insurance policy;
- (b) is required by law;
- (c) is authorised by the person in respect of whom the information relates;
- (d) is to a Beneficiary or a person who has an interest in a Member's entitlement in a Division and is of information relating to that Division of the Fund of which the person is a Beneficiary or under which the Beneficiary is or was a Beneficiary so long as the information does not include information relating to Benefits of other Beneficiaries or personal information pertaining to other Beneficiaries of the Fund.

Before disclosing any information, the Trustee may require that the consent of persons about whom the information relates is obtained and that the person to whom the information is provided gives such undertakings as to the use of the information or confidentiality of the information as the Trustee may require.

8. VALUATIONS

8.1 Valuations

Unless otherwise provided in the Rules, the Trustee shall cause a valuation of all assets of the Fund to be made at least once in each year of income of the Fund and at such other dates, by such persons and using such methods as the Trustee may determine.

8.2 Excess amount

Where the value of the assets of a Pool or part of a Pool or in an account established under the Deed or Rules in respect of a particular Employer (*Employer's reserve*) is more than the value of the liabilities of the Pool, part of the Pool or supported by that Employer's reserve (as the case may be) (*excess amount*), the Trustee may, on the advice of the Actuary apply the excess amount to reduce Contributions otherwise payable by an Employer or, with the consent of the Minister and on the advice of the Actuary, determine to apply all or part of the excess amount for any purpose agreed by the Trustee and the Minister and in accordance with Superannuation Law.

9. LIABILITY OF TRUSTEE

9.1 Liability for acts or omission

The Trustee shall not be liable to the Fund nor to any person whatsoever to an extent greater than the assets of the Fund.

9.2 Indemnity

Subject to Superannuation Law, the Trustee and each director of the Trustee shall be indemnified by the Fund in respect of any liability incurred while acting as the Trustee or as director of the Trustee (as the case may be) except where the liability arises from a breach of trust where the Trustee or director:

- (a) fails to act honestly in a matter concerning the Fund;

- (b) intentionally or recklessly fails to exercise, in relation to a matter affecting the Fund, the degree of care and diligence required to be exercised,

or the liability is for a monetary penalty under a civil penalty order imposed under Superannuation Law. The indemnity shall extend to all legal and other costs, charges and expenses of administering or winding up the Fund and otherwise of performing any trusts, powers, authorities and discretions under this Deed. The indemnity provided to the Trustee and the directors of the Trustee under this clause shall be in addition to any other indemnity allowed by law or given under this Deed.

9.2A Limitation on indemnity

[inserted by Deed of Amendment No. 31 operative 01/07/13]

The Trustee shall not be entitled to indemnify itself:

- (a) out of assets of the Fund for any amount expended by the Trustee out of its own assets managed and maintained by the Trustee itself to cover the Operational Risk of the Fund;
- (b) out of any assets of the Fund that do not form part of the Operational Risk Reserve Account for any amount that relates to Operational Risk without first exhausting the Operational Risk Reserve Account.

9.3 Satisfaction of indemnity

Subject to Superannuation Law, the Trustee shall have a lien on and may dispose of all assets of the Fund in the hands of the Trustee for the purpose of the indemnity set forth in sub-clause 9.2.

9.4 Insurance

The Trustee may effect such insurance for claims against the Trustee and the Trustee's directors as it thinks fit. The cost of such insurance shall be an expense of the Fund.

9.5 Information provided to Trustee

The Trustee shall be entitled to rely upon information provided to it by an Employer or Beneficiary or any other person acting at the request of or on behalf of an Employer or Beneficiary. The Trustee shall be indemnified by the Employer or Beneficiary who provided the information or at whose request or on whose behalf the information was provided in relation to any loss, damage or expense incurred by the Trustee arising as a result of any such information proving to be incorrect or misleading.

9.6 Trustee not obliged to pay

Subject to Superannuation Law and the obligations under this Deed, except in the case of dishonesty or unless the Trustee has failed to show the degree of care and diligence required of a trustee having regard to the powers, authorities and discretions conferred on the Trustee by this Deed, in no event is the Trustee bound to make any payment to any person in connection with this Deed or the Fund or liable to any person in connection with this Deed or the Fund to any greater extent than:

- (a) where the person is a Beneficiary, the assets of the pool from which that Beneficiary's Benefit is to be provided;

- (b) in any other case, the assets of the Fund.

10. EMPLOYERS AND MEMBERS

10.1 Initial Employers

As at the date of transfer of a transferred member of a transferred employer, each transferred employer in the Schedule to the Transfer Regulation shall be:

- (a) an Employer; and
- (b) bound by the terms of this Deed.

10.2 Application to become Employer

An authority, body or other entity:

- (a) referred to in or established under an Act specified in Part 1 of Annexure A to this Deed, described in Part 2 of Annexure A or to which clause 10.1 applies;
- (b) which is wholly owned or controlled by a transferred employer, or an Employer previously admitted as an Employer of the Fund either under this paragraph or paragraph (a) or by any two or more of those persons; or
- (c) approved, or within a class approved, by the Minister,

may make written application to the Trustee to become an Employer of the Fund in respect of some or all of its employees. The application shall be in the form and contain the information required by the Trustee. The Trustee may accept the duly executed application. On acceptance, the person shall become an Employer of the Fund in such Division or Divisions as the Trustee determines.

10.3 Deed of Adherence

As soon as practicable after the Trustee accepts an application by a person to become an Employer under clause 10.2, the applicant shall execute the Deed of Adherence. Following execution of the Deed of Adherence, this Deed becomes binding on the person as Employer and the Employees or former Employees of that Employer who become Beneficiaries.

Notwithstanding this requirement if any person who is a transferred member or who is otherwise entitled to be an Employer, makes a contribution to the Fund in respect of a Beneficiary then that contribution may be accepted by the Trustee and upon acceptance the person so contributing shall be deemed to be an Employer and shall be bound by the terms and conditions of this Deed as if that person had executed a Deed of Adherence and that person shall on being requested to do so by the Trustee execute a Deed of Adherence.

10.4 Eligibility for membership

An Employer may by written notice to the Trustee nominate from time to time Employees whom it wishes to become Members of the Fund. The Employer shall supply to the Trustee such information relating to those Employees as the Trustee requires.

10.5 Application by Employees of an Employer

Upon being nominated by an Employer, an Employee shall, if required by the Trustee, make written application to the Trustee to become a Member in such form and providing such information as the Trustee requires. Notwithstanding that an Employee who is nominated by an Employer has not made application to the Trustee or provided the required information to the Trustee, the Employee shall become a Member of the Fund. An Employee who becomes a Member shall be admitted as a Member of the Division nominated by the Member's Employer and approved by the Trustee.

10.5A Executive Officer

[inserted by Deed of Amendment No.[1] operative 27/4/98]

An Employer may nominate an Employee as an "eligible person" for the purposes of the definition of "Executive Officer" in the Divisions and the employee will only be eligible to be nominated as such if the person satisfies the following:

- (a) occupies a senior position; and
- (b) is on a fixed term contract of employment.

10.6 Members bound by Deed

Every person being or becoming a Member and all persons claiming through them shall be deemed to have approved of and to be bound by the Deed and the Rules.

10.7 Ceasing to be Employee

Each Employer shall promptly give written notice to the Trustee upon a Member ceasing to be an Employee. If any Member is transferred in the Member's employment from one Employer to another Employer then for the purposes of this Fund the Member shall notwithstanding any other provision of this Deed or the Rules be deemed not to have ceased to be an Employee unless the Trustee determines that the Member has ceased to be an Employee for the purpose of this Deed and the Rules.

10.8 Ceasing to be Beneficiary

Unless otherwise provided in the Rules, a person shall cease to be a Beneficiary of the Fund upon the earlier of:

- (a) the payment of the whole of the Beneficiary's Benefit to or in respect of the Beneficiary;
- (b) the transfer of the whole of the Beneficiary's Benefit to another Eligible Fund in accordance with sub-clause 12.3;
- (c) the payment of part of the Beneficiary's Benefit to or in respect of a Beneficiary and the transfer of the balance of the Beneficiary's Benefit to another Eligible Fund in accordance with sub-clause 12.3;
- (d) if the Beneficiary ceases to be entitled to a Benefit.

10.9 Beneficiaries to provide information

[replaced by Deed of Amendment No.[1] operative 27/4/98]

Every Beneficiary shall submit:

- (a) a member application in a form approved by the Trustee (other than in the case of a person who is a transferred member under the Transfer Regulation); or
- (b) the name of the person, date of birth, address, and date of commencement of employment; and
- (c) if required, any evidence of health and completed and signed statements as to health required in connection with any insured benefit; and
- (d) details of the persons membership of any other superannuation investment and any other information the Trustee determines to be reasonably necessary to assist in the administration of the plan or determination of the Members' Benefits.

10.10 Employers to provide information

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- (a) An Employer, on joining the Fund, shall supply such information concerning its Employees eligible to join the Fund as the Trustee may reasonably determine.
- (b) Each Employer shall give to the Trustee clear directions as to the entitlement to contributions made by the Employer to the Fund.

11. CONTRIBUTIONS**11.1 Limit of Contributions**

Employers and Members shall make contributions in accordance with this Deed, the Rules or any other arrangement agreed by the Trustee but the Trustee may refuse to accept any Contribution which may, in the opinion of the Trustee, jeopardise the status of the Fund as a complying superannuation fund.

11.2 Authority to deduct Member Contributions

Each Member authorises its Employer to deduct Contributions due by the Member (if any) from the Member's remuneration and to pay those moneys to the Fund on behalf of the Member.

11.3 Late Contributions

The Trustee may charge collection costs and interest at a reasonable rate as determined from time to time by the Trustee on any amount not paid by an Employer on or before the Due Date.

11.4 Additional Contributions

An Employer or Member may make such additional Contributions to a Division if permitted by the Rules of that Division as the Trustee may from time to time agree. Those Contributions shall be applied by the Trustee as the Employer or Member, as the case may be, directs and as agreed by the Trustee. The Trustee may require that a particular Employer shall make

additional contributions in respect of some or all of its Employees or former Employees who are Beneficiaries and the Employer shall comply with that requirement.

11.5 Refund of payments

If any moneys paid to the Fund will or may jeopardise the status of the Fund as a complying superannuation fund or, in the opinion of the Trustee, have been paid by mistake (whether of law or of fact), the Trustee may refund those moneys to the person who paid them to the Fund. Subject to the Rules, the Trustee shall not be liable to pay any interest, or account for any earnings or compensate the person who paid those moneys in any way and a person shall not be deemed to have become an Employer or a Member merely by reason of the receipt by the Trustee of those moneys.

11.6 Acceptance of assets

The Trustee may agree to accept the transfer of an asset by an Employer as a Contribution to a Division of the Fund. The amount of the Contribution shall be the value of the asset to be transferred as agreed between the Trustee and the Employer, and it shall be applied by the Trustee as a Contribution by or in respect of the Member to whom it relates.

11.7 Contributions holiday

The Trustee shall determine as required by the Rules from time to time on the advice of the Actuary and in accordance with the Rules, the Contributions to be made by Employers. The Trustee may, on the advice of the Actuary and in accordance with clause 8.2, permit an Employer or class of Employers to reduce its Contributions otherwise required to be paid under the Rules in respect of all or some of the Employers' Beneficiaries for such time and subject to such conditions as the Trustee on the advice of the Actuary, determines.

11.8 Contributions Tax

If any part of the excess amount referred to in clause 8.2 is applied to reduce the Contributions otherwise payable under the Rules by an Employer, the Trustee may debit the Benefit Account of that Employer's Members by an amount equal to the Tax at the rate of Tax specified, at the time the amount is applied, as payable on those Contributions, or at such lesser rate as the Trustee on the advice of the Actuary may determine, as if it had been paid by the Employer directly to the Fund.

11.9 Surcharge

11.9.1 Where the Trustee is required to make any payment in satisfaction of any tax, surcharge, levy or other similar amount calculated by reference to the salary, income or other financial circumstances of a Beneficiary (the **Liable Beneficiary**) the Trustee shall adjust the Benefits or Benefit Accounts of that liable beneficiary to reflect the cost to the fund of the payment made including any cost of funding that payment.

[numbering amended by Deed of Amendment No.[1] operative 27/4/98]

11.9.2 A Beneficiary may, at any time, lodge with the Trustee an election to pay amounts to the Fund in respect of the Superannuation Contributions Surcharge payable in respect of the Beneficiary and:

[inserted by Deed of Amendment No.[1] operative 27/4/98]

(a) payments may be made on a periodic or a single payment basis;

- (b) an election is to specify the amounts to be paid and the manner in which payment is to be made;
- (c) A Beneficiary may at any time, lodge with the Trustee an election to vary or revoke an election under the section;
- (d) An election under this clause is to be in a form approved by the Trustee for the purposes of this clause;
- (e) An election under this clause remains in force until a subsequent election under this clause takes effect.

12. TRANSFER TO AND FROM OTHER FUNDS

12.1 Transfer in

The Trustee may accept into any Division of the Fund which is not closed to new Members:

- (a) moneys or assets from another Eligible Fund under an arrangement with the trustee, employer or member or members of that Eligible Fund where the member or members of that Eligible Fund are or propose to become Beneficiaries of the Division;
- (b) a superannuation lump sum or employment termination payment of a person under an arrangement between that person and the Trustee where that person proposes to become or is a Beneficiary of the Division; or
- (c) moneys or assets from another Division of the Fund where the Member or Members intend to become Beneficiaries of the Division, and the amount of the moneys or the value of the assets transferred shall be applied by the Trustee in accordance with the arrangements relating to the transfer as agreed by the Trustee, and in accordance with Superannuation Law.

[amended by Deed of Amendment No.[26] operative 01/07/07]

12.2 Non-acceptance of transfer in

The Trustee may, in its absolute discretion and without being required to give any reason, decline to accept from:

- (a) another Eligible Fund, any transfer or payment of moneys;
- (b) a person, any superannuation lump sum or employment termination payment; or
- (c) from a Division, any transfer to another Division of the Fund which is not closed to new Members.

[amended by Deed of Amendment No.[26] operative 01/07/07]

12.3 Transfer In – Regulations

The Trustee may accept into the Fund, Beneficiaries, Employers and assets on such terms as are set out in a Transfer Regulation or any transfer agreement entered into under that Transfer Regulation.

12.4 Transfer out

In addition to any entitlement under the Rules for a Beneficiary to transfer a Benefit, where a Beneficiary (other than a Beneficiary under Division B, C, D or E) is or becomes eligible for membership of another Eligible Fund then with the consent of the Beneficiary if that consent is required by Superannuation Law, the Trustee may, subject to the Rules and such conditions as the Trustee may decide, pay all or part of a Beneficiary's Benefit to such other fund together with such other amount as the Trustee with the consent of the Employer may agree. A Member in Division B, C, D or E may request the Trustee to pay the Beneficiary's Benefit to another Eligible Fund and if the Beneficiary's Employer consents to the transfer, the Trustee may, subject to the Rules and such other conditions as it may decide, pay the Beneficiary's Benefit to such other fund.

12.5 Receipt from trustees of another fund

Where an amount is paid to the trustees of an Eligible Fund pursuant to this clause the receipt given by the trustees of the Eligible Fund (including in the case of an annuity effected in respect of a Member, the body providing that annuity) in respect of the amount paid is a full discharge to the Trustee of all its obligations to or in respect of the Beneficiary under this Deed and the Trustee shall not be in any way responsible for or liable in respect of the application or disposal of such money by such trustee or other person.

12A MOBILITY BETWEEN SCHEMES

[clause 12A inserted by Deed of Amendment No.6 operative 1/10/99]

12A.1 Eligible Employees and Contributors

The following persons are eligible to exercise a Transfer Option:

- (a) a Category 1 Elector – that is, a person who, on the Appointed Day, was a contributor to the State Superannuation Scheme or to the State Authorities Superannuation Scheme or Police Superannuation Scheme or Division B or D of the LGSS and who, in accordance with clause 12A.2, is taken to have transferred employment;
[amended by Deed of Amendment No.16 operative 1/7/97]
- (b) a Category 2 Elector – a person who, on the Appointed Day, was a contributor to Division B or D of the Fund and who, in accordance with clause 12A.3, is taken to have transferred employment;
- (c) a Category 3 Elector – a person who, on the Appointed Day, held deferred Benefits in both the State Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme or in both Division C and D of the LGSS in relation to the same period of employment and who, in accordance with clause 12A.4, is taken to have transferred employment;
- (d) a Category 4 Elector – a person who, on the Appointed Day, held deferred Benefits in both the State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme or in both Division B and C of the LGSS in relation to the same period of employment and who, in accordance with clause 12A.5, is taken to have transferred employment;
- (e) a Category 5 Elector – a person who, on the Appointed Day, held deferred Benefits in each of Divisions B and C of the Fund in relation to the same period

of employment and who, in accordance with clause 12A.6, is taken to have transferred employment;

- (f) a Category 6 Elector – a person who, on the Appointed Day, held deferred Benefits in each of Divisions C and D of the Fund in relation to the same period of employment and who, in accordance with clause 12A.7, is taken to have transferred employment;

12A.2 Contributors to SSS or SASS or the LGSS

A person who is a Category 1 Elector is taken to have transferred employment if:

- (a) the person has ceased, on or after the Appointed Day, to be a contributor to the State Superannuation Scheme or to the State Authorities Superannuation Scheme or to the Police Superannuation Scheme, or to Division B or D of the LGSS and [amended by Deed of Amendment No.16 operative 1/7/97]
- (b) within 3 months after ceasing to be a contributor to that scheme, the person has become an employee of an EISS Employer.

12A.3 Contributors to the Fund

A person who is a Category 2 Elector is taken to have transferred employment if:

- (a) the person has ceased, on or after the Appointed Day, to be a contributor to Division B or D of the Fund, and
- (b) within 3 months after ceasing to be such a contributor, the person has become an employee of an STC Employer or an employee of a LGSS Employer.

12A.4 Holders of deferred Benefits in SSS and SANCSS or the LGSS

A person who is a Category 3 Elector is taken to have transferred employment if:

- (a) within the Prescribed Time after the person's Benefits in the State Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme or Divisions C and D of the LGSS were deferred, the person has become an employee of an EISS Employer, and
- (b) the person has thereafter remained an employee of that employer, or been employed by a succession of EISS Employers or LGSS Employers or STC Employers (or any combination), with no break in service longer than the Prescribed Time.

In this subclause 12A.4, the *Prescribed Time* means the time allowed for the purposes of section 38C(2) of the *Superannuation Act 1916*.

12A.5 Holders of deferred Benefits in SASS and SANCSS or the LGSS

A person who is a Category 4 Elector is taken to have transferred employment if:

- (a) within the Prescribed Time after the person's Benefits in the State Authorities Superannuation Scheme and the State Authorities Non-contributory

Superannuation Scheme or Divisions B and C of the LGSS were deferred, the person has become an employee of an EISS Employer, and

- (b) the person has thereafter remained an employee of that employer, or been employed by a succession of EISS Employers or LGSS Employers or STC Employers (or any combination), with no break in service longer than the Prescribed Time.

In this subclause 12A.5, the *Prescribed Time* means the time allowed for the purposes of section 30(2) of the *State Authorities Superannuation Act 1987*.

12A.6 Holders of deferred Benefits in Divisions B and C of the Fund

A person who is a Category 5 Elector is taken to have transferred employment if:

- (a) within the Prescribed Time after the person's Benefits in Divisions B and C of the Fund were deferred, the person has become an employee of an STC Employer or LGSS Employer, and
- (b) the person has thereafter remained an employee of that employer, or been employed by a succession of EISS Employers or LGSS Employers or STC Employers (or any combination), with no break in service longer than the Prescribed Time.

In this subclause 12A.6, the *Prescribed Time* means the time allowed for the purposes of section 30(2) of the *State Authorities Superannuation Act 1987*.

12A.7 Holders of deferred Benefits in Divisions C and D of Fund

A person who is a Category 6 Elector is taken to have transferred employment if:

- (c) within the Prescribed Time after the person's Benefits in Divisions C and D of the Fund were deferred, the person has become an employee of an STC Employer or LGSS Employer; and
- (d) the person has thereafter remained an employee of that employer, or been employed by a succession of EISS Employers or LGSS Employers or STC Employers (or any combination), with no break in service longer than the Prescribed Time.

In this subclause 12A.7, the *Prescribed Time* means the time allowed for the purposes of section 38C(2) of the *Superannuation Act 1916*.

12A.8 Manner and form of exercising option

An Election to exercise a Transfer Option is to be given in writing to the trustee of the Transferee Scheme, using a form approved by that Trustee.

12A.9 Provision of Information

- (a) An Elector must provide such information as may be required to complete the election form, being information that the trustees of the Transferor Scheme or Transferee Scheme may reasonably require to give effect to the Election.

- (b) Either trustee is entitled to require the other to provide information (including members' files) reasonably necessary to give effect to the Election.
- (c) The Trustee is entitled to require an Employer, under a scheme for which it is trustee, to provide such information as may be reasonably necessary to the Trustee in order to give effect to the Election.

12A.10 Time within which option may be exercised

- (a) An Election by a Category 1 or 2 Elector who, in accordance with subclause 12A.2 or 12A.3, is taken to have transferred employment must be made within 3 months after the transfer of employment.
- (b) An Election by a Category 3, 4, 5 or 6 Elector who, in accordance with subclause 12A.4, 12A.5, 12A.6 or 12A.7, is taken to have transferred employment before the Appointed Day, must be made within 12 months after that day.
- (c) An Election by a Category 3, 4, 5 or 6 Elector who, in accordance with subclause 12A.4, 12A.5, 12A.6 or 12A.7, is taken to have transferred employment on or after the Appointed Day, must be made within 12 months after the transfer of employment.
- (d) An Election takes effect when the election form, duly completed, is received by the trustee of the Transferee Scheme.
- (e) However, an Election does not take effect if an Elector has applied for a payment of a benefit (including a deferred benefit) under the Transferor Scheme before the Election is received by the trustee of the Transferee scheme.
- (f) Despite any other provision in this clause, the Trustee of where the Fund is the Transferee Scheme the Trustee may allow an Elector an additional period not exceeding 12 months, in which to make an Election to transfer to the Fund if the Trustee thinks it appropriate in the circumstances.

12A.11 Amounts transferable on exercise of option

- (a) On exercise by a person of a Transfer Option in which the Fund is the Transferor Scheme, there is payable by the Trustee to the trustee of the Transferee Scheme:
 - (i) a superannuation lump sum calculated in accordance with subclause 12A.12; and
 - (ii) the difference between:
 - (1) the sum of the primary and supplementary amounts calculated in accordance with clauses 12A.13 and 12A.14; and
 - (2) the superannuation lump sum referred to in paragraph (i).
- (b) It is the duty of the Trustee to ensure that the payments prescribed by this clause are duly made and credited to the appropriate accounts for the employee concerned in the Transferee Scheme.

[amended by Deed of Amendment No.[26] operative 01/07/07]

12A.12 Superannuation lump sum

- (a) For a Category 1 or 2 Elector, the superannuation lump sum is the amount that would have been immediately payable to the person, in accordance with the Rules, on the person's resignation from his or her employment.
- (b) For a Category 3 Elector, the superannuation lump sum is the sum of:
 - (i) the amount that would have been payable if, on the date the election takes effect, the person had elected to take the benefit payable under section 52I of the *Superannuation Act 1916* or subrule 16.11 of Division C of the LGSS; and
 - (ii) the amount of benefit to which the person was entitled on that date under the *State Authorities Non-contributory Superannuation Act 1987* or Division C of the LGSS.
- (c) For a Category 4 Elector, the superannuation lump sum is the sum of:
 - (i) the amount that would have been payable if, on the date the election takes effect, the person had elected to take the benefit payable under section 43(7) of the *State Authorities Superannuation Act, 1987* or subrule 5.10.10 of Division B of the LGSS; and
 - (ii) the amount of benefit to which the person was entitled on that date under the *State Authorities Non-contributory Superannuation Act, 1987* or Division C of the LGSS.
- (d) For a Category 5 Elector, the superannuation lump sum is the sum of:
 - (i) the amount of Benefit to which the person would have been entitled under subrule 5.10.10 of Division B if the person had resigned from employment and had, on the date the election takes effect, made any necessary election under that Schedule; and
 - (ii) the amount of Benefit to which the person was entitled on that date under Division C.
- (e) For a Category 6 Elector, the superannuation lump sum is the sum of:
 - (i) the amount of cash termination Benefit to which the person would have been entitled under subrule 16.11 of Division D if the person had resigned from employment and had, on the date the election takes effect, made any necessary election under that Schedule; and
 - (ii) the amount of Benefit to which the person was entitled on that date under Division D.

[amended by Deed of Amendment No.[26] operative 01/07/07]

12A.13 Primary amount

- (a) For a Category 1, 3 or 4 Elector, the primary amount is the amount determined by STC or LGSS Pty Limited on actuarial advice to be the value of the person's accrued Benefit in the State Authorities Superannuation Scheme or State Superannuation Scheme or LGSS Division B or LGSS Division D, as the case may be, at the time of the Election.
- (b) For a Category 2, 5 or 6 Elector, the primary amount is the amount determined by the Trustee on actuarial advice to be the value of the person's accrued Benefit in Division B or D, as the case may be, of the Fund at the time of the Election.

12A.14 Supplementary amount

- (a) For a Category 1, 3 or 4 Elector, the supplementary amount is the amount of benefit to which the person was entitled under the State Authorities Non-contributory Superannuation Act, 1987 or Schedule 3 of the LGSS Trust Deed on the date the election takes effect.
- (b) For a Category 2, 5 or 6 Elector, the supplementary amount is the amount of Benefit to which the person was entitled under Division C on the date the election takes effect.

12A.15 Duty of trustees to persons eligible to make Election

- (a) It is the duty of the Trustee under an Election made by an eligible person to transfer to the Fund, to establish the person as a member of or contributor to the Fund.
- (b) An Elector transferring from the State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme or LGSS Divisions B and C is to be established in Divisions B and C.
- (c) An Elector transferring from the State Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme or LGSS Divisions C and D is to be established in Divisions C and D.
- (d) An Elector transferring from the Police Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme is to be established in Divisions B and C.

[(d) inserted by Deed of Amendment No.16 operative 1/7/97]

12A.16 Trustees to determine rights of person transferring

- (a) The Trustee is to determine with actuarial advice, the rights of the Elector in the Fund.
- (b) Regard must also be had to any rights the Elector had in the Transferor Scheme and the rights established in Divisions B and C or Divisions C and D must be as near as possible to them.
- (c) In particular, the Trustee is to take into account the following:

- (i) the person's accrued Benefits in the Transferor Scheme, as certified by the trustee of that scheme;
 - (ii) the Benefits that the person could have accrued by normal retirement age in the Transferor Scheme;
 - (iii) the person's employment status (including salary and whether full-time or part-time) in the Fund, on commencement or recommencement of membership of Division B or Division D.
 - (iv) the amounts being transferred to the Fund by the Transferor Scheme
- (d) In the case of a Category 3, 4 5 or 6 Elector, the Trustee must also take into account:
- (i) the period of employment with any employer responsible for making contributions under either the Transferor or Transferee Scheme, in the period between the date the Benefit was deferred and the date that the person again becomes a member of the Transferee Scheme; and
 - (ii) any employer contributions made by any such employer to any complying superannuation fund in respect of the person during that period.

12A.17 Automatic accrual of certain rights

- (a) A person, who by election, joins or rejoins Division D of the Fund is taken to have met the medical requirements of Rule 3 of Division D.
- (b) A person who was covered for Additional Benefits in the State Authorities Superannuation Scheme or LGSS Division B and who by election joins or rejoins Division B of the Fund is taken to have submitted an application for Additional Benefit cover under Rule 3.2.1 of Division B and the Trustee is taken to have approved that application.
- (ba) A person who was a contributor to the Police Superannuation Scheme on the appointed day and who, by election, joins Division B of the Fund is taken to have submitted an application for Additional Benefit cover under Rule 3.2.1 of Division B and the Trustee is taken to have approved that application.
[inserted by Deed of Amendment No. 16 operative 1/7/97]
- (c) Additional Benefit cover imputed by subclause 12A.17 (b) or (ba) may be revoked in accordance with the relevant Rules of the Fund.
[amended by Deed of Amendment No.16 operative 1/7/97; Deed of Amendment No.[21] operative 1/7/01]

12A.18 Effect of transfers and appeal rights

- (a) On the election taking effect, and subject to any appeal rights in this clause, the person who makes the election ceases to have any entitlements, rights and obligations under the scheme from which the person transferred to the extent to which the member is transferred.

- (b) The rights of appeal available to an Elector before a Transfer Option takes effect continue to apply in respect of matters arising before that option takes effect and any matters as to payment from the transferor scheme.
- (c) An elector who transfers to the Fund has, in respect of any determination by the Trustee as to the elector's rights on transfer to Divisions B and C or Divisions C and D, the same rights of appeal as in respect of a determination by the Trustee under the Trust Deed.

13. INSURANCE POLICIES

13.1 Insurance policies effected by Trustee

The Trustee may effect insurance policies in its own name by a separate insurance policy or as part of the insurance provided in respect of a number of Beneficiaries under a group or master policy issued to the Trustee. The terms of an insurance policy in respect of a Beneficiary shall bind the Beneficiary and any person who is or becomes entitled to a Benefit in respect of the Beneficiary.

13.2 Operation of insurance policy

Any Insured Benefit shall be subject to the terms of any insurance policy under which it is provided and no payment shall be required to be made in respect of a Beneficiary in satisfaction of any Insured Benefit of any amount greater than the amount received by the Trustee under the insurance policy less any deductions for Taxes the Trustee is entitled to make under this Deed.

13.3 Cover declined

If the insurer under an insurance policy declines to provide, or will only provide subject to qualifications, insurance for any Insured Benefit under that policy then the Trustee shall not be required to arrange any other or alternative insurance policy.

13.4 Medical examination and availability of insurance policy

In respect of any Insured Benefit, the obligations of the Trustee to effect an insurance policy under this clause shall be conditional upon the Beneficiary submitting to such medical examination and providing such information as the insurer under an insurance policy requires.

13.5 Establishment of advisory panels

The Trustee may establish one or more panels comprised of people it considers suitably qualified to advise it on matters arising in relation to any Insured Benefits or under or in relation to any insurance policy, matters in relation to claims for Benefits (including claims for Benefits on disablement) and any other matters it considers necessary or desirable.

14. BENEFITS

14.1 Compliance with Superannuation Law

The payment of Benefits shall be subject to Superannuation Law and the Trustee shall not be required to pay a Benefit to a Beneficiary, dependant, legal personal representative or any other person other than in accordance with Superannuation Law.

14.2 Compulsory payment of Benefit

If the Trustee is required to pay a Benefit at or by a certain time by Superannuation Law or is otherwise required to pay a Benefit by Superannuation Law then notwithstanding any provision in the Rules or the fact that a claim has not been made under this clause, the Trustee may pay the Benefit to or in respect of a Beneficiary in accordance with Superannuation Law, less any deduction that is required to be made in respect of any Taxes.

14.3 Treatment of certain Benefits

Subject to the Rules, if any Benefit (or part of any Benefit) otherwise payable to a Beneficiary is unable to be paid in cash by reason of Superannuation Law then the Benefit may be transferred to another Eligible Fund elected by the Beneficiary and approved by the Trustee.

14.4 Payment of Benefits

Subject to the Rules, the Trustee may pay the Benefit to or in respect of a Beneficiary by way of lump sum, pension or by purchase of an annuity and otherwise in accordance with the Rules applicable to the Beneficiary.

14.5 Place and manner of payment

- (a) Subject to this Deed, Benefits shall be payable at the place and in the manner as determined or approved of by the Trustee and the Trustee may make payment by cheque or cause an insurer to draw and pay by cheque on behalf of the Trustee and the Trustee or insurer may mail the cheque to the payee at the last address known to the Trustee of that payee.
- (b) Notwithstanding any other provision of this Deed, a Beneficiary shall not be entitled to be paid a Benefit until the Trustee has:
 - (i) in the case of sub-clause 14.2, determined to pay a Benefit; or
 - (ii) in any other case, received a claim from an Employer or Beneficiary (as the case may be) together with such other information as the Trustee may require,and in the case where any Insured Benefit is payable, the insurer under an insurance policy has determined to accept and pay the claim.

14.6 Proofs

Whenever it is necessary for the Trustee to decide questions of fact the Trustees may act upon such proofs or presumptions as it considers satisfactory whether or not they are strictly legal proofs or legal presumptions.

14.7 Payment of Benefit conditional upon evidence

The Trustee may suspend payment of a Benefit until all information and evidence required by the Trustee is received from the Employer, the Beneficiary or the person to whom the Benefit is to be paid and in particular the Trustee may require any person to whom a Benefit is to be paid to satisfy the Trustee that the person is entitled to receive the Benefit in accordance with Superannuation Law.

14.8 Discharge of Trustee

The receipt of a person to whom a Benefit is paid shall absolutely discharge the Trustee in respect of the Benefit paid to that person and the Trustee is not bound to see to the application of that Benefit.

14.9 Legal disability of person

If it appears to the Trustee that a Beneficiary or other person to whom a Benefit would otherwise be payable is under any legal disability or is unable for any reason whatsoever to satisfactorily deal with such Benefit the Trustee may pay or apply the whole or part of any such Benefit in one or more of the following ways:

- (a) to any dependant of the Beneficiary or other person;
- (b) for or towards the maintenance, education, advancement or otherwise for the benefit of the Beneficiary, other person or any dependant of the Beneficiary or other person in such form and manner and subject to such terms and conditions as the Trustee thinks fit; and
- (c) without limiting paragraph (b), to a person who appears to the Trustee to be a trustee or is willing to act as trustee for or a parent or guardian of or to have for the time being the care or custody of the Beneficiary or other person or to have the financial expense of the care or custody of the Beneficiary or other person.

[amended by Deed of Amendment No.9 operative 28/3/01]

In this clause, *dependant* has the same meaning as in Superannuation Law.

14.10 Trustee not obliged

The Trustee is not obliged to have recourse to clause 14.9 or to consider whether recourse should be had to clause 14.9 notwithstanding that the Trustee may have actual notice of any legal disability of the Beneficiary or other person.

14.11 Claim for Benefits

Upon the Trustee being satisfied that a claim for an Insured Benefit has arisen, the Trustee shall, as soon as practicable, lodge a claim with the insurer in relation to that Beneficiary and upon receiving payment of such Insured Benefit the Trustee shall promptly pay such Benefit to or in respect of the Beneficiary or cause the insurer to pay the Benefit to or in respect of the Beneficiary.

14.12 Notice of claim

An Employer or Beneficiary shall promptly advise the Trustee of any event which would entitle a Beneficiary to receive a Benefit in such form as is required by the Trustee.

14.13 Trustee may require proof of continued employment

The Trustee may by notice in writing to a Beneficiary (other than a Pensioner) require the Beneficiary to provide evidence satisfactory to it that the Beneficiary is gainfully employed to a level required under the Superannuation Law or is otherwise not entitled to be paid a Benefit and if the Beneficiary has reached an age at which a Benefit is payable and the Trustee is not satisfied that the Beneficiary is gainfully employed to a level required under the

Superannuation Law or is otherwise prohibited from receiving a Benefit then the Trustee may pay the Benefit to the Beneficiary as if that Beneficiary had become entitled to it on the date of payment.

[amended by Deed of Amendment No.[23] operative 1/7/04]

14.14 Deferral of Benefit payment

Where the Trustee must dispose of any assets of the Fund and convert them to cash in order to pay a Benefit, the Trustee may delay payment of the Benefit for such period as the Trustee sees fit in order to reasonably facilitate the orderly disposal of those assets.

14.15 Maximum liability of Trustee

Notwithstanding any other provision of this Deed or the Rules, the Trustee shall not be required to make any payment from the Fund in excess of the net realisable assets of the Fund nor shall any Employer or Beneficiary bear any liability for such excess.

14.16 Discharge by trustee of eligible rollover fund

The receipt of the trustee of an eligible rollover fund in respect of the Benefit of a Beneficiary paid to that eligible rollover fund shall absolutely discharge the Trustee in respect of the Benefit of that Beneficiary and the Beneficiary shall cease to have any rights against the Fund.

14.17 Payment of Benefits without grant of probate

If a Beneficiary dies and:

- (a) a Benefit is, or becomes, payable from the Fund in relation to the Beneficiary;
- (b) production to the Trustee of probate of the will, or letters of administration of the estate, of the Beneficiary has not been arranged;
- (c) the Trustee has not, within the period of 3 months that next succeeds the death of the Beneficiary, received a notice of intention to apply for a grant of probate of the will, or letters of administration of the estate, of the Beneficiary, and
- (d) the Trustee has not made a determination to pay the Benefit in accordance with the Rules,

subject to Superannuation Law, the Trustee may, if it so decides, make a payment of the whole or any part of the Benefit, being a payment that does not exceed \$20,000 or such other lesser amount as determined by the Trustee.

[amended by Deed of Amendment No.8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01]

14.17A Binding Beneficiary Nomination

[inserted by Deed of Amendment No.9 operative 27/6/0; replaced by Deed of Amendment No.[24] operative 24/10/05]

14.17A.1 Nominated beneficiary

A Member may request the Trustee by notice in a form prescribed by the Trustee that if upon the death of the Member a Benefit becomes payable in respect of that Member then all or a specified part of that Benefit is to be paid to the Nominated Beneficiary. The Trustee shall

comply with the requirements of Superannuation Law for the acceptance and continuing operation and validity of Binding Nominations.

14.17A.2 Payment of Death Benefit where no Binding Death Benefit Nomination

If there is no Nominated Beneficiary then the Trustee shall pay the Benefit:

- (a) Where the Member is survived by his or her Spouse, to the Member's Spouse.
- (b) Where the Member is not survived by a Spouse, to the legal personal representative of the Member.

14.17A.3 Variation of nomination

If a Member notifies the Trustee in writing of a variation to any previous nomination of a Nominated Beneficiary or any request in relation to a Nominated Beneficiary, then that variation shall not take effect unless and until it is received and accepted by the Trustee and the Trustee is satisfied that it meets the requirements of Superannuation Law for a binding death benefit nomination, and in that event it shall terminate any prior nomination or request given by the Member.

14.18A Competing claims for Spouses' Benefits

[inserted by Deed of Amendment No.9 operative 27/6/01]

- (a) If a Benefit would be payable to more than one person because:
 - (i) a deceased Contributor, Member or pensioner; or
 - (ii) a deceased former Contributor, Member or pensioner,has left more than one Spouse, then, despite any other provision of the Deed or Rules:
 - (iii) the Benefit is payable in accordance with a determination made by the Trustee, and not otherwise; and
 - (iv) the total amount of Benefit payable to those persons at any time is not to exceed the amount of Benefit that would be payable if there were only one Spouse.
- (b) For the purposes of subclause (a), the Trustee may determine in relation to a Benefit:
 - (i) that the Benefit is not payable to such of the persons concerned as it specifies;
 - (ii) that the amount of the Benefit is to be apportioned between the persons concerned in such manner as it specifies; or
 - (iii) to pay part or all of the Benefit to the legal personal representative of the deceased Beneficiary.

14.18 Payment of Benefits – Family Provision Act

[deleted by Deed of Amendment No.9 operative 27/6/01]

14.19 Payment to legal personal representative

[deleted by Deed of Amendment No.9 operative 27/6/01]

14.20 Benefit not part of estate

A Benefit payable on the death of a Beneficiary is not an asset in the Beneficiary's estate, unless it is paid to the estate.

14.21 Loss of rights, privileges or benefits

If a person is entitled to exercise a right or enjoy a privilege or benefit under the Rules and, without having exercised the right or enjoyed the privilege or benefit, the person ceases to be entitled to do so, the person may exercise the right or enjoy the privilege or benefit if the Trustee determines (whether subject to conditions or otherwise) that it is just and equitable for the person to do so and gives its consent to the exercise or enjoyment by the person of the right, privilege or benefit.

14.22 Financial hardship

The Trustee may determine, and vary:

- (a) a minimum Benefit Account balance which must remain in a Division after payment of an amount to a Beneficiary on the grounds of severe financial hardship; and
- (b) any criteria for eligibility for payment on the grounds of severe financial hardship.

14.23 Reduction in Pensions and Benefits to offset Tax

[inserted by Deed of Amendment No.[1] operative 27/4/98]

14.23.1 Whenever:

- (a) a right to a Benefit under this Fund accrues to or in respect of a Beneficiary or former Beneficiary or where a Family Court Order, a Superannuation Agreement or Flag Lifting Agreement applies, and
[amended by Deed of Amendment No.[21] operative 28/12/02]
- (b) the Trustee has paid or is liable to pay an amount of Superannuation Contributions Surcharge in respect of contributions, notional contributions or allocated surplus amounts that are referable to the Beneficiary or former Beneficiary,

the Trustee must, subject to clause 11.9 and subclause 14.23.2, make a determination reducing the employer-financed portion of that Benefit by the amount of debt (including accrued interest) owed for Superannuation Contributions Surcharge in respect of the Contributor or former Contributor, less any payments made by the Contributor or former Contributor towards reduction of the debt.

14.23.2 Subclause 14.23.1 does not authorise the reduction of a Benefit as a result of a liability for Superannuation Contributions Surcharge where the benefit is of a kind the Trustee has determined should not be the subject of the reduction.

14.24 Commutation of pensions for adjustment of benefits

[inserted by Deed of Amendment No.[1] operative 27/4/98]

14.24.1 If a determination reducing a Benefit that may be taken in the form of a pension is made under clause 14.23, the Trustee may, at its discretion and with the consent of the Contributor or former Contributor concerned, commute part of the pension to a lump sum for the purposes of payment to the Trustee of the amount of the reduction.

14.24.2 Commutation of part of a pension under this clause:

- (a) does not affect any other right that the Contributor or former Contributor has to commute the pension under the Fund, and
- (b) is not to be taken into account for the purpose of determining whether, and to what extent, any such other right may be exercised, and
- (c) is to be done on a basis determined by the Trustee for the purposes of this section.

14.24.3 the Trustee may obtain actuarial advice for the purpose of determining the basis on which part of a pension is to be commuted under this section.

14.24.4 This section has effect despite any other provision of this Deed.

14.25 Payment of benefits – Family Law Act requirements

[Subclause inserted by Deed of Amendment No.[21] operative 28/12/02]

14.25.1 Where a person is a Member of Pool A of the Fund, their Non-Member Spouse may direct the Trustee to open a separate account within Pool A of the Fund or else rollover the entitlement to another Eligible Fund. In the absence of any direction, the Trustee shall establish a separate account within Pool A for the Non-Member Spouse. On the opening of the account, the Non-Member Spouse will be accepted as a Member of the Division within Pool A determined by the Trustee.

14.25.2 Where a person is a Member of Pool B of the Fund, their Non-Member Spouse may direct the Trustee to rollover their entitlement to another Eligible Fund. In the absence of any direction, the Trustee shall rollover the entitlement to an eligible rollover fund.

14.25.3 The Trustee shall reduce the Member's Superannuation Interest in accordance with the provisions set out in the rules of the Member's Divisions.

14.25.4 The Trustee shall comply with any Family Law Order made in accordance with section 90MV of the Family Law Act terminating the operation of a Splittable Payment.

14.25.5 If the Non-Member Spouse dies after the Operative Time for a payment split: (a) the payment split nevertheless continues to operate;

- (a) the payment split then operates in favour of the legal personal representative of the deceased Non-Member Spouse and is binding on that legal personal representative; and
- (b) the legal personal representative has all the rights the deceased Non-Member Spouse would have had in respect of the payment split, including the right to serve a waiver notice under section 90MZA of the Family Law Act.

- 14.25.6 The Trustee shall calculate the value of a Family Law Spouse Amount in respect of a Member's Superannuation Interest in accordance with the rules applying to the Member's Divisions, as amended from time to time.
- 14.25.7 The Trustee may adjust a benefit amount for investment earnings from the Operative Time to the day before the transfer date if a Superannuation Interest is not split until after the Operative Time.
- 14.25.8 The Trustee may charge or recover from a person, including a Member and Non-Member Spouse, such fees and costs in relation to any Family law dealings, unless prohibited by law.
- 14.25.9 The Trustee shall not be liable for any loss or damage suffered by any person because of things done (or not done) by the Trustee in good faith in reliance on:
- (a) any document served on the Trustee for the purposes of this clause 14.25; or
 - (b) a Family Court Order.

15. FORFEITURE OF BENEFITS

The interest in the Fund of a Beneficiary and those entitled to a benefit on the death of the Beneficiary is personal to that person and the Trustee shall not recognise any assignment, claim or charge in respect of that interest unless that assignment, claim or charge is permitted expressly or by necessary implication by Superannuation Law.

16. EXPENSES AND TAXATION

16.1 Payment of Tax

The Trustee shall pay such Taxes or instalments thereof in respect of the Fund as may be determined pursuant to, and in accordance with, the provisions of relevant legislation and the Trustee may allocate the Taxes among Benefit Accounts as appropriate, establish Benefit Accounts for providing for Taxes or reserves for Taxes and realise any asset of the Fund (including any insurance policy, or units or interests under any insurance policy) in whole or in part allocated to those Benefit Accounts for the purpose of meeting its liability under this clause.

16.2 Provision for Tax

Notwithstanding any provision of this Deed, the Trustee may from time to time and at any time deduct, set aside and make a provision or provisions from the Fund for such Tax as it, in good faith, and in its absolute discretion and in accordance with relevant legislation estimates will be payable from time to time by the Fund in respect of the relevant year of income and, without limitation, in deducting and setting aside and making provision for such Tax the Trustee shall be entitled to have regard to the unrealised capital gains accrued on any investments of the Fund and any other matter or thing which the Trustee in good faith and in its absolute discretion considers appropriate and the Trustee may transfer amounts from any Benefit Accounts to Benefit Accounts established for the purpose of providing for Taxes or reserves for Taxes.

16.3 Taxation credits or rebates

Subject to the Income Tax Acts, where the Trustee is in receipt of any income in respect of which there arises any taxation credit or rebate, the Trustee shall be entitled in its absolute

discretion to offset such credits or rebates against any provisions for Tax established pursuant to this Deed and, notwithstanding the time at which such credits or rebates are received, shall be entitled in its absolute discretion to apportion such credits or rebates across the relevant year of income for the purposes of the Income Tax Acts as the Trustee thinks fit.

16.4 Adjustments

The Trustee shall pay Taxes for the Fund as determined pursuant to the Income Tax Acts and shall, in respect of the amount or amounts of such payments debit the provisions for Taxes made pursuant to this Deed in respect of the year of income to which such Taxes relate and:

- (a) where the provisions for Taxes made in respect of any year of income exceed the Taxes payable in the year of taxation in respect of such year of income, the Trustee shall credit the provisions for the Fund in respect of the next succeeding year of income (or part thereof as the Trustee in its absolute discretion determines) with such amount or otherwise deal with it as it considers equitable; and
- (b) where the provisions for Taxes made in respect of any year of income is less than the amount of Taxes payable in the year of taxation in respect of that year of income, the Trustee shall be entitled, as the Trustee sees fit, to debit the excess of Taxes to such provisions for Taxes the Trustee may have made in respect of the next succeeding year of income of the Fund (or part thereof as the Trustee in its absolute discretion determines).

16.5 Expenses and obligations

Notwithstanding anything contained in this Deed, the Trustee may from time to time and at any time:

- (a) realise any asset of the Fund in whole or in part; and
- (b) from the Fund deduct, set aside and make a provision or provisions,

as the Trustee in good faith and in its absolute discretion deems proper for meeting anticipated expenses or obligations as in the opinion of the Trustee should be provided for, including (without limitation) a provision or provisions for Tax which will or may in the opinion of the Trustee be payable in respect of capital gains which may or might be realised on the disposal of assets of the Fund in succeeding years of income. Such realisation of assets, deduction, setting aside or provision may be made from or against such part of the Fund as the Trustee in its absolute discretion deems appropriate.

16.6 Determination by Trustee

Notwithstanding anything contained in this Deed the Trustee may in its absolute discretion determine:

- (a) whether any amount received or receivable is or is to be received on capital or income account, or whether any outgoing, loss, expense, provision or amount is incurred on capital or income account;
- (b) whether a capital profit or loss has been realised;
- (c) the amount of any realised or unrealised capital profit or loss;

- (d) the amount of any consideration received on the disposal of a part of the Fund;
- (e) the amount paid or deemed paid or the value given for a part of the Fund at the time it became part of the Fund; or
- (f) whether any Tax is payable and, if so, the amount payable,

and every such determination shall be final and conclusive and no Beneficiary or former Beneficiary shall have any right or claim against the Trustee personally arising out of such decision or its implementation but shall not by reason of this proviso be debarred from asserting any claim in respect of his interest in the Fund.

16.7 Arrangements with other entities

The Trustee may from time to time and at any time in its absolute discretion and upon such terms as it sees fit enter into an arrangement or arrangements with an insurer under an insurance policy, a registered organisation or a pooled superannuation trust or any other appropriate entity which has the effect of transferring to that entity all or part of the liability for Tax of the Fund.

17. CONDITIONS OF EMPLOYMENT NOT AFFECTED

Nothing in this Deed whether express or implied shall:

- (a) in any way restrict an Employer in varying or terminating any contract of employment or terms of engagement of a Member;
- (b) in any action against an Employer by a Member be used as a ground for awarding damages or compensation or increasing an award for damages or compensation or for conferring any rights on a Member other than those expressly conferred by this Deed.

18. NATIONAL OR OTHER SUPERANNUATION SCHEMES

18.1 Variation of Contributions and Benefits

Subject to this Deed and Superannuation Law, if any government introduces or varies any scheme (including any scheme to which an Employer becomes obliged to contribute under any prescribed agreement or award) for insurance, superannuation, social service, pension or retirement benefits in respect of which Members may be or become eligible the Trustee may in such manner as is permitted by Superannuation Law reduce or otherwise vary:

- (a) the Contributions made by an Employer and Members employed by that Employer and the basis on which those Contributions are vested; and
- (b) the Benefits payable in respect of those Members under this Deed.

18.2 Prescribed Agreements and Awards

If with the intention of complying with any requirement to provide any superannuation benefits required under any prescribed agreement or award, an Employer or Member makes Contributions to any Division then:

- (a) the Employer or Member must satisfy him, her or itself that the payment of the Contribution and the terms of the Fund meet the requirements of any such prescribed agreement or award;
- (b) the Trustee shall not be liable to the Employer, the Member or any of the Employer's Members for any failure of those Contributions or the Division to which they are applied to satisfy the requirements of any such prescribed agreement or award;
- (c) if the Employer or Member notifies the Trustee that the payment of the Contributions to the Division is in breach of any such prescribed agreement or award then the Trustee may refuse to accept any further Contributions paid in that regard and may transfer the Benefit or part of the Benefit that has arisen from those Contributions to an Eligible Fund that complies with the requirements of the relevant prescribed agreement or award in accordance with the provisions of clause 12.

19. RULES

19.1 Inconsistency

If the Rules are inconsistent with any other provisions of the Deed then the provisions of the Deed shall prevail unless the Rules expressly provide to the contrary.

19.2 Express provision in Rules

A provision in the Rules that deals with the same matter as another provision in the Deed shall not be taken to limit the other provision appearing in the Deed unless it does so expressly.

20. AMENDMENT OF TRUST DEED

20.1 Amendments

Subject to sub-clauses 20.2 and 20.4, the Trustee may, with the consent of the Minister, at any time by Deed or by oral or written resolution, amend, add to, delete or replace all or any of the provisions contained in this Deed, including the provisions of this clause, and the amendment, addition to, deletion or replacement may be retrospective or take effect on a specified date.

20.2 Amendment not to reduce Benefits

No amendment shall be made under sub-clause 20.1 which would have the effect of adversely altering a Beneficiary's right or claim to accrued Benefits or the amount of those accrued Benefits unless such amendment is permitted by Superannuation Law.

20.3 Actuary's advice

In determining whether or not the effect specified in sub-clause 20.2 will occur the Trustee may rely on the advice of the appointed Actuary (if any).

20.4 Amendment not to permit natural person trustee

No amendment shall be made to the Deed which would have the effect of permitting a natural person to be appointed as trustee of the Fund unless after the amendment the sole or primary purpose of the Fund is the provision of pensions.

20.5 Amendments to New Divisions

[inserted by Deed of Amendment No.[1] operative 27/4/98]

The Trustee may, in its absolute discretion, exercise its powers in clause 20.1 without requiring the consent of the Minister, to amend, add to, delete or replace all or any of the provisions of a new Division created in accordance with clause 3.7.

21. SUPERANNUATION LAW

21.1 Superannuation Law deemed to be included

Notwithstanding any provision of this Deed any provision of Superannuation Law that is required to be included in this Deed for the Fund to remain or to be a complying superannuation fund shall be deemed to be included in this Deed as if every such provision was set out in this Deed on and from the date that the provision is required to be so included.

21.2 Inconsistency of provisions

In the event of any inconsistency between the provisions deemed by sub-clause 21.1 to be included in this Deed and the terms of this Deed, the provisions deemed to be included by sub-clause 21.1 shall prevail.

21.3 Trustee not in contravention

The Trustee shall not be taken to be in contravention of this Deed or to be in breach of trust if it does anything or fails to do anything which is in contravention of Superannuation Law if the Superannuation Authority is satisfied that the contravention does not warrant the giving of a notice that the Fund is not a complying superannuation fund in relation to a year of income.

21.4 Modification or exemption

Subject to Superannuation Law, the Trustee may seek modification of or exemption from the requirements of Superannuation Law, and if any modification or exemption is granted by the Superannuation Authority, the Trustee is relieved from compliance with those provisions of the Trust Deed and Superannuation Law expressed in that modification or exemption subject to any conditions in that modification or exemption.

22. TERMINATION OF FUND OR DIVISION

22.1 Termination of Fund

If:

- (a) the Trustee determines that it has become impracticable or inexpedient to continue the Fund; or

- (b) there are no Employers who are responsible to make contributions to the Fund and the Trustee determines that it is not likely that any person will apply to become an Employer,

the Trustee may, with the consent of the Minister, terminate the Fund from a date agreed between the Trustee and the Minister (*Termination Date*).

22.2 Consequences of termination

On and from the Termination Date:

- (a) no further Employees shall be admitted to membership of the Fund; and
- (b) the Trustee shall not accept any further Contributions (other than those due on or prior to the Termination Date) and all outstanding Contributions shall be paid forthwith.

22.3 Payments on termination

Upon termination of the Fund, the Trustee shall make such provision out of the assets of the Fund as is necessary to provide for the following in the following order of priority:

- (a) Tax, whether or not assessed or presently payable;
- (b) expenses of the Fund, including those incurred or to be incurred by the Trustee in connection with the termination of the Fund;
- (c) Benefits which became payable prior to the Termination Date;
- (d) in the case of Division A to E:
 - (i) Benefits which would be payable to each Deferred Member had the Deferred Member's Benefit become payable at the Termination Date; and
 - (ii) an amount equal to the Benefit which would be payable to each Member in accordance with the Rules of the relevant Division if the Member's employment was terminated by the Employer on that date or such greater amount as the Trustee with the consent of the Minister may determine; and
- (e) in the case of Division B, C and D the Trustee shall continue to hold the assets of Pool B on trust for the Beneficiaries and that Division in accordance with this Deed until all Benefits have been paid and any assets remaining shall thereupon be applied as the Trustee, with the consent of the Minister, may determine.

22.4 Surplus

If after making the provisions set forth in sub-clause 22.3 the Trustee is of the opinion that the value of assets of the Fund exceeds the value of the liabilities then the excess amount may be applied by the Trustee for any of the following purposes:

- (a) to be repaid to an Employer;

- (b) in increasing the provisions made for Beneficiaries of the Fund as at the Termination Date;
- (c) to be paid to the State of New South Wales;
- (d) for such other purposes as the Trustees and Minister may agree.

22.5 Payment of Benefits on termination

The Benefits payable on termination of the Fund shall be in such form and be provided through such arrangements as the Trustee and the Employer shall determine including by way of transfer to an Eligible Fund nominated by the Employer as the fund to which it will be making contributions in respect of Members after the Termination Date. Each Beneficiary shall accept the Benefits allotted by the Trustee in full discharge of all claims in respect of the Fund and shall have no further claim whatsoever in relation to the Fund. Any decision by the Trustee in relation to the amount or method of payment of any such Benefits shall be final. In the absence of any agreement with the Employer as to the Eligible Fund to which a Beneficiary's Benefit should be transferred, the Trustee may transfer the Benefit to a successor fund.

22.6 Termination of Division

If the Trustee determines that it has become impracticable or inexpedient to continue a Division, the Trustee may, with the consent of the Minister, terminate the Division from a date agreed between the Trustee and the Minister (*Termination Date*). If a Division is to be terminated, the provisions of clauses 22.2 and 22.3 apply as though references to the "*Fund*" were references to a "*Division*".

22.7 Termination of Pool

If the Trustee determines that it has become impracticable or inexpedient to continue a pool, the Trustee may, with the consent of the Minister, terminate the pool from a date agreed between the Trustee and the Minister (*Termination Date*). If a Pool is to be terminated, the provisions of clauses 22.2 and 22.5 inclusive apply as though references to the "*Fund*" were references to a "*Pool*".

22.8 Termination of participation of Employer on occurrence of certain events

If any of the following events occur, the Trustee may, by notice to an Employer, terminate the participation of that Employer in a Fund:

- (a) if the Employer with the consent of the Minister terminates its Contributions to the Fund;
- (b) the Employer ceases to carry on business or is placed in liquidation; or
- (c) if there ceases to be any Members employed by that Employer in the Fund;
- (d) if a provision as to termination in an Employer's Deed of Adherence applies,
[(d) inserted by Deed of Amendment No.18 operative 5/2/03]

Paragraph (a) does not apply where it is provided in the Employer's Deed of Adherence that it does not apply. A provision as to termination in an Employer's Deed of Adherence may also confer on the Employer the right to terminate its participation in the Fund.

[paragraph inserted by Deed of Amendment No. 18 operative 5/2/03]

22.9 Termination procedures

On termination of participation by an Employer in the Fund pursuant to sub-clause 22.8:

- (a) the Trustee after consultation with the Employer shall specify a date (***Retirement Date***) upon which the Employer shall retire;
- (b) the Employer shall immediately pay all arrears, if any, of Contributions up to the Retirement Date;
- (c) Benefits which have become payable on or before the Retirement Date shall continue to be payable out of the Fund; and
- (d) the Trustee after obtaining the advice of the Actuary shall certify what proportion of the Assets of the Fund, including arrears, if any, of Contributions still to be made pursuant to sub-clause 22.8(b), is properly attributable to Members who were in the employ of the Employer at the Retirement Date.

22.10 Consequences of termination of participation of an Employer

Upon the termination of an Employer's participation in the Fund, the Trustee shall notify all Members employed by that Employer (***Out-Going Members***) and from the date of that notice, the Out-Going Members shall cease to be entitled to contribute to the Fund without the consent of the Trustee.

22.11 Provision for Out-going Members

The Trustee shall appropriate in respect of each Out-Going Member an amount equal to the Benefit which would be payable to the Member in accordance with the appropriate Division of this Deed if the Member's employment was terminated by the Employer on that date or such greater amount as the Trustee may determine (***Appropriated Amount***).

22.12 Payment of Appropriated Amount

The Trustee shall pay or apply the Appropriated Amount in respect of each Out-Going Member to another Eligible Fund with the consent of the Out-Going Member or as otherwise permitted by Superannuation Law.

22.13 No further claims

An Out-going Member to whom an Appropriated Amount has been paid or applied under sub-clause 22.12 shall have no right or claim against the Fund.

22.14 Final Accounts

The Trustee shall cause final accounts of the Fund to be prepared and shall have those accounts audited by the Auditor.

23. PAYMENTS TO EMPLOYER**23.1 Payment of surplus or reserve amounts**

Subject to sub-clause 23.2, no amount shall be paid to an Employer under this Deed other than in compliance with Superannuation Law.

23.2 Payment for services rendered

The Trustee may pay an amount to an Employer in respect of services rendered by it in connection with the management or operation of the Fund.

24. COMPLAINTS**24.1 Complaints procedure**

The Trustee will establish a complaints procedure to deal with complaints by Beneficiaries in a manner required by Superannuation Law. The procedure will be determined by the Trustee in its absolute discretion.

24.2 Appeal from Trustee's decision

In addition to any right that a Beneficiary who became a Beneficiary pursuant to the Transfer Regulation referred to in clause 3.3 may have to challenge the Trustee's decision under Superannuation Law, such Beneficiary may appeal against any decision of the Trustee to the Industrial Relations Commission. Any appeal to the Industrial Relations Commission must be made within six months after the Beneficiary is notified of the decision or determination of the Trustee or within such further period as the Industrial Relations Commission allows. Any appeal to the Industrial Relations Commission shall be subject to the provisions of section 40 of the Administration Act.

24.3 Complaints to delay payment

The Trustee shall have no obligation to pay any Benefit on the death of a Beneficiary (other than a person who became a Beneficiary pursuant to the Transfer Regulation referred to in clause 3.3) until:

- (a) the time to lodge a complaint or appeal by the persons notified by the Trustee under the Complaints Act has lapsed; and
- (b) any complaint or appeal has been dealt with.

25. NOTICES AND ELECTIONS**25.1 Notice by Trustee**

Subject to Superannuation Law, any notice or information required to be given by the Trustee to:

- (a) Beneficiaries under this Deed shall be deemed to have been duly given if given in writing to a Beneficiary by letter addressed to the Beneficiary at the Beneficiary's last known address;

- (b) an Employer shall be deemed to have been duly given if given in writing to the Employer at the address advised in writing to the Trustee.

Any notice given by post shall be deemed to have been served at the time when it was posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted and a statement signed by the Trustee that it was so addressed and posted and when it was so posted shall be conclusive of that fact.

25.2 Notice to Trustee

Any notice or information required to be given to the Trustee by a Beneficiary or Employer shall be deemed to be duly given if given in writing to the Trustee at the registered office of the Trustee. Any notice or information given by post shall be deemed to have been served at the time when it was posted and in proving such service it shall be sufficient to prove that the letter containing it was properly addressed and posted and a statement signed by the person giving the notice or information that it was so addressed and posted and when it was so posted shall be conclusive of that fact.

25.3 Making an application

An application or election required to be made to the Trustee under the Rules must be in writing signed by the person making it.

25.4 Timing of application

An election or application under the Rules is validly made if it is received at the registered office of the Trustee:

- (a) if a day is specifically prescribed by or under the Rules or rules of the Trustee for the receipt of an election or application of that class, not later than on that day; or
- (b) in any other case not later than at the end of the period of 2 months that next succeeds the vesting of the right to make the election or application.

25.5 The Trustee may accept late election or application

The Trustee may, subject to such terms and conditions as it may impose, accept an election or application which is not received at the registered office of the Trustee within the time prescribed by or under the Rules or rules of the Trustee if the Trustee is satisfied that, in all the circumstances, it is desirable that the election or application should be accepted. If the Trustee accepts a late election or application the Trustee may deal with it as if it had been received within the time prescribed.

25.6 When an election or application takes effect

An election or application under the Rules takes effect:

- (a) if under the Rules or rules of the Trustee, a day is specifically prescribed for the taking effect of an election of the same class, on that day; or
- (b) in any other case, on a day determined by the Trustee.

25.7 Amendment or revocation of election or application

An election or application under the Rules may, with the approval of the Trustee, be amended or revoked subject to such conditions as the Trustee may impose, which may include conditions as to:

- (a) in the case of an amendment of an election, the day or days on which, or the manner in which, the election is to take effect; and
- (b) in the case of revocation of an election, the day on which the revocation takes effect.

26. COPIES OF TRUST DEED

A copy of this Deed (but only including those Rules applicable to the Employer or Beneficiary seeking inspection) shall at all times during usual business hours be made available by the Trustee at the principal office of the Trustee for the inspection of Employers and Beneficiaries who shall be entitled to receive from the Trustee a copy of this Deed and those Rules applicable to that Employer or Beneficiary.

27. MISCELLANEOUS

27.1 Currency

All Benefits are expressed and paid in Australian currency unless expressly otherwise agreed by the Trustee with an Employer or Beneficiary.

27.2 Governing law

This Deed shall be governed by and construed in accordance with the law of New South Wales.

27.3 Indemnities

Each indemnity in this Deed is a continuing obligation and shall survive the termination of this Deed. It is not necessary for any person entitled to the benefit of an indemnity under this Deed to incur expense or make payment before enforcing a right of indemnity conferred by this Deed.

EXECUTED as a Deed in Sydney.

EXECUTED by
**ENERGY INDUSTRIES
SUPERANNUATION SCHEME
PTY LTD** under its common seal
in the presence of:

.....
Signature

.....
Signature

.....
Print name

.....
Print name

.....
Office held

.....
Office held

SIGNED SEALED and DELIVERED by the
**HONOURABLE MICHAEL EGAN M.L.C.,
TREASURER** for and on behalf of **THE
STATE OF NEW SOUTH WALES** in the
presence of:

.....
Signature

.....
Witness

.....
Print name

.....
Print name

ANNEXURE A

Part 1

Nil

Part 2

- New South Wales Electricity Transmission Authority
- Australian Inland Energy Water Infrastructure
- Country Energy
- Energy Australia
- Integral Energy Australia
- Electrical Trades Union of Australia (New South Wales Branch)
- Electricity Association of New South Wales
- Snowy Mountains Hydro-Electric Authority
- Pacific Power
- Integral Energy Gas Limited
- Superannuation Services Company Pty Limited
- Energy Industries Superannuation Scheme Pty Limited
- Energy Industry Ombudsman (NSW) Limited
- Integral Energy Appliance Sales Pty Limited
- InfoMet Pty Limited
- Aurecon Australia Pty Ltd (formerly Connell Wagner Pty Limited)
- Coal Services Pty Limited
- Chifley Financial Services Limited
- FuturePlus Financial Services Pty Limited

ANNEXURE B

DEED POLL OF ADHERENCE

DEED POLL dated

by:

1.

*(Employer)***RECITALS**

- A. By a deed of trust dated [*] (*Trust Deed*) a superannuation fund known as [*] **Superannuation Fund (Fund)** was established for the purpose of the provision of superannuation benefits for those persons who become Members of the Fund.
- B. The Employer wishes to adopt the Fund for the purpose of the provision of superannuation benefits for those of its Employees who become Members of the Fund.

IT IS DECLARED as follows:

1. The Employer adopts the Fund for those of its Employees who become Members and agrees that it will in respect of each such Member whilst an Employee of the Employer contribute to the Fund such amounts as it is required to contribute under the Trust Deed and relevant Rules of the Fund.
2. The Employer agrees to be bound by the terms of the Trust Deed and undertakes to observe and perform in accordance with the Trust Deed such of the provisions of the Trust Deed as are applicable to an Employer.
3. The Employer shall pay the amount of all stamp duty due in respect of or as a result of the execution of this Deed of Adherence.
4. All words and expressions defined in the Trust Deed shall when used in this Deed of Adherence have the meaning ascribed to them in the Trust Deed.

EXECUTED as a Deed in .

SCHEDULE 1

DIVISION A — (FSS)

THIS DOCUMENT INCORPORATES THE FOLLOWING AMENDMENTS

- Amendment No.1 dated 27 April 1998
- Amendment 2 dated 20 October 2000 (*amended Pool B*)
- Amendment 3 dated 11 January 1999 (*added Schedule 6 only*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999 (*amended Pool B only*)
- Amendment 6 dated 1 October 1999 (*amended Deed only*)
- Amendment 7 dated 4 May 2000
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000 (*amended Pool B only*)
- Amendment 11 dated 28 September 2000 (*Division F only*)
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001 (*Division F*)
- Amendment 14 dated 20 September 2002 (*Division B only*)
- Amendment 15 dated 8 September 2002
- Amendment 16 dated 25 October 2002 (*amends Deed only*)
- Amendment 17 dated 22 November 2002
- Amendment 18 dated 5 February 2003 (*amends Deed and Pool B only*)
- Amendment [18A] dated 17 July 2003
- Amendment 19 dated 5 September 2003 (*Division F only*)
- Amendment 20 dated 1 June 2003 (*Division N only*)
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004 (*Deed and Pool B only*)
- Amendment 23 dated 18 February 2005
- Amendment 24 dated 21 September 2005
- Amendment 26 dated 28 March 2008
- Amendment 28 dated 19 March 2009
- Amendment 29 dated 11 March 2011

SCHEDULE 1
DIVISION A — (FSS)

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SCHEDULE 1

DIVISION A — (FSS)

These are the Rules governing Division A of the Fund. At the Transfer Day, the Rules of Division A are intended to reflect the rights, benefits and entitlements of members under the First State Superannuation Fund established under the *First State Superannuation Act 1992* as at the time immediately before the Transfer Day.

1. INTERPRETATION

1.1 Definitions

In these Rules:

Additional Insured Benefit means a benefit payable by an insurer under a contract entered into by the Trustee and includes, if that contract so provides, components of the Additional Insured Benefit which may be offered to members in any combination as set out in the contract;

[inserted by Deed of Amendment No 12 operative 1/7/01]

Additional Insured Benefit Cover means cover under any insurance policy or policies that the Trustee in its absolute discretion shall take out to provide an amount of Additional Insured Benefit;

[inserted by Deed of Amendment No [23] operative 19/9/05]

Additional Insured Benefit Premium means the premium that, in order to attract the Additional Insured Benefit for a Member, is paid from the Member's Benefit Account;

[inserted by Deed of Amendment No 12 operative 1/7/01]

Additional Insured Benefits Reserve *[inserted by Deed of Amendment No12 operative 1/7/01; renamed as Insured Benefits Reserve by Deed of Amendment No [23] operative 19/9/05]*

Additional Death or Invalidity Benefit *[deleted by Deed of Amendment No 12 operative 1/7/01]*

Additional Death or Invalidity Premium *[deleted by Deed of Amendment No 12 operative 1/7/01]*

Adjustment Amounts *inserted by Deed of Amendment No.[18A] operative 17/07/03 [deleted by Deed of Amendment No.[26] operative 1/07/07]*

Applicable Price *[inserted by Deed of Amendment No.[18A] operative 17/7/03] [deleted by Deed of Amendment No.[26] operative 01/07/07]*

Associated Superannuation Scheme means another Division of this Fund;

Asset Portfolio means an Asset Portfolio established in accordance with rule 2.7;

Basic Death or Invalidity Benefit means the Benefit referred to in rule 9.2;

Basic Death or Invalidity Premium means the premium that, in order to attract the Basic Death and Invalidity Benefit for a Member, is paid by transfer from the Member's Benefit Account;

Basic Insured Cover means cover under any insurance policy or policies that the Trustee in its absolute discretion shall take out to provide an amount of insured cover that the Trustee designates as basic cover;

[inserted by Deed of Amendment No [23] operative 19/9/05]; amended by Deed of Amendment No [28] operative 1/8/09]

Basic Insured Cover Premium means the premium that, in order to attract Basic Insured Cover for a Member, is paid from the Member's Benefit Account;

[inserted by Deed of Amendment No [23] operative 19/9/05]

Chief Executive Officer has the same meaning as it has in Division E

[inserted by Deed of Amendment No.4 operative 1/7/99]

Class of Contributions means one of either:

- (a) compulsory employer contributions made in accordance with rule 4.1;
- (b) optional employer contributions made in accordance with rule 4.5; or
- (c) optional member employee contributions made in accordance with rule 5.1.

Death or Invalidity Benefit Management Reserve [deleted by Deed of Amendment No[18A] operative 17/7/03]

Eligible Spouse Contributions means:

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- (a) contributions for an Optional Member who is a Spouse of the person making the contributions at the time those contributions are made; and
- (b) the person making the contributions is not entitled to a deduction under the relevant provisions of the Income Tax Acts in relation to the contributions.

Executive Officer means a member who is:

[inserted by Deed of Amendment No.4 operative 1/7/99]

- (a) a Chief Executive Officer, or
- (b) a Senior Executive Officer, or
- (c) an office holder nominated for the purposes of section 11A of the Statutory and Other Officers Remuneration Act 1975.

Exit Date, in relation to a Member, means the date on which the Member ceases to be an Employee, being:

- (a) the only such cessation of employment as an Employee; or
- (b) if there has been more than one such cessation of employment as an Employee the later or latest of those cessations of employment;

Full Member means an Employee who is, by virtue of rule 3.1 or any other provision of these Rules, a Full Member under this Division;

[amended by Deed of Amendment No.4 operative 1/7/99]

General Management Account means the General Management Account established in accordance with rule 2.9;

[GST inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by deed of Amendment No.[26] operative 1/07/07]

Inactive Member means a person:

- (a) who has ceased to be a Full Member or an Optional Member under this Division and who has a Preserved Benefit under this Division; or
- (b) who is a Full Member or an Optional Member who is prevented by rule 8.1 from contributing to this Division;

Insured Benefit means Basic Insured Cover and Additional Insured Benefit Cover;

[inserted by Deed of Amendment No [23] operative 19/9/05]

Insured Benefits Reserve means the reserve referred to in rule 2.6A;

[renamed by Deed of Amendment No [23] operative 19/9/05]

[Investment Direction inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by Deed of Amendment No.[26] operative 1/07/07]

Liabilities means:

- (a) all liabilities under this Division including:
 - (i) liabilities accrued but not yet paid; and
 - (ii) management costs referred to in rule 2.11; and
- (b) any provision which the Trustee considers should be taken into account in determining the liabilities under this Division.

Member means a Full Member, an Optional Member or an Inactive Member;

Member's Benefit Account means the Benefit Account established and maintained under rule 2.3 in respect of a Member;

Month means a calendar month;

[Net Asset Value inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by Deed of Amendment No.[26] operative 1/07/07]

Operative Date means the date of Deed of Amendment No. 26.

[Inserted by Deed of Amendment No. [26] operative 01/07/07]

Optional Member means:

[amended by Deed of Amendment No.[1] operative 27/4/98; Deed of Amendment No.[21] operative 28/12/02]

- (a) an Employee who was not a Full Member and who has made an election under this division that is still in force to contribute to this Division, or
- (b) the Spouse of a person on whose behalf the person has made an election under this Division that is still in force to contribute to this Division; or
- (c) a Non-Member Spouse.

[Pool inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by Deed of Amendment No.[26] operative 1/07/07]

Preserved Benefit means a Benefit preserved under these Rules;

Protected Member means a Member who meets the requirement of a Protected Member under Regulation 1.03(1) of the Superannuation Industry (Supervision) Regulations under the *Superannuation Industry (Supervision) Act 1993*.

Salary or Wages means the total of:

[replaced by Deed of Amendment No.4 operative 1/7/99; amended by Deed of Amendment No.7 operative 1/7/99; by Deed of Amendment No [23] operative 1/7/99]

- (a) in the case of a Member who is not an Executive Officer, the total of:
 - (i) earnings in respect of ordinary hours of work, and
 - (ii) earnings consisting of over-award payments, shift loading or commission, or
- (b) in the case of a Member who is an Executive Officer, the amount nominated by the member, being not less than the taxable salary or the maximum contribution base, whichever is the lower.

Same-sex Partner *[inserted by Deed of Amendment No 12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 01/07/07]*

Senior Executive Officer has the same meaning as it has in Division E.

[Inserted by Deed of Amendment No.4 operative 1/7/99]

Spouse *[inserted by Deed of Amendment No.[1] operative 27/4/98, (d) inserted by Deed of Amendment No12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 01/07/07]*

superannuation guarantee amount means the minimum amount payable to a superannuation fund or scheme in respect of a person that is sufficient to avoid an individual superannuation guarantee shortfall, within the meaning of the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth, in respect of the officer.

[Inserted by Deed of Amendment No.4 operative 1/7/99]

Superannuation Number means a membership number allocated to a Member by the Trustee and includes a membership number allocated to a contributor to another Associated Superannuation Scheme for the purposes of that scheme.

Total and Permanent Disablement means in relation to a Member:

[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

- (a) if insurance cover for total and permanent disablement benefits applies to the Member, the same meaning as the corresponding term in the policy of insurance for that Member; and
- (b) where (a) does not apply to the benefit claimed, in relation to a Member who has ceased to be gainfully employed, means ill-health (whether physical or mental), where the Trustee is reasonably satisfied that the Member is unlikely, because of the ill-health, to engage in gainful employment for which the Member is reasonably qualified by education, training or experience;

[Units inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by deed of Amendment No.[26] operative 1/07/07]

[Unit Value inserted by Deed of Amendment No.[18A] operative 17/07/03] [deleted by deed of Amendment No.[26] operative 1/07/07]

2. MAINTENANCE AND ADMINISTRATION

2.1 Payments to Fund

2.1.1 The Trustee shall cause to be held in Pool A in respect of this Division:

- (a) Contributions made by Employers and Members under this Division; and
- (ab) Family Law Spouse Amounts credited under this Division; and
[inserted by Deed of Amendment No[21] operative 28/12/02]
- (b) income derived from investment of assets held in respect of this Division, and any profit made from realisation of any investment held in respect of this Division; and
- (c) subject to Superannuation Law, money borrowed for the purposes of this Division; and
- (d) any other amounts payable to this Division.

2.2 Payments from this Division

2.2.1 The Trustee is required to cause to be paid from Pool A in respect of this Division:

- (a) the administration costs incurred by the Trustee;
- (b) any Tax;
- (c) Benefits payable under these Rules;
- (d) premiums or other amounts payable for the basic death or invalidity cover or cover for an Insured Benefit under these Rules; and
[amended by Deed of Amendment No.[1] operative 27/4/98; Deed of Amendment No.12 operative 1/7/01; by Deed of Amendment No [23] operative 19/9/05]
- (e) any other amounts payable from this Division.

2.3 Members' Benefit Accounts

2.3.1 The Trustee is required to establish and maintain under this Division a separate Benefit Account for each Member.

2.3.2 As soon as practicable after a person becomes a Member, the Trustee is to establish a single account for the Member in accordance with subrule 2.3.1, irrespective of the number of separate Employers from whom Contributions are received in respect of that Member.

2.3.3 If separate Benefit Accounts are established in respect of a Member, the Trustee shall, upon becoming aware of that fact, consolidate those separate Benefit Accounts into a single Benefit Account as from the first day of the following month. No adjustment is to be made, however,

- to any charges applied to those separate Benefit Accounts in accordance with these Rules prior to that date.
- 2.3.4 Within each Member's Benefit Account established in accordance with subrule 2.3.1, the Trustee is to maintain a separate sub-account for each Class of Contributions made by or on behalf of the Member.
- 2.3.5 All Contributions made by or on behalf of a Member, together with any interest payable to the Trustee in respect of those Contributions, are to be credited to the sub-account applicable to the Class of Contributions maintained in accordance with subrule 2.3.4. The effective date of each such credit is the date that payment of those Contributions or interest (if any) or both, is received by the Trustee.
- 2.3.6 Subject to subrule 2.3.7, as at times which the Trustee considers appropriate, the Benefit Account of each Member is to be adjusted as follows:
- (a) by debiting the following amounts:
 - (i) any Liabilities under this Division which are attributable to the Member;
 - (ii) amounts paid under this Division in respect of the Member;
 - (iii) any provisions for any payments in respect of the Member as the Trustee considers appropriate; and
 - (b) by crediting or debiting any other amount which the Trustee considers appropriate and which is required or permitted under these Rules to be attributed to the Member.
- 2.3.7 As at the last day of each Month, the Benefit Account of each Member is to be adjusted as follows:
- (a) where the Benefit Account of a Member is expressed in units, in accordance with clause 3.4A of this Deed, or where the Benefit Account of a Member is not expressed in units, in accordance with rule 2.8, to be the investment earning rate for that Month for the particular Asset Portfolio applicable to that Member, subject to the requirement that no debit amount to the Benefit Account of a member for any negative investment earning is to result in a reduction in an amount in the Benefit Account referable to the Operative Date to an amount less than the amount as at the Operative Date;
[amended by Deed of Amendment No.[26] operative 01/07/07]
 - (b) the Benefit Account of each Member is to be debited with the monthly unit management charge determined for that Month in accordance with rule 2.13; the particular sub-account or sub-accounts to which that charge is to be debited is to be at the discretion of the Trustee; and
 - (c) the amount of any premiums and any other charges payable by a Member for that Month in respect of cover for the Basic Death or Invalidity Benefit, Basic Insured Cover or an Additional Insured Benefit is to be debited to the sub-account maintained for that Member for the compulsory employer contributions Class of Contributions unless the compulsory employer contributions account does not have sufficient balance to pay the premium or charges in which case the amount

is to be debited to another sub-account of that Member as determined by the Trustee.

[c) replaced by Deed of Amendment No.12 operative 1/7/01; by Deed of Amendment No [23] operative 19/9/05]

2.3.8 Immediately before payment of a Benefit from a Member's Benefit Account, that account is to be adjusted as follows:

- (a) where the Benefit Account of a Member is expressed in units, in accordance with clause 3.4A of this Deed, or where the Benefit Account of a Member is not expressed in units, in accordance with rule 2.8, to be the investment earning rate for the Asset Portfolio applicable to that Member calculated for the period from the first day of the Month to the date of authorisation of payment, subject to the requirement that no debit amount to the Benefit Account of a Member for any negative investment earning is to result in a reduction in an amount in the Benefit Account referable to the Operative Date to an amount less than the amount as at the Operative Date;

[amended by Deed of Amendment No.[26] operative 01/07/07]

- (b) a management fee is to be debited to the appropriate sub-account, as determined by the Trustee, that fee being equal to the monthly unit management charge determined for the preceding month in accordance with rule 2.13; and
- (c) an amount equal to the Basic Death or Invalidity Premium, Basic Insured Cover Premium or Additional Insured Benefit Premium or charges payable for the Month in which the Member ceased employment shall, if not previously debited to the Member's Benefit Account, be debited to the sub- account maintained for that Member for the compulsory employer contributions Class of Contributions unless the compulsory employer contributions account does not have sufficient balance to pay the premium or charges in which case the amount is to be debited to another sub-account of that Member as determined by the Trustee.

[c) replaced by Deed of Amendment No.12 operative 1/7/01; by Deed of Amendment No [23] operative 19/9/05]

2.3.9 Where any adjustments made in accordance with these Rules would result in a negative balance in any sub-account maintained for a Member, the Trustee shall record that balance as nil until such time as either:

- (a) advice is received that the Member is no longer an Employee; in which case, the account is to be closed; or
- (b) additional Contributions are paid into the sub-account.

2.3.10 If a Member ceases to be an Employee in circumstances where the Trustee has reason to believe that the Member will again become an Employee, the Trustee may treat the Member as not having ceased to be an Employee and may make arrangements which it considers appropriate in relation to:

- (a) the remittance and collection of Contributions for the Member;
- (b) the operation of the Member's Benefit Account;
- (c) agreements or arrangements with the Member as to optional Contributions; and

- (d) any other matter which the Trustee considers appropriate and which is required or permitted to be included in these Rules.

2.3.11 For the purposes of operating Members' Benefits Accounts in accordance with these Rules and Superannuation Law, the Trustee may from time to time adjust members' accounts for the following purposes:

- (a) to correct mistakes relating to amounts credited to, or debited from, members' accounts; or
- (b) to correct amounts credited to, or debited from, accounts consequential on a change in the law applicable to members accounts.

2.3.12 The Trustee must calculate the amount under subrule 2.3.11 having regard to:

- (a) any fees or charges deducted in respect of the Contributions;
- (b) any interest credited in respect of the Contributions;
- (c) any Tax paid or payable in respect of the Contributions; and
- (d) any other matter that the Trustee considers appropriate.

2.3.13 The Trustee need not establish more than one Benefit Account for a person who is an Inactive Member and who subsequently becomes a Full Member or an Optional Member. Any such Benefit Account may contain any Benefit previously preserved.

2.4 **Payments to be credited to Members' Benefit Accounts**

There is required to be credited to a Member's Benefit Account:

- (a) any Contributions made by the Member's Employer to this Division in respect of the Member;
- (b) any Contributions made by or on behalf of the Member to this Division; and
[amended by Deed of Amendment No.[1] operative 27/4/98]
- (c) any other amounts payable to the Benefit Account.

2.5 **Payments to be debited to a Member's Benefit Account:**

- (a) if the Member is covered for the Basic Death or Invalidity Benefit; Basic Insured Cover or Additional Insured Benefit the amount of any premiums payable by the Member;
[amended by Deed of Amendment No.[1] operative 27/4/98; Deed of Amendment No.12 operative 1/7/01; by Deed of Amendment No [23] operative 19/9/05]
- (b) Benefits payable to or in respect of the Member;
- (c) management costs incurred by the Trustee as referred to in rule 2.11;
- (d) the amount of any Tax as referred to in rule 2.12; and
- (e) any other amounts payable under these Rules by the Member or from the Member's Benefit Account.

2.5A Dealings with Family Law Spouse Amounts

[inserted by Deed of Amendment No [21] operative 28/12/02]

Where a Family Law Spouse Amount is required to be dealt with in accordance with the Family Law Act and the Superannuation Law, the Member's Benefit Account will be debited with the amount. The Trustee will deal with the Family Law Spouse Amount in accordance with clause 14.25.

2.6 Death, Invalidity and Temporary Salary Continuance Benefit Management Reserve

[replaced by Deed of Amendment No[18A] operative 17/7/03]

2.6.1 There is required to be credited to the death, Invalidity and Temporary Salary Continuance Benefit Management Reserve, the amounts of Basic Death or Invalidity Premiums debited to Members' Benefit Accounts under these Rules.

2.6.2 There is required to be debited to the death, Invalidity and Temporary Salary Continuance Benefit Management Reserve, any payment of Basic Death or Invalidity or any management costs associated with the provision of Basic Death or Invalidity cover.

2.6A Insured Benefits Reserve

[inserted by Deed of Amendment No. 12 operative 1/7/01; amended by Deed of Amendment No [23] operative 19/9/05]

2.6A.1 The Trustee is required to establish and maintain an Insured Benefits Reserve in respect of this Division.

2.6A.2 There is required to be credited to the Insured Benefits Reserve:

- (a) the amounts of Basic Insured Cover Premiums and Additional Insured Benefit Premiums debited to Members' Benefit Accounts under these Rules;
- (b) any charge levied by the Trustee in respect of the Basic Insured Cover and Additional Insured Benefit; and
- (c) Basic Insured Cover and Additional Insured Benefits paid to the Trustee by an insurer under a contract of insurance.

2.6A.3 There is required to be debited to the Insured Benefits Reserve:

- (a) any Basic Insured Cover Premiums and Additional Insured Benefit Premiums payable to an insurer under a contract of insurance;
- (b) any management or other costs associated with the provision of the Basic Insured Cover and Additional Insured Benefits for which the Trustee has determined to strike a levy under Rule 2.6A.2 (b); and
- (c) any Basic Insured Cover and Additional Insured Benefits.

2.7 Other accounts and reserves and Asset Portfolios

2.7.1 The Trustee may establish and maintain in respect of this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the administration of this Division and these Rules.

- 2.7.2 Without limiting subrule 2.7.1, the Trustee may establish separate Asset Portfolios, comprising assets in respect of this Division allocated by the Trustee, for the purposes of this Division.
- 2.7.3 At the Transfer Day, the initial Asset Portfolios established by the Trustee are:
- (a) Cash Plus;
 - (b) Capital Guarded;
 - (c) Balanced;
 - (d) Diversified; and
 - (e) High Growth.
- 2.7.4 A Member may, at any time, elect to have the Member's Benefit Account treated, for the purpose only of allocating Fund earnings, as being invested as part of one or more particular Asset Portfolios nominated by the Trustee to the Member. The Member may elect to vary or revoke any such election. A nomination by a transferred member in respect of the First State Superannuation Scheme prior to transfer shall be taken to continue after transfer until it is varied or revoked.
- 2.7.5 Where no election has been made by a Protected Member in accordance with subrule 2.7.4, the Trustee shall treat the Member's Benefit Account as being invested in the Cash Plus Portfolio.

Where no election has been made by a Member who is not a Protected Member in accordance with subrule 2.7.4, the Trustee shall treat the Member's Benefit Account as being invested in the Diversified Portfolio or such other Asset Portfolio as the Trustee considers appropriate. The Trustee may take into account the Member's age in determining the appropriate Portfolio. The Asset Portfolio in which the Member's Benefit Account is to be invested where no election has been made shall be as set out in the Trustee's disclosure documentation for investment choice.

[amended by Deed of Amendment No.[29] operative 01/07/07]

- 2.7.6 An election made in accordance with subrule 2.7.4 shall take effect on the day that is five working days after the day the election is received by the Trustee or such later date as may be specified in the election. However, where an election is received prior to the day that Contributions are first credited to the account of the Member making the election, the election is to take effect on that day.
- 2.7.7 A fee of \$20.00 per election shall apply to all elections made in accordance with subrule 2.7.4 other than:
- (a) the first election made by a Member; and
 - (b) the first subsequent election made by that Member in each period of 12 months ended 30 June.
- 2.7.8 For the purposes of these Rules, the *investment earning rate* of each particular Asset Portfolio shall be the rate declared by the Trustee in respect of that Asset Portfolio for any given period.

- 2.7.9 For the purposes of adjusting accounts and reserves, other than Member Benefit Accounts, the Trustee shall treat those accounts and reserves as being invested:
- (a) where those accounts and reserves comprise Contributions received in respect of Members which the Trustee has, for any reason, been unable to allocate to Members' Benefit Accounts, in such Asset Portfolio or Portfolios as may be considered appropriate by the Trustee, as long as no such account or reserve is to be treated as having been wholly invested in either the Cash Plus Asset Portfolio or the High Growth Asset Portfolio; and
 - (b) in any other case, in the Cash Plus Asset Portfolio.
- 2.7.10 The Trustee is to determine, for the purpose only of allocating earnings under this Division, the parts of an account or a reserve to be treated as being invested in a particular Asset Portfolio or Portfolios.

2.8 Adjustment of Accounts and reserves for interest

- 2.8.1 The Trustee may, from time to time, adjust each of the Accounts and reserves established under these Rules at a rate or rates fixed by the Trustee, having regard to the income in respect of this Division and the earnings, as determined by the Trustee, of any Asset Portfolio or Portfolios in which the Accounts or reserves or parts of them are treated as being invested and such other matters as the Trustee considers relevant.
- 2.8.2 The Trustee may, for the purpose of adjusting a Members Benefit Account before paying out the balance at credit in the Account, fix a rate for that purpose only.
- 2.8.3 In adjusting Accounts or reserves under this rule 2.8, the Trustee may fix different rates for Accounts or reserves, or parts of Accounts or reserves, that are treated as being invested in different Asset Portfolios.
- 2.8.4 For the purpose of adjusting Accounts and reserves, the Trustee may allocate any income in respect of this Division, or any losses, as being attributable to a particular Asset Portfolio or Portfolios, as it thinks fit.

2.9 General Management Account

The Trustee is required to establish and maintain a General Management Account.

2.10 Costs which may be charged to General Management Account

- 2.10.1 Management costs incurred by the Trustee in the administration or execution of these Rules, are to be charged against the General Management Account or such other account as the Trustee may determine.
- 2.10.2 Management costs incurred in investing this Division and managing any such investment are to be paid from the income from investment under this Division.

2.11 How other costs may be paid

- 2.11.1 Management costs incurred by the Trustee other than those incurred in investing this Division and managing any such investment are to be paid from the Members' Benefit Accounts, at such times and in such amounts or at such a rate as may be determined by the Trustee.

2.11.2 Management costs associated with the provision of Basic Death or Invalidity cover or Additional Insured Benefits may be levied separately by the Trustee from the accounts of Member's with such cover at rates and times determined by the Trustee.

[amended by Deed of Amendment No.[1] operative 27/4/98; replaced by Deed of Amendment No.12 operative 1/7/01]

2.11.3 The Trustee may require an Employer to pay to this Division the management costs, as determined by the Trustee, arising out of the failure of the Employer to provide information or evidence required to be provided under these Rules, or the failure of the Employer to provide accurate information required to be provided under these Rules.

2.12 The Trustee must deduct Tax liabilities from Members' Accounts

Whenever the Trustee has paid (or is liable to pay) an amount of Tax in respect of an Employer's Contributions to a Member's Benefit Account under this Division, the Trustee is required to debit to the Account the amount of any such Tax.

2.13 Fees and Charges

2.13.1 All fees and charges prescribed under these Rules are, subject to subrule 2.3.9, to be debited to the Benefit Accounts of the Members to whom those charges apply in such manner and at such times as are set out in these Rules and the amounts so debited are to be transferred to the General Management Account established in accordance with rule 2.9.

2.13.2

(a) For the purposes of rule 2.11, the Trustee is to declare a monthly unit management charge to apply as from such date as may be specified by the Trustee.

(b) A monthly unit management charge declared in accordance with paragraph (a) is payable by each person in respect of whom an account is maintained during the whole or part of the month to which that charge is applicable and is to be debited:

(i) where only one sub-account is maintained, to that sub-account; or

(ii) in any other case, progressively to:

(A) the compulsory employer contribution sub-account;

(B) the optional employer contribution sub-account; and

(C) the optional employee contributions sub-account,

until the full charge is debited to the Member's Benefit Account.

2.13.3 A fee of \$20 shall be payable in respect of each payment of a Benefit under the provisions of rule 10.1 or 10.2.

2A UNITS

[Units inserted by Deed of Amendment No.[18A] operative 17/07/03 [Deleted by Deed of Amendment No. [26] operative 01/07/07]

3. MEMBERS OF THE DIVISION

3.1 Members under this Division

- 3.1.1 An Employee under this Division is a Full Member, unless the Employee is excluded from Full Membership under rule 3.2 or elects to make other arrangements under rule 3.3. A transferred member is taken to have the class of membership and to have made any election for the purposes of this Division as that transferred member had prior to the transfer to this Division and any other arrangement in place in respect of a transferred member prior to transfer shall be taken to have continued until varied or revoked.
- 3.1.2 An Employee under this Division who is not a Full Member may become an Optional Member by making an election under rule 5.1 and, on making such an election, continues to be an Optional Member while the election is in force.
- 3.1.3 A person who has ceased to be a Full Member or an Optional Member under this Division and who has a Preserved Benefit under this Division, or being a Full or Optional Member is prevented by Superannuation Law or Rule 8.1 from contributing under this Division, is an Inactive Member under this Division.

3.2 Employees who are excluded from being Full Members

- 3.2.1 The following Employees are not Full Members under this Division:
- (a) an Employee who is a contributor to or a member of an Associated Superannuation Scheme in respect of the same contract of employment;
 - (b) an Employee who has not contributed to this Division, or whose Employer has not contributed to this Division in respect of the Employee, and who is an Employee in respect of whom the Trustee must not accept Contributions under Superannuation Law;
 - (c) an Employee who, while receiving Salary or Wages for work done outside Australia, is not a resident of Australia.
- 3.2.2 Subrule 3.2.1 does not apply to an Employee who has preserved a Benefit in an Associated Superannuation Scheme, or is entitled to a deferred accrued Benefit under Division C, and who is not otherwise a participant in any such scheme.
- 3.2.3 For the purposes of subrule 3.2.1(c), an Employee is not a resident of Australia unless he or she would be treated as a resident of Australia for the purposes of the Tax Act.

3.3 Members may make other arrangements

- 3.3.1 A Full Member may notify the Member's Employer that the Employer is to meet the Employer's obligations in respect of the Member under the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth by contributing to another complying superannuation fund. The Member ceases to be a Full Member under this Division on the date written notice is given to the Trustee by the Employer of the contributions to that other fund, or on the date of commencement of those contributions, whichever is the later.
- 3.3.2 However, the Member may elect to make Contributions under rule 5.1 and is an Optional Member of the Division on any such election taking effect and while the election is in force.

- 3.3.3 An Employer must give written notice to the Trustee if the Employer ceases to meet the Employer's obligations in respect of an Employee under the *Superannuation Guarantee (Administration) Act 1992* in the manner referred to in subrule 3.3.1 and, on such notice being given, the Employee ceases to be a Full Member under this Division.

3.3A Membership on transfer from PSESS Fund

[inserted by Deed of Amendment No.4 operative 1/7/99]

- 3.3A.1 An Employee who makes an election under clause 6.2 of Division E is, on the election taking effect, a Full Member under this Division.
- 3.3A.2 The Salary or Wages of an Employee who becomes a Member under this rule 3.3A is, despite any other provision of these Rules, taken to be the salary nominated by the Employee in the election made under Division E until another nomination is made under these Rules.

3.4 Spouse Contributions

The Spouse of an Employee may become an Optional Member if the Employee makes an election under rule 5.1 to contribute to this Division on behalf of his or her Spouse and his or her Spouse continues to be an Optional Member while the election is in force.

[inserted by Deed of Amendment No.[1] operative 27/4/98]

4. CONTRIBUTIONS BY EMPLOYERS

4.1 Compulsory Employer contributions

- 4.1.1 An Employer must pay to the Trustee, for each Full Member employed by the Employer, an amount equal to a percentage of the Salary or Wages of the Employee, being the percentage specified below for the financial year (being the year commencing 1 July) in which the Contributions are payable.

Year	Percentage
1992-93 (1 July 1992-31 December 1992)	4
1992-93 (1 January 1993- 30 June 1993)	5
1993-94	5
1994-95	5
1995-96	6
1996-97	6
1997-98	6
1998-99	7
1999-2000	7
2000-01	8
2001-02	8

Year	Percentage
2002-03 and subsequent years	9

4.1.2 An Employer's liability under this rule 4.1 to make Contributions in respect of a Full Member commences when the Member becomes a Full Member and ceases when the Member ceases to be a Full Member.

4.1.3 Notwithstanding rules 4.1.1 and 4.1.2, an Employer is not required to pay to the Trustee contributions in respect of an employee where the employee has provided a notice that complies with section 19(4)(b) of the Superannuation Guarantee (Administration) Act 1992 and such notice remains validly in force.

[inserted by Deed of Amendment No7 operative 4/5/00]

4.2 Amount of Basic Death or Invalidity Cover

4.2.1 A Full Member is to be covered for the Basic Death or Invalidity Benefit if the balance of the Member's Account is equal to or greater than the amount determined by the Trustee for the purposes of this rule 4.2. The cover is to commence on the first day of the month succeeding the month when the balance is first equal to or greater than that amount.

4.2.2 If the Account Balance of a Full Member is less than the amount determined by the Trustee under subrule 4.2.1, the Member may elect to provide for the Basic Death or Invalidity Benefit, and on the election taking effect, the Member is to be covered for the Basic Death or Invalidity Benefit.

4.2.3 A Full Member's cover for the Basic Death or Invalidity Benefit ceases to be in force on election made by the Member to the Trustee that the Member is to cease to provide for the cover or on the Member ceasing to be a Full Member.

4.2.4 A Full Member who is covered for the Basic Death or Invalidity Benefit does not cease to be so covered merely because the balance of the Member's Account is less than the amount determined by the Trustee under subrule 4.2.1.

4.2.5 Despite any other provision of this rule 4.2, a Full Member is not entitled to be covered for the Basic Death or Invalidity Benefit:

- (a) in respect of the Member's employment by more than one Employer; or
- (b) if the Member has previously received an invalidity benefit of any kind under a Superannuation Scheme established under an Act in respect of a future period; or
- (c) if the Member has previously elected under this rule 4.2 not to be so covered.

4.2.5A All cover for Basic Death or Invalidity Benefits ceases on the date that is the commencement date of the first policy to provide Basic Insured Cover.

[inserted by Deed of Amendment No [23] operative 19/9/05]

4.3 Payment of Basic Death or Invalidity Premiums

4.3.1 Payment of the Basic Death or Invalidity Premium for a Member covered for the Basic Death or Invalidity Benefit is to be made in respect of the Member at such times as may be

determined by the Trustee and is to be made by transfer from that part of the Member's Account attributable to compulsory employer contributions.

- 4.3.2 Payment is not to be made from the account of a Full Member who is not covered, or who has ceased to be covered, under these Rules for the Basic Death or Invalidity Benefit.

4.4 Amount of Basic Death or Invalidity Premium

- 4.4.1 The amount of the Basic Death or Invalidity Premium is to be the amount determined in respect of a Full Member by the Trustee, having regard to the amount of the Basic Death or Invalidity Benefit cover.

4.5 Optional employer contributions

[replaced by Deed of Amendment No.[1] operative 27/4/98]

- 4.5.1 An Employee who is a Full Member may at any time elect, with the consent of the Employer, to have contributions made to this Division by the Employee's Employer in addition to the compulsory contributions payable by the Employer under this Division.
- 4.5.2 The additional contributions may, but need not, be made as part of the total remuneration payable in respect of the Full Member.
- 4.5.3 An Employee, including an Employee who is a contributor to an Associated Superannuation Scheme, who is not a Full Member may at any time elect, with the consent of the Employee's Employer, to have contributions made to this Division by the Employee's Employer as part of the total remuneration payable in respect of the Member. On any such election taking effect, and while it is in force, the Employee is an Optional Member under this Division.
- 4.5.4 An election is to be made by lodging with the Trustee an election in a form approved by the Trustee and is to be accompanied by such information as the Trustee may require.
- 4.5.5 Except as provided by subrule 4.5.3 an Employer may not make contributions to the Fund in respect of an Optional Member.
- 4.5.6 An election by an Employee to have contributions made to this Division by the Employee's employer takes effect not later than on the day determined under the rules made by the Trustee for the purposes of this rule.
- 4.5.7 An election ceases to be in force (to the extent to which it specifies the amount of any contributions) if a variation of contributions takes effect or on notification by the Member to the Trustee that the contributions are to cease to be made.

4.6 Rules as to payment of compulsory employer contributions

- 4.6.1 For the purposes of Part 4, *contribution period* means a Month or such other period as may be agreed between the Trustee and an individual Employer.
- 4.6.2 Compulsory employer contributions for a contribution period must be paid at such times as the Trustee may require.
- 4.6.3 With each payment of compulsory employer contributions by an Employer, the Employer must forward to the Trustee, in a form approved by the Trustee, details of the compulsory employer contributions payable in respect of each Employee.

4.6.4 In addition to subrule 4.6.3, where an Employee has not previously been reported to the Trustee as having received Salary or Wages from the Employer concerned, the Employer is to provide the Trustee with such details as may be required by the Trustee in respect of that Employee.

4.6.5 Where an Employer is required, in accordance with rule 3.3, to notify the Trustee of the commencement or cessation of compulsory employer contributions to another complying superannuation fund, such notice is to be in a form approved by the Trustee and provided to the Trustee at such time as the Trustee may require.

4.7 Rules as to payment of optional employer contributions

4.7.1 For the purpose of determining the payment period of any optional employer contributions:

- (a) the Trustee may approve an arrangement for the payment of optional employer contributions; and
- (b) if the Trustee for any reason does not approve such an arrangement, any optional employer contributions must be treated as being payable on the last day of the contribution period in which the optional employer Contribution is received by the Trustee.

4.7.2 With each payment of optional employer contributions by an Employer, the Employer must forward to the Trustee, in a form approved by the Trustee, details of the optional employer contributions payable in respect of each Employee.

5. CONTRIBUTIONS BY EMPLOYEES

5.1 Optional employee contributions

5.1.1 A Full Member may at any time elect to make Contributions under this Part 5.

5.1.2 An Employee who is not a Full Member may at any time elect to make Contributions to this Division and on any such election taking effect, and while it is in force, is an Optional Member under this Division.

5.1.3 An election is to be made by lodging with the Trustee an election in a form approved by the Trustee and is to be accompanied by such information as the Trustee may require.

5.2 When does election to contribute take effect?

5.2.1 An election by a Full Member or an Employee to make Contributions to this Division takes effect on a date agreed between the Member and the Trustee.

5.2.2 An election ceases to be in force (to the extent to which it specifies the amount of any Contributions) if a variation of Contributions takes effect or on notification by the Member to the Trustee that the Member is to cease to contribute to this Division.

5.3 Rules as to payment of optional employee contributions

5.3.1 Any Employee, including an Employee who is a contributor to an Associated Superannuation Scheme, may elect at any time to make optional employee contributions by way of payroll deductions, by transfer from another financial institution (including another complying

superannuation fund or approved deposit fund) or by direct payment from the Employee to the Trustee.

5.3.2 If an Employee elects to make Contributions by way of payroll deductions:

- (a) the election must:
 - (i) specify the amount of the Contribution payable for each contribution period;
 - (ii) be in a form approved by the Trustee;
 - (iii) be lodged with the Employer and the Trustee; and
 - (iv) authorise the Employer to deduct the amount specified in the election from the Employee's pay each pay day until such time as the election is revoked or varied; and
- (b) the Contribution for a contribution period must be deducted and paid by the Employer at such time as the Trustee may require.

5.3.3 An election to make optional employee contributions by means other than by payroll deduction is to be lodged with the Trustee in a form approved by the Trustee

5.4 Contributions may be varied

5.4.1 A Member may from time to time, by notice in writing to the Trustee, vary the amount of Contributions to be paid to this Division by the Member.

5.5 Contributions for spouses

[inserted by Deed of Amendment No.[1] operative 27/4/98]

5.5.1 An Employee may at any time elect to make contributions to this Division on behalf of the Employee's Spouse and on any such election taking effect, and while it is in force, the Spouse is an Optional Member under this Division.

[amended by Deed of Amendment No12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 01/07/07]

5.5.2 An Employee can only make and the Trustee may only accept contributions to this Division on behalf of the Employee's Spouse if the contributions are Eligible Spouse Contributions.

5.5.3 The Trustee may make rules for or with respect to the qualifications for Spouses on behalf of whom elections under rule 5.5 may be made and the payment periods for and manner of payment of contributions on behalf of such Spouses.

5.5.4 An Employee who has elected to contribute on behalf of the Employee's Spouse, may from time to time, by notice in writing to the Trustee, vary the amount of contributions to be paid to this Division by the Employee or on behalf of the Employee's spouse.

6. ***

7. INSURED BENEFITS

[Part 7 replaced by Deed of Amendment No. 12 operative 1/7/01; heading amended by Deed of Amendment No [23] operative 19/9/05]

7.1 Level of Benefits

[replaced by Deed of Amendment No [23] operative 19/9/05]

The Trustee shall take out Basic Insured Cover and any other insurance cover as it determines, subject to the terms of such insurance policy or policies taken out.

7.1A Eligibility for Basic Insured Cover

[inserted by Deed of Amendment No [28] operative 1/8/09]

7.1A.1 A Member is not eligible for Basic Insured Cover if at the time the Member meets the eligibility rules for commencement of Basic Insured Cover under the insurance policy, the Member is not a Full Member.

7.1B Payment of Basic Insured Cover Premium

[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

7.1B.1 Payment of the Basic Insured Cover Premium for a Member covered for Basic Insured Cover is to be made in respect of the Member at such time as may be determined by the Trustee and is to be made by debiting the Member's Benefit Account with the amount.

7.2A Members eligible to apply for Additional Insured Benefit cover

[amended by Deed of Amendment No [23] operative 19/9/05]

If the Trustee has made provision for an Additional Insured Benefit a Member may apply to be covered, or to increase the level of cover, for a component of the Additional Insured Benefit, provided that the Member is eligible to apply for the cover under the contract between the Trustee and the insurer and provided that the contract permits the combination of components selected by the Member.

7.2 Applications for cover for the Additional Insured Benefit

[amended by Deed of Amendment No [23] operative 19/9/05]

7.2.1 An application is to be made by lodging with the Trustee an application in a form approved by the Trustee, is to nominate the amounts of cover for the components of cover sought by the Member and is to be accompanied by such information as may be required.

7.2.2 A Member who applies to be covered for the Additional Insured Benefit must submit to any medical examination or examinations as may be required by the insurer contracted by the Trustee and must provide such medical reports, evidence and information as are required by that insurer.

7.2.3 Upon approval of an application for cover for the Additional Insured Benefit, such cover shall take effect on the day advised by the insurer and the premiums applicable to that cover shall be payable as from that date.

7.3 Commencement of Insured Benefits

[amended by Deed of Amendment No [23] operative 19/9/05]

7.3.1 Any insurance in respect of a person will not commence until:

- (a) if required, the Member and the Employer have provided all information required by the insurer;
- (b) the insurer is satisfied that all of the insurer's requirements are met for the cover; and

- (c) in the case of Additional Insured Benefits, the insurer has notified the Trustee of the terms and amounts of cover.

7.3.2 Subsequent to 7.3.1, cover will commence on the date or dates required under the insurance policy or policies relevant to the type of cover.

7.4 When cover under the Insured Benefits ceases

[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

Any insurance cover shall cease:

- (a) in accordance with the terms contained in the policy or policies of insurance with the insurer;
- (b) on the Trustee determining that it is not reasonably practicable to obtain or renew a policy of life insurance on terms acceptable to the Trustee;
- (c) the insurer for any reason terminates a policy of life insurance, or terminates the cover for the Member; or
- (d) the amount standing to the credit of a Member's Benefit Account is insufficient to pay the costs attributable to that Member of providing that cover.

7.5 When an Insured Benefit is payable

[amended by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [23] operative 19/9/05; replaced by Deed of Amendment No [28] operative 1/8/09]

7.5.1 In the event that a Member is eligible to make a claim for an Insured Benefit and has requested the Trustee to make a claim against the insurer under the relevant insurance policy, the Trustee shall, within reasonable time upon receipt of all information required by the insurer, make a claim for the Insured Benefit under the relevant insurance policy against the insurer in respect of the Member.

7.5.2 Where the Trustee has made a claim under subrule 7.5.1 and has received the proceeds of the Insured Benefit from the insurer in respect of the Member, the Trustee shall, within reasonable time upon receipt of the proceeds, pay the proceeds to the Member.

7.5.3 Notwithstanding the foregoing, an Insured Benefit is payable under these Rules to or in respect of a Member if the Member is covered and has provided all information required by the insurer, and the insurer is satisfied that the Member meets the conditions for payment of that benefit set out in the relevant insurance policy.

7.6 Scope of Insured Benefits cover

[amended by Deed of Amendment No [23] operative 19/9/05]

7.6.1 Any Insured Benefit cover shall be subject to the terms of the applicable Policy.

7.6.2 No payment shall be required to be made in respect of a Member in satisfaction of any insurance cover that is greater than the amount received by the Trustee under the Policy in respect of that Member after deduction of all administration charges and expenses and taxes attributable to that amount.

7.6.3 The Trustee has no duty:

- (a) to effect insurance cover;
- (b) to increase insurance cover; or
- (c) to maintain any insurance policy.

7.6.4 The amount of any insurance cover shall be adjusted where appropriate where there is an error in the age, sex or other details of the Member the subject of the insurance cover.

7.6.5 If a Member is not satisfied with the amount of the Insured Benefit calculated and paid by the insurer pursuant to the relevant insurance policy or has any complaint in respect of the Insured Benefit, the Trustee shall provide to the Member all information deemed necessary by the Trustee to enable the Member to seek recourse from the insurer. The Trustee shall not otherwise be responsible for the Member's dissatisfaction or complaint in respect of the Insured Benefit other than to take such reasonable steps in relation to any declinature as the group insured in any relevant insurance policy.

[7.6.5 inserted by Deed of Amendment No [28] operative 1/8/09]

8. ACCEPTANCE OF CONTRIBUTIONS

8.1 Rules as to acceptance of Contributions

8.1.1 The Trustee will not accept contributions for a Member where:

[replaced by Deed of Amendment No.4 operative 1/7/97; amended by Deed of Amendment No [23] operative 1/7/97]

- (a) Superannuation Law does not permit the Trustee to accept such contributions; or
- (b) the Trustee determines not to accept contributions of a particular type

8.1.2 Despite any other provisions of these Rules, an Employee shall not become a Member where the Trustee is not permitted to accept contributions for that Member or determines not to accept contributions for that Member.

[replaced by Deed of Amendment No.4 operative 1/7/97]

8.1.3 *[deleted by Deed of Amendment No.4 operative 1/7/97]*

8.1.4 *[deleted by Deed of Amendment No.4 operative 1/7/97]*

9. BENEFITS

9.1 Amount of Benefit generally

9.1.1 The Benefit payable to or in respect of a Member under these Rules is an amount equal to the balance at credit in the Member's Benefit Account at the time the Benefit is paid, except as provided by or under these Rules.

9.2 Amount of Basic Death or Invalidity Benefit

9.2.1 Where Basic Death or Invalidity Benefits applies, the amount of the Basic Death or Invalidity Benefit payable to or in respect of a Full Member under these Rules is:

[amended by Deed of Amendment No [23] operative 19/9/05]

- (a) the balance at credit in the Member's Benefit Account, which does not include any proceeds payable in respect of the basic death or invalidity cover; and

- (b) the amount of the basic death or invalidity cover for the Member calculated in accordance with subrule 9.2.2 as at the time the Member dies or ceases to be employed by an Employer on the ground of permanent incapacity or permanent invalidity.

9.2.2 Benefit Entitlements

[table amended by Deed of Amendment No.8 operative 24/3/00; Deed of Amendment No.15 operative 1/7/02; Deed of Amendment No. 17 operative 1/7/02]

Age Attained	Amount of Basic Benefit
Up to 35	\$68,000
36	\$63,800
37	\$63,800
38	\$63,800
39	\$59,500
40	\$54,400
41	\$45,900
42	\$38,300
43	\$31,500
44	\$25,500
45	\$22,100
46	\$18,700
47	\$15,300
48	\$12,800
49	\$11,900
50	\$11,700
51	\$11,100
52	\$10,200
53	\$9,300
54	\$8,300
55	\$7,400
56	\$6,500

Age Attained	Amount of Basic Benefit
57	\$5,600
58	\$4,600
59	\$3,700
60	\$3,200
61	\$2,800
62	\$2,300
63	\$2,300
64	\$1,900
65 and over	nil

The amount of basic death or invalidity cover for an Employee who becomes a Full Member on or after 1 March 1996 is zero and the table does not apply until the earlier of:

- (a) the first day of the month following the month in which the balance of the Member's Benefit Account first becomes \$1,000; or
- (b) the day specified in a notice given by the Member to the Trustee in a form approved by the Trustee.

9.2.3 The Basic Death or Invalidity Premium payable by each Member covered for the Basic Death or Invalidity Benefit is as follows:

- (a) \$5 per Month for each Month (whether whole or part) commencing with the date of transfer of the Member or the Month in which employment commenced (whichever is the later) and concluding with the Month in which the Member ceases to be a Full Member or in which the basic death or invalidity cover otherwise ceases for the Member in accordance with these Rules;
- (b) despite paragraph (a), in respect of a Member whose basic death or invalidity cover for a particular whole Month under subrule 9.2.2 is zero, the premium for that month is zero.

9.2.4

- (a) Where a Full Member notifies the Trustee, within 30 days of being advised by the Trustee of the right to opt out of the basic death or invalidity cover, that he or she is to cease to provide for that cover, the date of effect of that notification shall be the date of receipt by the Trustee. However, no premium shall be payable by the Member in respect of the cover provided up until that date of effect.
- (b) For the purposes of paragraph (a), a Member shall be deemed to have been advised by the Trustee of the Member's right to opt out of the basic death or invalidity cover on the date that such advice is posted by the Trustee to the

Member's last known address or such later date as may be specified by the Trustee in that advice.

- (c) Where a notification is received otherwise than in accordance with this subrule 9.2.4, the notification is to have effect from the last day of the Month in which the notification is received by the Trustee and no premiums shall be payable as from that date.

9.2.5 Unless, and until such time as, a notification is received in accordance with subrule 9.2.4, a Full Member shall be automatically covered for the basic death or invalidity cover and, subject to subrule 9.2.4, shall be liable for payment of premiums in accordance with subrule 9.2.3. This includes the basic death or invalidity cover under subrule 9.2.2 and the premiums under subrule 9.2.3 being zero at any time.

9.2.6 For the purposes of this rule 9.2, a Member who is covered for the basic death or invalidity cover is to be deemed to have ceased to be employed on the last day of the month:

- (a) in which the Member ceases to be a Full Member; or
- (b) in which the Member's sub-account maintained in respect of the compulsory Employer contributions Class of Contributions is reduced to nil in accordance with subrule 2.3.9,

and the Member's cover ceases on that day.

9.2.6A A Member ceases to be a Full Member when he or she ceases to be employed by an Employer or as otherwise provided for in these rules.

[inserted by Deed of Amendment No [23] operative 19/9/05]

9.2.7 Despite any other provision of this rule 9.2, the amount of the Benefit is not to be more than the amount received by the Trustee from any person providing cover for the Basic Death or Invalidity Benefit.

9.3 *Amount of Additional Death or Invalidity Benefit*

[deleted by Deed of Amendment No.12 operative 1/7/01]

9.3 **Amount of Death or Total and Permanent Disablement Benefit**

[inserted by Deed of Amendment No [23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

9.3.1 The amount payable on death or Total and Permanent Disablement of a Member who is entitled to be paid a benefit under Basic Insured Cover is the sum of:

- (a) the balance at credit in the Member's Benefit Account, which does not include any proceeds payable in respect of Basic Insured Cover; and
- (b) any proceeds payable in respect of Basic Insured Cover.

9.3.2 *[deleted by Deed of Amendment No [28] operative 1/8/09]*

9.3.3 Cover for the Basic Insured Cover ceases to be in force:

- (a) on written election by the Member to the Trustee that cover is to cease; or
- (b) in accordance with rule 7.4.

9.3.4 Despite any other provision of this rule 9.3, a Member is entitled to not more than one amount of the insured benefit under sub rule 9.3.1(b).

9.4 Amount of Temporary Incapacity Benefit

[inserted by Deed of Amendment No.[1] operative 27/4/98;deleted by Deed of Amendment No.12 operative 1/7/01]

10. PAYMENT OF BENEFITS

10.1 When is a Benefit or Preserved Benefit payable?

10.1.1 The Benefit (including a Preserved Benefit) payable under these Rules is payable by the Trustee to or in respect of a Member in the circumstances in which a Benefit is payable for the purpose of complying with Superannuation Law.

10.2 When is a Total and Permanent Disablement Benefit payable under these Rules?

[amended by Deed of Amendment No [28] operative 1/8/09]

10.2.1 The Trustee will, if requested by the Member, pay the Benefit the Member is entitled to on the Member suffering Total and Permanent Disablement.

10.2.2 [deleted by Deed of Amendment No. 12 operative 1/7/01]

10.2.3 [deleted by Deed of Amendment No.28 operative 1/8/09]

10.2.4 [deleted by Deed of Amendment No.12 operative 1/7/01]

10.2.5 [deleted by Deed of Amendment No.12 operative 1/7/01]

10.3 Retirement on the ground of permanent incapacity

[amended by Deed of Amendment No.12 operative 1/7/01; replaced by Deed of Amendment No. 28 operative 1.8.09]

A Member shall not be treated as Totally and Permanently Disabled unless and until:

- (a) in the case where there is no insurance policy, the Member has supplied the Trustee with such medical and other evidence as the Trustee requires to satisfy itself that the Member is Totally and Permanently Disabled;
- (b) in the case where there is an insurance policy, the Member has supplied the Trustee with such medical and other evidence as the insurer requires to satisfy itself that the Member is Totally and Permanently Disabled.

10.4 Payment on Compassionate Grounds

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- (a) the Trustee may, on the application of a person who has preserved a Benefit in the Division, and who is not otherwise entitled to be paid a Benefit under this Division, pay the person a Benefit:
 - (i) on the grounds of the former person's severe financial hardship;
 - (ii) on compassionate grounds.
- (b) The Trustee may only pay the Benefit if the Trustee is satisfied that the circumstances are such that a Benefit would be payable on the grounds of severe financial hardship or compassionate grounds as the case may be.

- (c) The amount of the Benefit:
- (i) is not to exceed the amount that is permitted to be paid on the applicable ground, and
 - (ii) The amount of the Benefit is not to exceed the amount of the balance at credit in the Member's account in this Division when the Benefit is paid.
[(ii) amended by Deed of Amendment No.4 operative 30/6/99]

10.5 *Payment of Temporary Incapacity Benefit [inserted by Deed of Amendment No.[1] operative 27/4/98; deleted by Deed of Amendment No.12 operative 1/7/01]*

10.5 Scope of Insurance cover

[inserted by Deed of Amendment No [23] operative 19/9/05]

No payment shall be required to be made in respect of a Member in satisfaction of any insurance cover that is greater than the amount received by the Trustee under the policy in respect of that Member after deduction of all administration charges expenses and taxes attributable to that amount.

11. OTHER PROVISIONS RELATING TO BENEFITS

11.1 Power of the Trustee to purchase annuities etc.

11.1.1 Whenever a Benefit has become payable to or in respect of a Member or former Member under Part 9, 10 or 11, the Trustee must, on a request under this rule 11.1, apply the Benefit, or a specified part of the Benefit in purchasing for the person making a request under this rule 11.2 a right to an annuity or other form of pension from a person nominated in the request.

11.1.2 A request may be made by the Member or former Member or, if the Member or former Member has died, by the Member or Deferred Member's legal personal representatives.

11.2 Payment of Benefit where Member is dead

[inserted by Deed of Amendment No.[1] operative 27/4/98; replaced by Deed of Amendment No.9 operative 27/6/01; replaced by Deed of Amendment No[24] operative 24/10/05]

A Benefit payable in respect of a Member who has died is payable in accordance with clause 14.17A.

12. OTHER ADJUSTMENTS TO ACCOUNTS AND RESERVES

[inserted by Deed of Amendment No.[1] operative 27/4/98]

The Trustee may, from time to time, adjust any of the accounts and reserves established under this Division as it thinks appropriate for the purposes:

- (a) to reflect a change in circumstances,
- (b) to correct mistakes relating to amounts credited or debited to the accounts or reserves,
- (c) to reflect changes in the law applicable to the accounts or reserves.

SCHEDULE 1A

DIVISION P

This Consolidation contains the following Amendments:

Amendment 20 (*introduced Division N*)

Amendment 21

Amendment 23

Amendment 24

Amendment 25

Amendment 28

Amendment 29

Amendment 32

Memorandum of Replacement and Commencement, commenced 22 October 2013 (*deleted Division N and introduced Division P*)

SCHEDULE 1A
DIVISION P — (Public Offer Fund)

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SCHEDULE 1A

DIVISION P — (Public Offer Fund)

These are the Rules governing Division P of the Scheme the assets of which are to be held in Pool A.

1. INTERPRETATION

Definitions

1.1 In these Rules:

Asset Portfolio means an Asset portfolio established under rules 2.3 to 2.13.

Complaints Act means the *Superannuation (Resolution of Complaints) Act 1993*.

Complying Fund means a superannuation fund that complies with the Superannuation Law.

Division P Employer means:

- (a) an employer who agrees to be bound by the terms of Division P (or the terms of the Division when previously known as Division N) but does not include any person that has ceased to participate. When used in relation to a Member it means the employer or former employer of that person;
- (b) any other Employer who has employees who are Members of Division P.

Due Date means the date for payment of contributions agreed to between the Trustee and the Division P Employer and otherwise 14 days after the end of the month in which salary or wages the subject of contributions to the Fund were paid to the employee of the Division P Employer.

Employee means a person who is an employee within the meaning of the *Superannuation Industry (Supervision) Act 1993* and is employed by a Division P Employer or in respect of whom a Division P Employer is required to make superannuation contributions.

Employment or **Employed** means employed or self-employed for gain or reward in any business, trade, professions, vocation, calling, occupation or employment.

Family Law Spouse means a spouse entitled to a payment split under the Family Law Act.

Full-time means Employment of 30 or more hours weekly.

Fund means each/both of the superannuation funds being the funds constituted by Pool A and Pool B, established by the Deed of Settlement made on 30 June 1997, as the context requires.

Fund Expenses means all amounts or costs to be taken into account in operating the Fund including:

- (a) taxation of contributions, the Fund or its income;
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- (b) administration costs, charges or expenses;
 - (c) costs and expenses of investing the Fund;
 - (d) custody expenses;
 - (e) Trustee fees; and
 - (f) insurance premiums.

Member means a person who has been admitted as a Member of Division P (or Division N) whose membership has not come to end in accordance with the terms of Division P.

Minimum Information means name of the person, gender, date of birth, address, and date of commencement of employment and any other information the Trustee determines.

MySuper product means the class of beneficial interest in the Fund which satisfies the criteria determined in accordance with rule 2.15.

MySuper product Member means a Member entitled to a MySuper product.

Nominated Beneficiary means any dependant or legal personal representative nominated by the Member under rule 8.10.

Part-time means Employment of 10 or more hours but less than 30 hours weekly.

Reserve Account means the account maintained in accordance with rule 2.30.

Retirement means:

- (a) in the case of a Member who has reached a preservation age that is less than 60 –
 - (i) if an arrangement under which the Member was gainfully employed has come to an end; and
 - (ii) the Trustee is reasonably satisfied that the person intends never to again become gainfully employed, either on a Full-time or a Part-time basis; or
- (b) in the case of a Member who has attained age 60 – an arrangement under which the Member was gainfully employed has come to an end and either of the following circumstances apply:
 - (i) the person attained the age on or before the ending of the employment; or
 - (ii) the Trustee is reasonably satisfied that the person intends never to again become gainfully employed, either on a Full-time or a Part-time basis.

Total and Permanent Disability means in relation to a Member:

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- (a) if insurance cover for total and permanent disablement benefits applies to the Member, the same meaning as the corresponding term in the policy of insurance for that Member; and
 - (b) where (a) does not apply to the benefit claimed, in relation to a Member who has ceased to be gainfully employed, where the Trustee is reasonably satisfied that the Member's ill-health (whether physical or mental) makes it unlikely that the Member will engage in gainful employment for which the Member is reasonably qualified by education, training or experience.

Total and Temporary Disability has the same meaning as the corresponding term in the policy of insurance for such cover (if any).

Transfer Fund means a Complying Fund, an approved deposit fund that is a complying approved deposit fund for the purposes of section 43 of the Superannuation Law, a Retirement Savings Account and where permitted by the Superannuation Law an annuity.

- 1.2 Unless the contrary intention appears, the terms used in these Rules shall have the same meaning as defined in the Deed.

2. MAINTENANCE AND ADMINISTRATION

Member Accounts

- 2.1 The Trustee is required to establish and maintain under this Division a separate Benefit Account for each Member showing such of the following amounts as may be required:
 - 2.1.1 contributions by the Division P Employer in respect of the Member;
 - 2.1.2 contributions by the Member;
 - 2.1.3 amounts that are Family Law Spouse Amounts;
 - 2.1.4 any amounts transferred to the Fund from another Complying Fund;
 - 2.1.5 any other contributions on behalf of the Member;
 - 2.1.6 insurance premiums paid;
 - 2.1.7 any insurance benefit that has been paid and credited to the account;
 - 2.1.8 sums credited or debited to such account pursuant to the provisions hereof;
 - 2.1.9 number of Units held at the commencement of the reporting period;
 - 2.1.10 number of Units issued or redeemed during the reporting period; and
 - 2.1.11 number of Units held at the end of the reporting period.

Preservation and Cashing Restrictions

- 2.2 The Trustee shall record as required in the Benefit Accounts of each Member:
 - 2.2.1 the amount that is preserved;
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- 2.2.2 the amount that is a restricted non-preserved benefit; and
 - 2.2.3 the amount that is the subject of a 'Nil' cashing requirement for the purposes of the Superannuation Law.

Other Accounts and reserves and Asset Portfolios

- 2.3 The Trustee may establish and maintain in respect of this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the administration of this Division and these Rules.
 - 2.4 Without limiting sub rule 2.3, the Trustee may establish separate Asset Portfolios, comprising assets in respect of this Division allocated by the Trustee, for the purposes of this Division.
 - 2.5 The initial Asset Portfolios established by the Trustee are:
 - (a) Cash Plus;
 - (b) Capital Guarded;
 - (c) Balanced;
 - (d) Diversified; and
 - (e) High Growth.
 - 2.6 A Member may, at any time, elect to have the Member's Benefit Account treated, for the purpose only of allocating Fund earnings, as being invested as part of one or more particular Asset Portfolios nominated by the Trustee to the Member. The Member may elect to vary or revoke any such election.
 - 2.7 Where no direction acceptable to the Trustee as to the investment of the balance of Member's Benefit Account has been made by a Member, the Trustee shall determine how the balance of the Member's Benefit Account is to be invested and may set a policy or policies to vary how that balance is to be invested including variation of investment based on age.
 - 2.8 Where no election has been made by a Protected Member in accordance with sub rule 2.6, the Trustee shall treat the Member's Benefit Account as being invested in the Cash Plus portfolio.
 - 2.9 Until a different policy is set, where no direction satisfactory to the Trustee has been made by a Member who is not a Protected Member (other than a MySuper product member) in accordance with sub rule 2.6, the Trustee shall treat the Member's Benefit Account as being invested:
 - (a) where the Member has not attained the age of 46 years: in the Diversified Asset portfolio;
 - (b) where the Member has attained the age of 46 years but has not attained the age of 55 years: in the Balanced Asset portfolio; and
 - (c) where the Member has attained the age of 55 years: in the Capital Guarded Asset portfolio.
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- 2.10 An election made in accordance with sub rule 2.6 shall take effect on the day the election is received by the Trustee or such later date as may be specified in the election. However, where an election is received prior to the day that contributions are first credited to the account of the Member making the election, the election is to take effect on that later day.
- 2.11 The Trustee may, from time to time, determine the fee that shall be payable in respect of each payment of a Benefit under the provisions of rule 11.1 or 11.2.
- 2.12 For the purposes of these Rules, the *investment earning rate* of each particular Asset Portfolio shall be the rate declared by the Trustee in respect of that Asset Portfolio for any given period.
- 2.13 For the purposes of adjusting Benefit Accounts and reserves, other than Member Benefit Accounts, the Trustee shall treat those Benefit Accounts and reserves as being invested:
- (a) where those Benefit Accounts and reserves comprise Contributions received in respect of Members which the Trustee has, for any reason, been unable to allocate to Members' Benefit Accounts, in such Asset Portfolio or Portfolios as may be considered appropriate by the Trustee, as long as no such Benefit Account or reserve is to be treated as having been wholly invested in either the Cash Plus Asset Portfolio or the High Growth Asset Portfolio; and
 - (b) in any other case, in the Cash Plus Asset Portfolio.
- 2.14 The Trustee is to determine, for the purpose only of allocating earnings under this Division, the parts of a Benefit Account or a reserve to be treated as being invested in a particular Asset Portfolio or Portfolios.

MySuper Product Requirements

- 2.15 The Trustee may issue an interest that is a MySuper product and that MySuper product satisfies the following:
- 2.15.1 a single diversified investment strategy is to be adopted in relation to assets of the Fund, to the extent that they are attributed to that MySuper product; and
 - 2.15.2 all MySuper product Members are entitled to access the same options, benefits and facilities except to the extent that a benefit is provided by taking out risk insurance; and
 - 2.15.3 amounts are attributed to MySuper product Members in relation to their interest in the MySuper product in a way that does not stream gains or losses that relate to any assets of the Fund to only some of those MySuper Members, except to the extent that the lifecycle exception applies whereby gains and losses from different classes of assets of the MySuper product are streamed to different subclasses of the MySuper product Members:
 - (a) on the basis, and only on the basis, of the age of those MySuper product Members; or
 - (b) on the basis of the age of those MySuper product Members and other prescribed factors in the relevant Superannuation Law; or
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- (c) on the basis of the age of those Members and other prescribed circumstances by the relevant Superannuation Law; and
- 2.15.4 the same process is to be adopted in attributing amounts to MySuper product Members in relation to their beneficial interest in the MySuper product, except to the extent that a different process is necessary to allow for fee subsidisation by an Employer; and
 - 2.15.5 where the Trustee permits fee subsidisation by Employers, that subsidisation will not favour one MySuper product Member who is an Employee of a subsidising Employer over another MySuper product Member who is also an Employee of that subsidising Employer; and
 - 2.15.6 the only limitations imposed on the source or kind of contributions made by or on behalf of MySuper product Members are those that are of a prescribed kind or imposed by the relevant Superannuation Law;
 - 2.15.7 a beneficial interest in a MySuper product cannot be replaced with a beneficial interest of another class in the Fund, unless the person who holds the interest consents in writing to that replacement no more than 30 days before it occurs; and
 - 2.15.8 a beneficial interest in a MySuper product (the old interest) cannot be replaced with a beneficial interest (the new interest) in another superannuation entity unless:
 - (a) the replacement is permitted, or is required, under a law of the Commonwealth; or
 - (b) the person who holds the old interest consents in writing to the replacement with the new interest no more than 30 days before it occurs; and
 - 2.15.9 to the extent that assets of the Fund are attributed to beneficial interests in the MySuper product, a pension is not payable out of those assets by the Trustee of the Fund on the satisfaction of a condition of release of benefits specified by the relevant Superannuation Law, unless the payment is derived from a benefit payable where the member has ceased work on account of ill-health (whether physical or mental).

Nature of Members' Interests

- 2.16 The interest in the Fund of a Member and those entitled to a benefit on the death of the Member is personal to that person and the Trustee shall not recognise any assignment, claim or charge in respect of that interest unless that assignment, claim or charge is permitted expressly or by necessary implication of the Superannuation Law.
 - 2.17 A Member only has an interest in the Fund whilst the Member is alive.
 - 2.18 On the death of a Member the entitlement to the Member's Benefit Account shall be determined in accordance with the provisions applying on the death of a Member.
 - 2.19 Where after a valid claim for payment is made, the Member dies and the Trustee has not received a written notice of the death of the Member before authorising payment, the Member's legal personal representative shall be entitled to payment.
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Payment

- 2.20 If any part of the Benefit cannot be paid in accordance with the provisions as to payment in this document and is not required to be paid in accordance with the requirements of the Superannuation Law or other unclaimed moneys legislation, then it may be applied to the general purposes of the Fund.

Division P Employer and Employee Rights not Restricted

- 2.21 Nothing herein contained shall restrict the right of a Division P Employer to dismiss an employee who is a Member or be used to increase damages in any action brought against the Division P Employer in respect of such dismissal or affect the legal rights of a Member or legal personal representative arising out of or in the course of his or her employment with the Division P Employer.

Family Law Orders/Agreement

- 2.22 Where a Family Law Spouse Amount is required to be dealt with in accordance with the Family Law Act and the Superannuation Law, the Member's Benefit Account will be debited with the amount and the amount credited to the account of the Family Law Spouse or transferred in accordance with the directions of the Family Law Spouse to a Transfer Fund.

Fund Expenses

- 2.23 The Trustee from time to time is to determine the Fund Expenses and the amount of these Fund Expenses that are to be allocated to Division P.
- 2.24 The Trustee in its discretion may deduct all Fund Expenses not to be taken into account in determining the price of Units from Member Benefit Accounts in such proportions as is fair and reasonable between Members.

Fees

- 2.25 The Trustee may only charge the kinds of fees prescribed by section 29V of the *Superannuation Industry (Supervision) Act* in relation a MySuper product.

MySuper membership records

- 2.26 The Trustee will record in this Division which Members are MySuper product Members and where a Member has a MySuper product and entitlements under this Deed that are not MySuper product, then the Trustee will record those interests in a way that enables the MySuper product to be identified as an interest separate from the Member's other entitlements under this Division.

Transfer of interests to comply with MySuper

- 2.27 The Trustee has the power to transfer to a MySuper product any amount or interest that Relevant Law requires be treated as a MySuper interest.

Additional Rules

- 2.28 Where contributions and/or account balances in respect of a Member are required to be paid into or kept invested in a MySuper product, the Trustee may, subject to any restriction in Superannuation Law on the Member holding an interest in one class of interest being
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precluded from holding a beneficial interest of another class because of that fact, make rules requiring:

- 2.28.1 all contributions in respect of that Member to be paid into and kept invested in a MySuper product;
 - 2.28.2 all account balances in respect of that Member to be paid into and kept invested in a MySuper product.
- 2.29 The Trustee has the power to transfer out of a MySuper product to another interest any amount of a MySuper product that Superannuation Law allows to be transferred out of a MySuper interest.

Reserve Account

- 2.30 The Trustee shall keep a Reserve Account showing:
- 2.30.1 benefits forfeited;
 - 2.30.2 reserves of earnings;
 - 2.30.3 other amounts not applied to a specific account;
 - 2.30.4 amounts applied to general or particular purposes of the Fund.

Consolidation of Member Benefit Accounts

- 2.31 Where a person is enrolled or is eligible to be enrolled as a Member in another Division in Pool A as well as this Division the Trustee may take steps so that there is only one Benefit Account maintained for the Member showing all transactions in respect of that Member. The Trustee may choose the Division in which the Benefit Account in respect of that Member is to be kept.

Other Accounts

- 2.32 The Trustee shall keep such other accounts as may be necessary to record the financial transactions by the Trustee and to record the Members' entitlements and changes in nature of entitlements.

3. EMPLOYERS

Admission of Division P Employer

- 3.1 The Trustee may, in its absolute discretion, admit as a Division P Employer, an employer who consents to be bound by the terms of this Division and the Deed.
- 3.2 Division P Employers admitted to participate in this Division only are only permitted to participate in respect of this Division P and are not Employers for the purposes of any other Division of the Scheme.

Division P Employer to Provide Information

- 3.3 Every Division P Employer in respect of its employees shall submit:
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- 3.3.1 the Minimum Information; and
- 3.3.2 all other information as may be reasonably required by the Trustee.

Removal Of Division P Employers

- 3.4 The Trustee in its absolute discretion, may at any time by notice in writing remove a Division P Employer.
- 3.5 A Division P Employer may give the Trustee 30 days' notice in writing of its intention to cease its participation in the Fund and at the end of the 30 days it will cease to be a Division P Employer.

4. MEMBERS OF THE DIVISION

Eligibility

- 4.1 The persons eligible for membership of this Division shall be such persons for whom application to become a Member is made to the Trustee.
- 4.2 Each Member is bound by the terms of this Division and the Deed.

Member to Provide Information

- 4.3 Every Member shall submit:
 - 4.3.1 an application for membership in a form approved by the Trustee; or
 - 4.3.2 the Minimum Information in the circumstances determined by the Trustee; and
 - 4.3.3 if required, any evidence of health and completed and signed statements as to health required in connection with any insurance cover; and
 - 4.3.4 all other information as may be reasonably required by the Trustee.
- 4.4 The Trustee may within 30 days of receipt of an application for membership:
 - 4.4.1 reject the application by the Member without giving a reason for this rejection;
 - 4.4.2 impose special conditions when accepting the application by the Member; and
 - 4.4.3 an application for membership that is not so rejected is accepted.

Commencement of Membership

- 4.5 Notwithstanding anything in the Trust Deed, a person eligible for membership shall become a Member on the day determined by the Trustee and on the payment or forfeiture of the whole of a Member's rights to benefit hereunder, the person's membership shall cease.
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5. CONTRIBUTIONS

Division P Employer contributions

- 5.1 Each Division P Employer will contribute to the Fund for each of its employees who is a Member the rate specified in the award or industrial agreement applying to that Member or such greater rate specified by the Division P Employer for that Member. In the case of an Employer of a Member who was a Member of Division A, the minimum contribution obligation of that Employer shall be the contribution obligation that applied to that Employer when the employee was a Member of Division A.
- 5.2 Each Division P Employer shall give to the Trustee clear directions as to the amount of contributions to be allocated to each Member employed by it.
- 5.3 Each Division P Employer shall pay by the Due Date to the Trustee:
- 5.3.1 the amount payable in accordance with rule 5.1; and
 - 5.3.2 any contributions deducted from the pay of a Member.

Member Contributions

- 5.4 A Member may contribute to the Fund such amount as the Trustee and the Member agree.
- 5.5 The Member, or if employed by a Division P Employer, the Division P Employer, shall notify the Trustee of the amount of contribution.

Failure of Division P Employer to pay contributions

- 5.6 The Trustee shall have no obligation whatsoever to take follow up action or any action to enforce payment of any contributions a Division P Employer has agreed to pay that are not paid on time or at all.
- 5.7 The Trustee may charge collection costs and interest at a reasonable rate as determined from time to time by the Trustee on any amount not paid by a Division P Employer at such time as the Trustee may require.

Other contributions

- 5.8 The Trustee may accept any contributions in respect of a Member that it is lawfully able to accept.

Controls on contributions

- 5.9 The Trustee will not accept contributions for a Member where:
- 5.9.1 the Superannuation Law does not permit payment to this Division or to a Complying Fund; or
 - 5.9.2 the Trustee determines not to accept contributions of that type.
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Application of contributions

- 5.10 Subject to any Investment Direction by the Member, the Trustee in its absolute discretion shall determine the manner in which such contributions will be invested.

Contributions splitting

- 5.11 A Member may, in a financial year, apply to the Trustee to roll over, transfer or allot an amount of Benefits, for the benefit of the Member's Spouse up to the maximum amount of contributions that may be split in accordance with the Superannuation Law.

6. INSURANCE BENEFITS**Level of Benefits**

- 6.1 The amount and nature of cover under any insurance policy shall be determined by the Trustee and shall be subject to the terms of the insurance policy or policies taken out by the Trustee to provide the relevant cover under any insurance policy.

Trustee to Effect Necessary Death and Disability Insurances

- 6.2 To provide insurance benefits, the Trustee may enter into one or more group insurance policies with insurers for amounts and on terms and conditions agreed between the Trustee and the insurer.

Commencement of Death and Disability Insurance

- 6.3 Any insurance cover in respect of a person will not commence until:
- 6.3.1 the person is admitted as a Member; and
 - 6.3.2 if required, the Member and the Employer have provided all information required by the insurer and that information is to the satisfaction of the insurer.

Cessation of Insurance Cover

- 6.4 Any insurance cover shall cease:
- 6.4.1 in accordance with the terms contained in the policy of insurance with the insurer;
 - 6.4.2 on the Trustee determining that it is not reasonably practicable to obtain or renew a policy of life insurance on terms acceptable to the Trustee;
 - 6.4.3 if the insurer for any reason terminates a policy of life insurance, or terminates the cover for the Member; or
 - 6.4.4 if the amount standing to the credit of a Member's Benefit Account is insufficient to pay the costs attributable to that Member of providing that cover.

Scope of Insurance Cover

- 6.5 Any insurance cover shall be subject to the terms of the applicable policy.
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- 6.6 No payment shall be required to be made in respect of a Member in satisfaction of any insurance cover that is greater than the amount received by the Trustee under the policy in respect of that Member after deduction of all administration charges and expenses and taxes attributable to that amount.
- 6.7 The Trustee has no duty:
- 6.7.1 to effect insurance cover;
 - 6.7.2 to increase insurance cover; or
 - 6.7.3 to maintain any insurance policy.
- 6.8 The amount of any insurance cover shall be adjusted where appropriate where there is an error in the age, sex or other details of the Member the subject of the insurance cover.

7. TRANSFER FROM ANOTHER FUND

- 7.1 The Trustee may accept into the Fund in respect of the Member an amount transferred from a Transfer Fund in which the Member has participated and the benefit payable under the Transfer Fund in respect of the Member shall be adjusted in such a manner as is agreed upon by the Trustee and the Member to take into account the value of the amount transferred.

8. PAYMENT OF BENEFITS

Amount of Benefit generally

- 8.1 The Benefit payable to or in respect of a Member under these Rules is an amount equal to the balance at credit in the Member's Benefit Account at the time the Benefit is paid, except as provided by or under these Rules.

Lump Sum Payment

- 8.2 Benefits payable under this document (other than Total and Temporary Disability Benefits) will be by way of lump sum or, if the Trustee agrees in any case, a pension or in purchase of an annuity.

When Payable

- 8.3 The Trustee must pay the Benefit when required by the Superannuation Law.
- 8.4 The Trustee will, if requested by the Member, pay Benefits:
- 8.4.1 on Retirement;
 - 8.4.2 on suffering Total and Permanent Disability;
 - 8.4.3 upon permanently departing Australia; or
 - 8.4.4 at any other time to the extent that the Benefit is a benefit that can be paid in accordance with the Superannuation Law.
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Evidence of Entitlement

- 8.5 As a precondition to payment, the Trustee may require the payee of any benefit to produce satisfactory evidence of his or her entitlement and to execute documents and do other things reasonably required by the Trustee. Payment of the benefit payable in respect of a Member to the person entitled will discharge the Trustee and satisfy that Member's rights under this Division.

Establishing Total and Permanent Disability

- 8.6 A Member shall not be treated as Totally and Permanently Disabled unless and until:
- 8.6.1 in the case where there is no insurance, the Member has supplied the Trustee with such medical and other evidence as the Trustee requires to satisfy itself that the Member is Totally and Permanently Disabled;
 - 8.6.2 in the case where there is insurance, the Member has supplied the Trustee with such medical and other evidence as the insurer requires to satisfy itself that the Member is Totally and Permanently Disabled.

Total and Temporary Disability

- 8.7 If a Member suffers Total and Temporary Disability and that Member is entitled to a Total and Temporary Disability benefit under a policy of insurance taken out by the Trustee, the Member is entitled to be paid the benefit.
- 8.8 A Member shall not be treated as Totally and Temporarily Disabled unless and until the Member has supplied the Trustee with such medical and other evidence as the insurer requires to satisfy itself that the Member is Totally and Temporarily Disabled.

8.9 Death of Member

Where a Member has died, the Benefit is to be paid in accordance with rule 8.10, and if rule 8.10 does not apply, then the Benefit is to be paid in accordance with clauses 14.17A.2 and 14.17A.3 of the Deed.

8.10 Binding Nominations

- 8.10.1 To the extent permitted by Superannuation Law, the Trustee may permit a Member to direct the Trustee (by a written notice in a form approved by the Trustee from time to time) to pay all or any part of the Member's death benefit to one or more Nominated Beneficiaries, and in such proportions, as is specified in the notice (**Binding Nomination**).
- 8.10.2 A Member may:
- (a) revoke a Binding Nomination at any time; and
 - (b) where the Trustee so permits give a new or replacement Binding Nomination at any time.
- 8.10.3 If the Trustee has permitted a Binding Nomination pursuant to rule 8.10.1, the Trustee must pay the Member's death benefit in accordance with the Binding
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Nomination provided the Binding Nomination is not invalid and the Trustee is permitted to do so under Superannuation Law.

- 8.10.4 The Trustee may from time to time specify the rules, conditions and restrictions relating to Binding Nominations which must be complied with by a Member in order for a Binding Nomination to be valid. The Trustee may vary or revoke all or any of such rules, conditions or restrictions from time to time in its absolute discretion.
- 8.10.5 A Binding Nomination is invalid if:
- (a) any of the Nominated Beneficiaries in the Binding Nomination is not a dependant or the legal personal representative of the Member at the time of death of the Member;
 - (b) the proportions specified in the Binding Nomination do not amount to 100% of that part of the Member's death benefit that is the subject of the Binding Nomination;
 - (c) the Binding Nomination is incomplete or is otherwise not completed in accordance with the requirements of the Trustee; or
 - (d) the Binding Nomination ceases to have effect under, or does not satisfy the requirements of Superannuation Law.

9. TRANSFER OF BENEFIT TO NEW FUND

Transfers on Member Request

- 9.1 Any Member may, with the consent of the Trustee terminate his or her membership of the Fund and transfer or apply the amount standing to his or her accounts to a Transfer Fund nominated by the Member which makes provision for payment and preservation of benefits in accordance with the Superannuation Law.

Withdrawal of Employer

- 9.2 A Division P Employer's participation in the Fund shall be determined in the following manner:
- 9.2.1 date of withdrawal is the date any notice takes effect, or if there is no date specified in the notice, the date the notice is received by the Trustee and where there is no notice, the date the Trustee determines that the Division P Employer has ceased to be a Division P Employer; and
 - 9.2.2 all arrears of contributions and amounts advanced by the Trustee for the benefit of the Division P Employer's Members, if any, together with interest on any amount not paid by the Division P Employer on the Due Date at a reasonable rate as determined from time to time by the Trustee and collection costs shall be paid up to the date of withdrawal.

Transfer to Successor Fund

- 9.3 The Trustee shall transfer a Member's benefits to a superannuation fund that is a successor fund in such circumstances as the Trustee determines.
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Transfer to Eligible Rollover Fund

- 9.4 The Trustee may, in accordance with the Superannuation Law, and where required by the Superannuation Law, transfer a Member's Benefit to an eligible rollover fund and shall provide any information to the Trustee of the eligible rollover fund at such time and in such manner as required by the Superannuation Law. Payment to the Trustee of an eligible rollover fund in accordance with the Superannuation Law shall be a complete discharge to the Trustee.

10. BENEFITS TO PERSONS UNDER LEGAL INCAPACITY**Legal Incapacity of Recipient**

- 10.1 Where any amount is payable or transferable to a person who is a minor or who, in the opinion of the Trustee, is unable to give a good receipt or is otherwise under a legal incapacity, then the Trustee may in its discretion:
- 10.1.1 defer payment of such moneys or any part thereof until such time as such person is in the opinion of the Trustee able to give a good receipt therefore and in the meantime invest such moneys in any investment authorised hereunder; or
 - 10.1.2 pay the amount or any part thereof to any parent, guardian or legal personal representative of such first mentioned person or to any person with whom he or she is residing for his or her maintenance, education, advancement or benefit;
 - 10.1.3 pay the amount to the Public Trustee or a trustee company or two or more trustees to be held by it upon trust to pay or apply the amount for the maintenance, education, advancement or benefit of the person with power for such Trustee to pay or transfer the same to any parent, guardian or legal personal representative of the person.

Trustee Receipt

- 10.2 No Trustee shall be concerned to see to the application of any amount paid in accordance with rule 10.1 and the receipt of the recipient shall be a complete discharge for any moneys so paid or any assets so transferred.

11. COMPLAINTS**Complaints Procedure**

- 11.1 The Trustee will establish a complaints procedure to deal with complaints by beneficiaries in a manner as required by the Superannuation Law. The procedure will be determined by the Trustee in its absolute discretion.

Complaint to delay Payment

- 11.2 The Trustee shall have no obligation to pay any Benefit on the death of a Member until:
- 11.2.1 The time to lodge a complaint by the persons notified by the Trustee under the Complaints Act has lapsed; and
 - 11.2.2 If a complaint is lodged under the Complaints Act, that complaint has been dealt with.
-

12. OTHER ADJUSTMENTS OF ACCOUNTS AND RESERVES

12.1 The Trustee may, from time to time, adjust any of the accounts and reserves established under this Division as it thinks appropriate for the purposes:

12.1.1 to reflect a change in circumstances,

12.1.2 to correct mistakes relating to amounts credited or debited to the accounts or reserves,

12.1.3 to reflect changes in the law applicable to the accounts or reserves.

13. TRUSTEE FEES

13.1 The Trustee is entitled to charge fees for its services to the Division.

SCHEDULE 2
DIVISION B – (SASS)

This document incorporates the following amendments

- Amendment 1 dated 27 April 1998
- Amendment 2 dated 20 October 2000
- Amendment 3 dated 11 January 1999 (*Division F*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999
- Amendment 6 dated 1 October 1999 (*Deed only*)
- Amendment 7 dated 4 May 2000
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000 (*D only*)
- Amendment 11 dated 28 September 2000 (*Division F only*)
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001 (*Division F only*)
- Amendment 14 dated 20 September 2002
- Amendment 15 dated 8 September 2002 (*Division A only*)
- Amendment 16 dated (*Deed only*)
- Amendment 17 dated (*Division A only*)
- Amendment 18 dated 5 February 2003
- Amendment 19 dated 5 September 2003 (*Division F*)
- Amendment 20 dated 1 June 2003 (*Division N*)
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004
- Amendment 23 dated 18 February 2005
- Amendment 24 dated 21 September 2005
- Amendment 26 dated 28 March 2008
- Amendment 29 dated 11 March 2011

**SCHEDULE 2
DIVISION B — (SASS)**

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SCHEDULE 2

DIVISION B — (SASS)

These are the Rules governing Division B of the Fund. At the Transfer Day, the Rules of Division B are intended to reflect the rights, benefits and entitlements of members under the State Authorities Superannuation Scheme established under the *State Authorities Superannuation Act 1987* and insofar as they apply to a transferred member the provisions of the following Acts or Regulations:

- (a) New South Wales Retirements Benefits Act 1972;
- (b) Local Government & Other Authorities (Superannuation) Act 1927;
- (c) Public Authorities Superannuation Act 1985;
- (d) Transport Employees Retirement Benefits Act 1967; and
- (e) Parts 2, 3 and 6 of the *State Authorities Superannuation (Transitional Provisions) Regulation 1988*,

as at the time immediately before the Transfer Day.

1. INTERPRETATION

1.1 Definitions

In these Rules:

Additional Benefit has the meaning given by rule 5.1;

Applicable Benefit Levy means the levy that, in order to attract the Additional Benefit for a Contributor, is paid to this Division by transfer from the Benefit Account under subrule 3.4.2(b);

Applicable Contribution Period has the meaning given by rule 5.1;

Asset Portfolio means an Asset Portfolio established in accordance with rule 2A;

[inserted by Deed of Amendment No.[22] operative 1/7/05]

Attributed Salary, in relation to a Contributor at any time, means:

- (a) where the Contributor is a Full-Time Employee at that time, the Salary of the Contributor at that time; or
- (b) where the Contributor is a Part-Time Employee at that time, the Salary that would be payable to the Contributor at that time if employed as a Full-Time Employee;

Chief Executive Officer has the same meaning as in Division E;

Contribution Period means a named month or such other period as may be determined by the Trustee;

Contributor means an Employee whose election to contribute to this Division has taken effect;

Contributor-Financed Benefit, in relation to a Benefit payable to, or in relation to, a Contributor, means the balance at credit in the Contributor's Benefit Account at the time the Benefit is paid;

Contributor's Benefit Account means the Benefit Account established and maintained under rule 2.2 in respect of the Contributor;

Deferred Benefit, in relation to a Contributor, means a Benefit for which the Contributor has made provision under rule 5.9, 5.10, 5.11 or deferred under the Superannuation Guarantee Charge Acts;

[amended by Deed of Amendment No.4 operative 1/7/99]

Discharge, in relation to a Contributor, means the cessation of the Contributor's employment expressed by the Employer to be on the ground that the period, or successive periods, for which the Contributor was employed has or have ended;

Dismissal means the termination by an Employer of the employment of a Contributor with the Employer, but does not include Retrenchment or Discharge or a Retirement on the grounds of incapacity in circumstances which entitle the Employee to a Benefit;

Early Retirement Age means the age of 58 years;

Eligible Salary Sacrifice Contributor means a Contributor whose Employer has agreed to pay contributions by way of salary sacrifice to this Division;

[inserted by Deed of Amendment No.[22] operative 1/7/05]

Employer-Financed Benefit in relation to a Benefit payable to, or in relation to, a Contributor, means so much of the Benefit as is paid from the Employer reserve;

[amended by Deed of Amendment No.[23] operative 30/6/97]

Entry Date, in relation to a Contributor, means the date as at which the Contributor's election to contribute to the Fund established under the *State Authorities Superannuation Act 1987* took effect, that election being:

- (a) the only such election made by the Contributor; or
- (b) where the Contributor has made more than one such election, the later or latest of those elections;

Executive Officer means a contributor who is:

[amended by Deed of Amendment No.[1] operative 27/4/98]

- (a) a chief executive officer;
- (b) a senior executive officer;
- (c) an office holder nominated for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*;

- (d) an eligible person.

Exit Date, in relation to a Contributor, means the date on which the Contributor ceases employment with an Employer, that cessation of employment being:

- (a) the only such cessation of employment of the Contributor; or
- (b) where there has been more than one such cessation of employment of the Contributor the later or latest of those cessations of employment;

Full-Time Employee means an Employee whose Salary Ratio is equal to 1;

Maximum Benefit Points has the meaning given by rule 5.1;

Part-Time Employee means an Employee whose Salary Ratio is less than 1 but at least 0.1;

Prospective Benefit Points has the meaning given by rule 5.1;

Public Sector Executives Superannuation Scheme means the superannuation scheme established under the *Public Sector Executives Superannuation Act 1989*, and when used in these Rules means Division E;

Reserve means an Account;

Resign means cease to be employed by an Employer, but does not include:

- (a) Retrenchment, Discharge or Dismissal; or
- (b) ceasing to be employed because of death; or
- (c) ceasing to be employed on the privatisation of an Employer; or
- (d) ceasing to be employed on the grounds of incapacity in circumstances which entitle the Employee to a Benefit;

Retire means cease (otherwise than by reason of death) in any manner to be employed by an Employer on or after reaching the Early Retirement Age;

Retrenchment, in relation to a Contributor, means the termination of the employment of the Contributor with an Employer where the employment is expressed by the Employer to be:

- (a) compulsorily terminated by the Employer on the ground that:
- (i) the Employer no longer requires the Contributor's services and, on termination of the Contributor's employment, does not propose to fill the Contributor's position;
- (ii) the work that the Contributor was engaged to perform has been completed; or
- (iii) the amount of work that the Employer requires to be performed has diminished and, due to that fact, it has become necessary to reduce the number of Employees employed by the Employer; or

- (b) terminated as a result of the acceptance by the Contributor of an offer by the Employer of terms of Retrenchment made on a ground specified in paragraph (a);

Salary, in relation to a Contributor, means Salary of the Contributor, determined in accordance with rule 1.2 or 1.4 and expressed as an annual rate;

Salary Ratio, in relation to a Contributor at any time during a Contribution Period, means the number ascertained by dividing the Salary of the Contributor at the commencement of the Contribution Period by the Attributed Salary of the Contributor at that commencement;

Salary Sacrifice Amount means an amount in lieu of Contributions due by an Eligible Salary Sacrifice Contributor from the Contributor's remuneration to the Fund.

[inserted by Deed of Amendment No.[22] operative 1/7/05]

Same-sex Partner *[inserted by Deed of Amendment No.12 operative 1/7/01 , deleted by Deed of Amendment No.[29] operative 11/03/11]*

Senior Executive Officer has the same meaning as in Division E;

Spouse *[inserted by Deed of Amendment No.12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]*

Superannuation Year means the year commencing on 1 April 1988 and each subsequent year commencing on 1 April.

1.2 Definition of Salary

1.2.1 For the purposes of these Rules, **Salary**, in relation to a Contributor (other than an Executive Officer) means the sum of:

- (a) the remuneration, salary or wages payable in money to the Contributor in the Contributor's capacity as a Contributor, as reported to the Trustee from time to time by the Contributor's Employer, including:

- (i) a loading in respect of any shift allowance, as determined in accordance with rule 1.3;
- (ii) other allowances payable in money that are of a kind included within the value of leave paid on termination of employment; and
- (iii) weekly workers compensation paid to the Contributor as from the date the weekly workers compensation commences to be paid,

but not including the excluded amounts or allowances referred to in subrule 1.2.4; and

- (b) if approved employment benefits are provided to the Contributor, the cost of providing the approved employment benefits, as determined by the Trustee.

1.2.2 The weekly workers compensation to be treated as Salary for the purposes of these Rules does not include any amount by which the aggregate of:

- (a) the weekly workers compensation paid to an injured Contributor; and

- (b) the Salary actually paid to the Contributor while partially incapacitated, exceeds the Salary that the Contributor would probably have been earning but for the injury (assuming the Contributor had continued to be employed in the same or some comparable employment).
- 1.2.3 The excluded amounts or allowances are:
- (a) an amount paid for overtime or as a bonus, or an allowance instead of overtime;
 - (b) except to the extent determined in accordance with rule 1.3, as referred to in subrule 1.2.1, an amount paid as shift allowance;
 - (c) except to the extent that this rule 1.2 otherwise provides, a relieving allowance;
 - (d) an expense allowance or an allowance for travelling, subsistence or other expenses;
 - (e) an equipment allowance;
 - (f) an amount paid for rent or as a residence, housing or quarters allowance; and
 - (g) an amount of weekly workers compensation excluded by subrule 1.2.2.
- 1.2.4 If a Contributor's Employer, or a person authorised to do so on behalf of the Employer, certifies in writing to the Trustee that a relieving allowance to be, or being, paid to the Contributor in the Contributor's capacity as an Employee is likely to be paid for a continuous period of 1 year (whether or not the period is partly before the date of the certificate), the allowance is, as from:
- (a) the date on which the certificate is lodged with the Trustee; or
 - (b) the date from which the allowance becomes payable,
- whichever is the later, Salary for the purposes of these Rules.
- 1.2.5 If a relieving allowance has been paid to a Contributor in the Contributor's capacity as an Employee for a continuous period of 1 year that ended after 1 April 1988 and, during that period, the allowance was not treated as part of the Contributor's Salary in accordance with subrule 1.2.4, the allowance shall be treated as part of the Contributor's Salary while its payment to the Contributor continues.
- 1.2.6 If a Contributor is on secondment to another Employer, the Salary of the Contributor for the purposes of these Rules is the Salary paid or payable to the Contributor by the other Employer.
- 1.2.7 The Employer may, by notice in writing to the Trustee, declare unconditionally, or subject to conditions, that subrule 1.2.8 applies:
- (a) to a Contributor specified in the order who is on secondment but not to another Employer; and
 - (b) generally during the period of that secondment, or during such period as is specified in the order, being, in either case, a period commencing before, on or after the date of the order.

1.2.8 During the period in which this subrule 1.2.8 is declared pursuant to subrule 1.2.7 to apply to a Contributor on secondment, the Contributor's Salary shall, for the purposes of this Act, be that paid or payable in respect of the employment to which he or she is seconded.

1.2.9 In this rule:

approved employment benefit means a Benefit provided to a Contributor at the cost of the Contributor's Employer (being a Benefit of a private nature) that is approved by the Trustee, for the purposes of this rule 1.2 in relation to the Contributor or a class of Employees of which the Contributor is a member;

shift allowance means an allowance paid to an Employee in respect of shift work performed by the Employee, and includes amounts paid as penalty rates;

weekly workers compensation, in relation to a Contributor, means weekly payments of compensation under the *Workers Compensation Act 1987* (or the provisions of the *Workers Compensation Act 1926* as applied by that Act) payable to the Contributor because the Contributor is partially incapacitated for work through injury.

1.3 Determination of loading in respect of shift allowance

1.3.1 In this rule 1.3:

base salary, in relation to a Contributor, means the remuneration, Salary or wages payable to the Contributor under an award of an industrial tribunal or under an industrial or enterprise agreement, but excluding all additional allowances payable to the Contributor;

relevant period, in relation to a Contributor, means the period of 12 months ending with 31 December immediately preceding the date on which the Salary of the Contributor is to be calculated for the purposes of these Rules;

relevant shift means a shift worked by an Employee in respect of which a shift allowance is payable by an Employer;

trade union means:

- (a) an industrial organisation of Employees registered or recognised as such under the *Industrial Relations Act 1991*; or
- (b) an association of Employees registered as an organisation under the *Industrial Relations Act 1988* of the Commonwealth.

1.3.2 For the purposes of subrule 1.2.1(a), the loading (if any) to be treated as part of a Contributor's Salary for the purposes of these Rules must be determined by reference to subrules 1.3.3, 1.3.4 or 1.3.5 according to whichever subrule is appropriate to the Contributor.

1.3.3 If:

- (a) there is in force an agreement between, or a practice accepted by, a trade union and the Employer of a Contributor which was in force immediately before 18 December 1987;

- (b) the effect of the agreement or practice is that amounts that the Employer pays to the Contributor as shift allowances for relevant shifts worked by the Contributor during a relevant period are treated as a loading for superannuation purposes; and
- (c) the total of those amounts is greater than that which would be determined under subrule 1.3.4 for that year in respect of the Contributor,

then, for the purposes of subrule 1.2.1(a) of these Rules, that total is the Contributor's loading for those shift allowances.

- 1.3.4 Except where subrule 1.3.3 or 1.3.5 applies, if a Contributor is paid shift allowances for shifts that the Contributor has worked during a relevant period, then, for the purposes of subrule 1.2.1(a) of these Rules, the Contributor's loading for those allowances is to be determined by reference to the number of shifts the Contributor is taken to have worked (as calculated in accordance with subrule 1.3.6) during the relevant period. The loading is:

[amended by Deed of Amendment No.5 operative 30/6/99]

- (a) if during the relevant period the Contributor is taken to have worked not more than 104 relevant shifts - no amount;

[amended by Deed of Amendment No.5 operative 30/6/99]

- (b) if during the relevant period the Contributor is taken to have worked more than 104 but not more than 156 relevant shifts - an amount equal to 10% of the Contributor's base salary for that period;

[amended by Deed of Amendment No.5 operative 30/6/99]

- (c) if during the relevant period the Contributor is taken to have worked more than 156 but not more than 208 relevant shifts - an amount equal to 15% of the Contributor's base Salary for that period; or

[amended by Deed of Amendment No.5 operative 30/6/99]

- (d) if during the relevant period the Contributor is taken to have worked more than 208 relevant shifts - an amount equal to 20% of the Contributor's base Salary for that period.

[amended by Deed of Amendment No.5 operative 30/6/99]

- 1.3.5 If the amounts actually paid or payable to a Contributor as shift allowances for shifts that the Contributor has worked during a relevant period are less than the loading determined for the period in respect of the Contributor in accordance with subrule 1.3.4, then, for the purposes of subrule 1.2.1(a), the total of those amounts is the Contributor's loading for those allowances.

- 1.3.6 For the purposes of subrule 1.3.4, the number of shifts a Contributor is taken to have worked during a relevant period, being shifts for which a shift allowance is paid, is the number calculated as follows:

$$N = \frac{H}{H_0} \times S$$

where:

N is the number of such shifts the Contributor is taken to have worked during the relevant period.

H is the number of hours per shift regularly required to be worked in such shifts during the relevant period.

H_o is the smallest number of hours per shift regularly required to be worked (whether by the Contributor or any comparable worker) in such shifts during any calendar year after 1987, including the relevant period.

S is the number of such shifts the Contributor actually worked during the relevant period.

[inserted by Deed of Amendment No.5 operative 30/6/99]

1.4 Salary of Executive Officers

- 1.4.1 For the purposes of these Rules, the Salary of an Executive Officer is the Salary as last nominated or changed in accordance with this rule 1.4.
- 1.4.2 An amount of Salary for the purposes of these Rules must be nominated to an Executive Officer's Employer by the officer, on, or as soon as practicable after, being appointed as an Executive Officer. An amount may also be nominated to the officer's Employer by the officer on, or as soon as practicable after, being reappointed, or appointed to another position, as an Executive Officer.
- 1.4.3 The amount nominated is to be not less than the monetary remuneration payable to the Executive Officer at the date of nomination and not more than the total value of the remuneration package paid to the officer (less the cost of providing the Employer's Contributions to superannuation and any performance-related incentive payment).
- 1.4.4 If an Executive Officer fails to nominate an amount of Salary within 28 days of first being appointed as an Executive Officer or within such further period as the Trustee may allow, the officer is taken to have nominated an amount of Salary that is equal to the monetary remuneration payable to the officer at the end of the applicable period.
- 1.4.5 An Executive Officer may, from time to time, by notice to the officer's Employer elect to reduce the amount of Salary nominated under this rule 1.4, but not so that the amount is less than the monetary remuneration payable to the officer at the date of the election.
- 1.4.6 An Executive Officer may, from time to time, by notice to the officer's Employer elect to increase the amount of Salary nominated under this rule 1.4, but not so as to increase the amount nominated by a percentage of that amount that is more than the percentage by which the remuneration package of the officer has increased since the amount of Salary was last nominated or changed.
- 1.4.7 An Employer must notify the Trustee of a nomination or election under this rule 1.4. Any such nomination or election takes effect on the date of notification to the Trustee or on such other date as the Trustee may determine with the consent of the Executive Officer concerned.
- 1.4.8 Nothing in this rule 1.4 requires the nominated amount of Salary to be increased if, because of a variation in the remuneration package of an Executive Officer or in the proportions of the remuneration package comprising monetary remuneration and employment benefits of the officer, the amount of Salary as last nominated or changed for the purposes of this rule 1.4 is less than the monetary remuneration of the officer.

1.4.9 In this rule, the **monetary remuneration** payable to an Executive Officer is:

- (a) if the officer is a Chief Executive Officer or Senior Executive Officer, within the meaning of Division E, the monetary remuneration payable in accordance with the *Public Sector Management Act 1988*; or
- (b) if the officer is an office holder nominated for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*, the remuneration payable to the officer as reduced under that section by the cost of employment benefits provided to the officer; or
- (c) if the officer is an Employee of an Employer to whom Division E applies, the monetary remuneration payable to the officer.

1.5 Secondment of Employee otherwise than to Employer

1.5.1 The Employer may, by notice in writing to the Trustee, declare unconditionally or subject to conditions that subrule 1.5.2 applies:

- (a) to a Contributor specified in the order who is on secondment but not to another Employer; and
- (b) generally during the period of that secondment, or during such period as is specified in the order being, in either case, a period commencing before, on or after the date of the order.

1.5.2 During the period in which this subsection is declared under subrule 1.5.1 to apply to a Contributor, the Employer specified in the declaration shall be deemed to be the Employer from whose employment the Contributor is seconded.

1.6 Part-Time employment with more than one Employer

Where a Contributor is in Part-Time Employment with more than one Employer at the same time, these Rules apply to the Contributor separately in relation to each such employment as if, in relation to each such employment, the Contributor were a different person.

2. MAINTENANCE AND ADMINISTRATION OF THIS DIVISION

2.1 Payments in and out of this Division

2.1.1 The Trustee shall cause to be held in Pool B in respect of this Division:

- (a) Contributions or payments made by Employers and Employees;
[amended by Deed of Amendment No.[1] operative 27/4/98]
- (b) income derived from investment of assets held in respect of this Division and any profit made from realisation of any investment of assets held in respect of this Division;
- (c) money borrowed for the purposes of this Division; and
- (d) any other amounts payable in respect of this Division.

2.1.2 The Trustee shall cause to be paid from Pool B in respect of this Division:

- (a) administration costs incurred by the Trustee under these Rules;
- (b) any Tax;
- (c) the Benefits payable under these Rules; and
- (d) any other amounts payable in respect of this Division. 2.2 Contributors' Benefit Accounts

2.2 Contributors' Benefit Accounts

2.2.1 The Trustee shall establish and maintain within this Division a separate Benefit Account for each Contributor.

2.2.2 There shall be credited to a Contributor's Benefit Account:

[replaced by Deed of Amendment No.[22] operative 1/10/05]

- (a) contributions made by the Contributor; and
- (b) earnings being the share of income derived from investment of assets held in respect of this Division, and any profit made from realisation of those investments attributable to the particular Asset Portfolio applicable to that Contributor.

2.2.3 There shall be debited to a Contributor's Benefit Account:

- (a) where the Contributor is covered for the Additional Benefit, the amount of the Additional Benefit Levy;
- (b) such part of the amount of any Benefit paid to the Contributor as comprises the Contributor-Financed Benefit;

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (c) administration costs incurred by the Trustee under this Division in relation to the Contributor; and
- (d) any Tax.

[(d) inserted by Deed of Amendment No.[22] operative 1/10/05]

2.2.4 As at the last day of each month, each Contributor Benefit Account is to be adjusted as follows:

[inserted by Deed of Amendment No.[22] operative 1/10/05]

- (a) earnings expressed as interest is to be credited (or debited) to each Contributor's Benefit Account on a daily balance pro rata basis at the rate declared by the Trustee, in accordance with rule 2B, to be the investment earning rate for that month for the particular Asset Portfolio applicable to that Contributor;
- (b) to each Contributor's Benefit Account is to be debited with the monthly unit management charge determined for that month in accordance with rule 2E; the

particular to each Contributor's Benefit Account to which that charge is to be debited is to be at the discretion of the Trustee; and

- (c) any other amounts payable by a Contributor.

2.3 Additional Benefit Reserve

2.3.1 The Trustee shall establish and maintain an Additional Benefit Reserve.

2.3.2 There shall be credited to the Reserve the amounts debited under subrule 2.2.3(a).

[deleted by Deed of Amendment No.9 operative 30/6/03; replaced by Deed of Amendment No. [21] operative 1/7/01].

2.3.3 There shall be credited to the Reserve the amounts debited under subrule 2.4.3 (c).

[replaced by Deed of Amendment No.9 operative 30/6/03]

2.3.4 There shall be debited to the Reserve the amount of any Additional Benefits paid by the Trustee.

[inserted by Deed of Amendment No.9 operative 30/6/03]

2.4 Reserves for Employers

2.4.1 The Trustee shall establish and maintain in respect of this Division a separate employer reserve, or separate employer reserves as the case may be.

2.4.2 There shall be credited to such an employer reserve:

[replaced by Deed of Amendment No.[22] operative 1/10/05]

- (a) the Contributions made by the Employer or Employers to whom the reserve relates; and
- (b) earnings being the share of income derived from investment of assets held in respect of this Division, and any profit made from realisation of those investments attributable to the assets in that reserve.

2.4.3 There shall be debited to the employer reserve:

[replaced by Deed of Amendment No.9 operative 30/6/03]

- (a) the amount of the Employer-Financed Benefits (but excluding any part of any Additional Benefit) included in the amount of any Benefit paid to, or in relation to, a Contributor who, immediately before the Benefit became payable, was an Employee of the Employer or an Employer to whom the reserve relates; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) administration costs incurred by the Trustee under these Rules in relation to the Employer or an Employer to whom the reserve relates;
- (c) where the Contributor is covered for the Additional Benefit, an amount determined by the Trustee, after seeking actuarial advice, from time to time in respect of the Employer or an Employer to whom the reserve relates; and

- (d) any Tax.

[d) inserted by Deed of Amendment No.[22] operative 1/10/05]

2.4.4 The Trustee may, after obtaining actuarial advice, adjust the amount credited to an employer reserve by crediting or debiting an amount, if it appears to the Trustee appropriate to do so because of a change in the constitution or nature of an Employer.

2.4.5 Subrule 2.4.4 does not apply to a change in the constitution or nature of an Employer because of a Government privatisation initiative.

2.5 Adjustment of reserves and accounts for interest etc

[inserted by Deed of Amendment No. 18 operative 5/2/03]

2.5.1 Whenever appropriate, the Trustee must fix a rate of interest for the purposes of subrule 2.5.2 after having regard to:

- (a) the income in respect of this Division;
- (b) any Tax in respect of the investment of assets held to provide Benefits under this Division; and
- (c) such other matters as it considers relevant.

2.5.2 Whenever appropriate, the Trustee must adjust each of the reserves and accounts established under this Part 2 by applying the rate of interest that is currently fixed under subrule 2.5.1.

2.5.3 The Trustee may fix a rate of interest for the purpose only of enabling specific reserves or accounts to be adjusted.

2.6 Source of administration costs payments

[inserted by Deed of Amendment No. 18 operative 5/2/03]

The administration costs payable in respect of this Division are to be debited to the Employer Reserves and such other reserves and accounts in the Fund as the Trustee considers appropriate.

2.7 Funds, accounts and reserves generally

[inserted by Deed of Amendment No. 18 operative 5/2/03]

2.7.1 The Trustee must:

- (a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is required by or under the Deed or Rules to be debited to this Division or to that reserve or account; and
- (b) debit to this Division or to the appropriate reserve or account any amount that is required by the Deed or Rules to be debited to this Division or to that reserve or account.

2.7.2 The Trustee may:

- (a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be credited to this Division or to that reserve or account; and
- (b) debit to this Division or to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be debited to this Division or to that reserve or account.

2.8 Salary Sacrifice

[inserted by Deed of Amendment No.[22] operative 1/7/05]

2.8.1 The Trustee will deal with a Salary Sacrifice Amount as follows:

- (a) credit the Salary Sacrifice Amount to the Contributor's Benefit Account.
- (b) the Contributor's Contribution obligation shall be reduced by the amount of the Salary Sacrifice Amount less any Tax attributable to that Salary Sacrifice Amount.

2A OTHER ACCOUNTS AND RESERVES AND ASSET PORTFOLIOS

[inserted by Deed of Amendment No.[22] operative 1/10/05]

2A.1 The Trustee may establish and maintain in respect of this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the administration of this Division and these Rules.

2A.2 Without limiting subrule 2A.1, the Trustee may establish separate Asset Portfolios, comprising assets attributable to Contributor's Benefit Accounts or Deferred Benefits allocated by the Trustee, for the purposes of this Division.

2A.3 The initial Asset Portfolios established by the Trustee are:

[amended by Deed of Amendment No.[23] operative 1/10/05]?

- (a) Cash Plus;
 - (b) Capital Guarded;
 - (c) Balanced;
 - (d) Diversified;
 - (e) High Growth; and
 - (f) Trustee Selection.
- 2A.4 A Contributor may, at any time, elect to have the Contributor's Benefit Account treated, for the purpose only of allocating Fund earnings, as being invested as part of one or more particular Asset Portfolios nominated by the Trustee to the Contributor. The Contributor may elect to vary or revoke any such election.
- 2A.5 Where no election has been made by a Member in accordance with subrule 2A.4, the Trustee shall treat the Member's Benefit Account as being invested in the Diversified Portfolio or

such other Asset Portfolio as the Trustee considers appropriate. The Trustee may take into account the Member's age in determining the appropriate Portfolio. The Asset Portfolio in which the Member's Benefit Account is to be invested where no election has been made shall be as set out in the Trustee's disclosure documentation for investment choice

[replaced by Deed of Amendment No.[23] operative 1/10/05, replaced by Deed of Amendment No.[29] operative 11/03/11]

- 2A.6 An election made in accordance with subrule 2A.4 shall take effect on the day that is five working days after the day the election is received by the Trustee or such later date as may be specified in the election. However, where an election is received prior to the day that Contributions are first credited to the account of the Contributor making the election, the election is to take effect on that day.
- 2A.7 A fee (determined by the Trustee from time to time) per election shall apply to all elections made in accordance with subrule 2A.4 other than:
- (a) the first election made by a Contributor; and
 - (b) the first subsequent election made by that Contributor in each period of 12 months ended 30 June.
- 2A.8 For the purposes of these Rules, the earnings rate of each particular Asset Portfolio or reserve shall be the rate declared by the Trustee in respect of that Asset Portfolio or reserve for any given period.
- 2A.9 The Trustee is to determine, for the purpose only of allocating earnings under this Division, the assets to be treated as being invested in a particular Asset Portfolio or Portfolios or reserve.

2B ADJUSTMENT OF ACCOUNTS AND RESERVES FOR INTEREST

[inserted by Deed of Amendment No.[22] operative 1/10/05]

- 2B.1 The Trustee may, from time to time, adjust each of the Accounts and reserves established under these Rules at a rate or rates fixed by the Trustee, having regard to the income in respect of this Division and the earnings, as determined by the Trustee, of any Asset Portfolio or Portfolios in which the or parts of them are treated as being invested or of any reserves and such other matters as the Trustee considers relevant.
- 2B.2 The Trustee may, for the purpose of adjusting a Contributor's Benefit Account or Deferred Benefits before paying out the balance at credit in the Account, fix a rate for that purpose only.
- 2B.3 In adjusting Accounts or reserves under this rule 2B, the Trustee may fix different rates for Accounts or reserves, or parts of Accounts or reserves, that are treated as being invested differently.
- 2B.4 For the purpose of adjusting Accounts and reserves, the Trustee may allocate any income in respect of this Division, or any losses, as being attributable to a particular Asset Portfolio or Portfolios, or reserve as it thinks fit.

2C HOW COSTS MAY BE CHARGED

[inserted by Deed of Amendment No.[22] operative 1/10/05]

2C.1 Costs incurred by the Trustee in the administration or execution of these Rules, are to be charged to such reserves and accounts as the Trustee may determine.

2C.2 Costs incurred in investing an Asset Portfolio and managing any such investment are to be paid from the income from investment from the Asset Portfolio.

2D FEES AND CHARGES

[inserted by Deed of Amendment No.[22] operative 1/10/05]

2D.1 The Trustee is to declare a monthly unit management charge to apply to Contributor Benefit Accounts as from such date as may be specified by the Trustee.

3. CONTRIBUTIONS BY EMPLOYEES

3.1 Closure of this Division to new Contributors

3.1.1 Except as provided in subrule 3.1.2 and 3.1.3 an Employee is not entitled to make an election to contribute under this Division.

3.1.2 An Employee who resumes employment as an Employee in the circumstances set out in rule 3.12 may make an application under that rule and may resume Contributions.

(a) An Employee who has elected under rule 5.11 to make provision for a Deferred Benefit before the commencement of this rule 3.1, or who so elects after the commencement of this rule 3.1, is entitled to elect to contribute under this Division of the Fund.

(b) An Employee who has elected under Division 3B of Part 4 of the *Superannuation Act 1916* to defer a Benefit before the commencement of this rule 3.1, or who so elects under Part 17 of Division D after the commencement of this rule 3.1, is entitled to elect to contribute under this Division.

[amended by Deed of Amendment No.[22] operative 30/6/97]

(c) The election to contribute under this Division must be made when the Employee elects to make provision for a Deferred Benefit or to defer a Benefit.

(d) Despite paragraph (c), an Employee who elected to make provision for a Deferred Benefit or to defer a Benefit before the commencement of that paragraph may elect to contribute under this Division at any time within 3 months after the commencement of that paragraph.

3.1.4 An election under subrule 3.1.2 or 3.1.3 shall:

(a) be in a form approved by the Trustee for the purposes of this rule 3.1;

(b) specify the rate at which the Employee desires, subject to these Rules, to contribute under this Division, being the rate of 1, 2, 3, 4, 5, 6, 7, 8 or 9 per cent of the Employee's Salary; and

(c) be supported by a certificate by the Employee's Employer that is in a form approved by the Trustee.

3.1.5 The certificate must state:

- (a) the date of birth of the Employee;
- (b) the Salary (and, in the case of a Part-Time Employee, the Attributed Salary) of the Employee;
- (c) that the Employer has no reason to believe that the Employee will not continue to be an Employee within the meaning of these Rules for at least 1 year from the date of the certificate; and
- (d) such other matters as the Trustee considers necessary or convenient for the purposes of this rule 3.1.

3.1.6 A failure to comply with subrule 3.1.4(b) does not invalidate an election and, in the event of such a failure, the form of election shall be deemed to specify a rate of 1%.

3.1.7 An election made by an Employee under subrule 3.1.2 or 3.1.3 is ineffective if, at the time the election would take effect, the Employee would be of or above the age of 70 years.

[amended by Deed of Amendment No.[1] operative 27/4/98]

3.1.8 An election made by an Employee under subrule 3.1.2 or 3.1.3 (other than an election referred to in 3.1.7) takes effect not later than the first day of the second Contribution Period after that in which the election is received in the office of the Trustee, but, if an Employee makes a subsequent election under rule 3.9, ceases to be in force immediately before the subsequent election takes effect.

3.1.9 If the Trustee approves, an Employee may, before an election made under this rule 3.1 takes effect, vary the election.

3.1.10 If a Contributor to another superannuation fund would become (but for being such a Contributor) entitled to elect to contribute under this Division by reason of a change of work category or for any other reason:

- (a) the Contributor shall be deemed not to be a Contributor to the other superannuation fund for the purposes of making the election;
- (b) the Contributor may make the election on condition that the Trustee approves an application made by the person under rule 3.2 to be covered for the Additional Benefit; and
- (c) the election takes effect as at a date determined by the Trustee.

3.2 Additional Benefit

3.2.1 An Employee under the Early Retirement Age may lodge with the Trustee an application to be covered for the Additional Benefit.

3.2.2 Such an application may be made:

- (a) by an Employee who is not a Contributor at the time the Employee makes an election under rule 3.1; or
- (b) except to the extent that rule 3.5 or subrule 3.6.6 otherwise provides at any time by a Contributor.

3.2.3 Such an application shall:

- (a) be in a form approved by the Trustee for the purposes of this rule 3.2; and
- (b) be accompanied by such documents, evidence and information as the Trustee may require for the purposes of this rule 3.2.

3.3 Medical examination

3.3.1 This rule 3.3 applies to an application made under rule 3.2 by a person to be covered for the Additional Benefit.

3.3.2 The Trustee may require the applicant:

- (a) to submit to such medical examinations as may be required by the Trustee; and
- (b) to provide such medical reports, evidence and information as are specified by the Trustee.

3.3.3 Where the applicant:

- (a) fails, in the opinion of the Trustee, to pass a medical examination to which the applicant has submitted in accordance with a requirement under this rule 3.3; or
- (b) fails to comply with a requirement under this rule 3.3,
- (c) the Trustee shall refuse the application.

3.3.4 For the purpose of deciding whether or not to approve the application, the Trustee:

- (a) may, under subrule 3.3.2, require the applicant to submit to further medical examinations or provide further medical reports; and
- (b) may obtain such evaluations of medical examinations or medical reports as it thinks fit.

3.4 Approval of application

3.4.1 If the Trustee approves an application made under rule 3.2:

- (a) the Trustee shall appoint the day on and from which the applicant's cover for the Additional Benefit is to commence and shall notify the applicant accordingly; and
- (b) the applicant becomes, and remains, liable for payment of the Additional Benefit Levy in accordance with subrule 3.4.2.

3.4.2 Payment by a Contributor of the Additional Benefit Levy:

- (a) shall commence on a date appointed by the Trustee and shall be made at a rate determined by the Trustee and at times so determined;
- (b) shall be effected by transfer from the Contributor's Benefit Account; and
- (c) shall cease when the Contributor no longer has available to be taken into account any Prospective Benefit Points.

3.5 Refusal of application

If an application made under rule 3.2 is refused, the applicant may not again make such an application before the expiration of:

- (a) the period of 3 years that net succeeds the refusal; or
- (b) in a particular case such shorter period as the Trustee may decide.

3.6 Revocation of approval

3.6.1 If, after approving an application made under rule 3.2, the Trustee forms the opinion that, in relation to the application, or to a medical examination of the applicant, an untrue statement was made and that its approval would not have been given had the untrue statement not been made, the Trustee shall, subject to this rule 3.6, revoke the approval.

3.6.2 For the purpose of deciding whether or not, in relation to an application or a medical examination of an applicant, it is of the opinion referred to in subrule 3.6.1, the Trustee may, if it thinks fit, require the applicant, within a time specified by the Trustee or within such further time as the Trustee may allow, to provide information, or to undergo a medical examination, or to provide medical reports, as specified by the Trustee.

3.6.3 On the expiration of the time, or further time, referred to in subrule 3.6.2, the Trustee may, whether or not the requirement so referred to is complied with, proceed to decide whether or not it is of the opinion referred to in subrule 3.6.1.

3.6.4 If the applicant fails to comply with a requirement under subrule 3.6.2, the Trustee may revoke the approval.

3.6.5 An approval may be revoked whether it relates to a Contributor or a former Contributor and the revocation has effect as if the Contributor or former Contributor had never been entitled to the cover.

3.6.6 If, under subrule 3.6.1 or 3.6.4, the Trustee revokes its approval of an application:

- (a) the applicant (if a Contributor) ceases to be covered for the Additional Benefit and ceases to be liable to pay the Additional Benefit Levy;
- (b) the applicant (if a Contributor) is disqualified for 3 years from again applying to be covered for the Additional Benefit; and
- (c) the amount of any Additional Benefit Levy paid by the applicant (whether a Contributor or a former Contributor) before revocation of the approval is not recoverable.

3.7 Liability to contribute

3.7.1 Where an Employee is a Contributor under this Division or where an election under subrule 3.1.2 or 3.1.3 takes effect, the person who made the election becomes, and remains, liable to pay under this Division the Contributions prescribed by this Part 3 and, except as provided by rules 3.9, 3.10, 3.11 and 4.3, to pay those Contributions in respect of successive Contribution Periods:

-
- (a) commencing with the Contribution Period in which the Contributor's Entry Date occurs; and
 - (b) ending with the last complete Contribution Period ending on or before the Contributor's Exit Date.
- 3.7.2 A Contributor's Contributions under this Division are payable to the Trustee by the Employer by which the Contributor is employed at such times as the Trustee may require. The Employer is entitled to deduct those Contributions from any amount or amounts that may become payable by the Employer to the Contributor, whether as Salary or otherwise.
- 3.7.3 The Trustee may, in a particular case, charge interest calculated on a daily basis at a rate determined by the Trustee on a Contribution under this Division for any period during which the Contribution remains unpaid after the time allowed for payment and any such interest:
- (a) shall be paid to the Trustee by the Employer in default; and
 - (b) is not chargeable against any Employee.

3.8 Salary basis for Contributions

A Contributor's Contributions under this Division during a Superannuation Year shall be based on the Salary paid to the Contributor by his or her Employer at the rate applicable as at:

- (a) 31 December last preceding the commencement of the Superannuation Year; or
- (b) the Contributor's Entry Date,

whichever is the later.

3.9 Variations of Contribution rate

- 3.9.1 A Contributor may, during the period that commences at the beginning of a Superannuation Year and ends on the next succeeding 31 December or such later date as the Trustee may approve, lodge with the Trustee an election to vary the rate per cent of the Contributor's Salary to be paid under this Division.
- 3.9.2 An election under subrule 3.9.1:
- (a) shall be in a form approved by the Trustee for the purposes of this rule 3.9;
 - (b) shall specify the varied rate per cent (being 1, 2, 3, 4, 5, 6, 7, 8 or 9 per cent) of the Contributor's Salary to be paid under this Division; and
 - (c) takes effect on 1 April next succeeding receipt of the election in the office of the Trustee.
- 3.9.3 Where the nature of the employment of a Contributor changes from Full-Time to Part-Time or from Part-Time to Full-Time, or the amount of time worked Part-Time by a Contributor changes, the amount of the Contributor's Contribution under this Division in respect of the Contribution Period during which the change operates, and each succeeding Contribution Period until varied in accordance with these Rules, is the amount calculated by multiplying by the Contributor's Salary Ratio at the commencement of the period the amount of the Contribution that would be payable on the basis of the Contributor's Attributed Salary last applicable for the purpose of calculating Contributions under this Division.

- 3.9.4 Except as provided by subrule 3.9.3 or to the extent that the Trustee upon the application of a Contributor otherwise directs, a reduction in the Salary of the Contributor below that upon which his or her Contributions are based does not, until the beginning of the Superannuation Year that next succeeds the reduction, affect the amount of the Contribution that the Contributor is required to pay under this Division.
- 3.9.5 Except in the case of a Contributor who applies for a direction of the Trustee under subrule 3.9.4, where a Contributor's Attributed Salary is reduced as a consequence of the Contributor's ill-health or in circumstances considered by the Contributor to be special, the Contributor may apply to the Trustee in a form that:
- (a) is approved by the Trustee for the purposes of this subrule 3.9.5; and
 - (b) is accompanied by such evidence of the cause of the reduction in Salary as the Trustee requires,
- for the application of subrule 3.9.6 to the Contributor.
- 3.9.6 Where the Trustee approves an application by a Contributor under subrule 3.9.5, the Attributed Salary of the Contributor shall, for the purposes of these Rules, be deemed to be the same as the Contributor's Attributed Salary immediately before the reduction until:
- (a) the beginning of the Superannuation Year that next succeeds a 31 December as at which the Contributor's Attributed Salary is equal to or greater than his or her Attributed Salary immediately before the reduction; or
 - (b) the Trustee's approval is revoked on the application of the Contributor, whichever first occurs.
- 3.9.7 Subject to rule 3.10, an election that takes effect under this rule 3.9 remains in force until a further election made under this rule 3.9 takes effect.

3.10 Variations of Contribution rate: hardship

- 3.10.1 Despite subrule 3.9.1, the Trustee may, if it is satisfied that a continuation of a Contributor's rate of Contribution under this Division would result in financial hardship for the Contributor, accept at any time an election under that subrule 3.9.1 to reduce, as from a date determined by the Trustee having regard to the circumstances of the Contributor, the rate per cent of the Contributor's Salary to be paid under this Division.
- 3.10.2 Despite subrule 3.9.1, an election referred to in subrule 3.10.1 may specify as the varied rate the rate of 0 per cent.
- 3.10.3 During a period when a rate of 0 per cent is in force, no Contributions are payable by the Contributor.
- 3.10.4 After an election referred to in subrule 3.10.1 is accepted by the Trustee, the Trustee shall refund any resulting excess of Contributions made by the Contributor under this Division after the date determined by the Trustee for commencement of the new rate.
- 3.10.5 The Trustee's acceptance of an election for a rate of 0 per cent shall be given for a limited period or periods.

3.11 Contributions during leave without pay and other matters

3.11.1 In this rule 3.11:

leave without pay means a period of leave from employment with an Employer (otherwise than on secondment as referred to in rule 1.2.6) during which the Contributor is not entitled to receive payment of Salary from the Employer;

prescribed leave means leave without pay during which the Contributor on leave is absent from employment with an Employer:

- (a) pursuant to a grant of sick leave;
- (b) for a period during which the Contributor receives periodic payments under an Act relating to workers' compensation;
- (c) pursuant to a grant of maternity leave;
- (d) pursuant to an agreement with the Employer for the secondment of the Contributor to employment that is not employment with an Employer;
- (e) to enable the Contributor to perform union duties unless, in a particular case, the Employer certifies that this paragraph is not to apply;
- (f) to enable the Contributor to perform duties that the Employer certifies to be in the interests of the Employer or the State;
- (g) on service with the naval, military or air forces of the Commonwealth; or
- (h) in circumstances approved by the Trustee for the purposes of this rule 3.11.

3.11.2 A Contributor who takes leave without pay that is prescribed leave is liable to make Contributions under this Division in respect of the Contribution Periods occurring wholly or partly while on prescribed leave.

3.11.3 However, a Contributor who takes a single period of prescribed leave that is sick leave or maternity leave is not liable to make Contributions under this Division in respect of any Contribution Periods during the period of leave occurring wholly or partly more than 2 years after the period of leave commences.

3.11.4 A Contributor who takes leave without pay that is not prescribed leave:

- (a) is liable to make Contributions under this Division in respect of:
 - (i) a Contribution Period that begins before but finishes after the start of that leave; and
 - (ii) a Contribution Period that begins before but finishes after the end of that leave; and
- (b) is not liable or entitled to make Contributions under this Division in respect of:
 - (i) a Contribution Period that begins on the first day of that leave and finishes before the end of that leave; or

- (ii) a Contribution Period that, having begun after the start of that leave, finishes on the last day of that leave; or
- (iii) a Contribution Period that falls between a Contribution Period referred to in paragraph (a) (i) or subparagraph (i) and a Contribution Period referred to in paragraph (a) (ii) or subparagraph (ii) (whichever is relevant).

3.11.5 For the purposes of these Rules, a Contributor who is employed by an Employer for less than 10 hours a week for a single period of more than 2 years is not liable to make Contributions under this Division in respect of any Contribution Periods occurring wholly or partly more than 2 years after the period commences and while the Contributor is so employed for less than 10 hours a week.

3.11.6 A Contributor liable to make Contributions under subrule 3.11.2 or 3.11.4 shall pay, in accordance with directions given by the Trustee, such Contributions as would have been deducted from the Salary of the Contributor in accordance with rule 3.7 if the Contributor had continued to be paid Salary by the Employer during the Contribution Period or periods concerned at the rate at which the Contributor would have been paid but for being on leave without pay.

3.11.7 A Contribution Period in respect of which a Contributor is not liable to make Contributions under this Division under this rule 3.11 is not an Applicable Contribution Period in relation to the Contributor.

3.11A Other Contributions by Contributor

[inserted by Deed of Amendment No.[1] operative 27/4/98]

3.11A.1A Contributor, who is not required by this Division to contribute to this Division merely because the Contributor is on authorised leave without pay as an employee, is entitled to remain a Contributor to the Division even though the Contributor is not contributing to the Division.

3.11A.2 This section applies to a Contributor only if:

- (a) the leave is for the purpose of raising children of whom the Contributor is a parent, or for whom he or she has assumed the responsibility of a parent, and
- (b) he or she has been on that leave for less than seven years consecutively, and
- (c) he or she has a statutory or contractual right to resume employment at the end of the leave.

3.11A.3 In this Division *authorised leave* means leave approved by the Contributor's Employer, or leave authorised by an agreement certified, or an award made, by a tribunal or body having the authority to do so under a law of New South Wales or the Commonwealth.

3.12 Resumption of Contributions after break in employment

3.12.1 This rule 3.12 applies to a Contributor where the employment of the Contributor with an Employer:

[replaced by Deed of Amendment No.[22] operative 30/6/97]

- (a) ceases in circumstances entitling the Contributor to be paid a Benefit under rule 5.5;
- (b) ceases in circumstances entitling the Contributor to be paid a Benefit under rule 5.6 but the Contributor does not elect to make provision for a Deferred Benefit; or
- (c) ceases in circumstances entitling the Contributor to be paid a Benefit under rule 5.7,

and the Contributor has not made an application for payment of the Benefit.

3.12.2 If a Contributor to whom this Rule 3.12 applies resumes employment as an Employee (with the same or any other Employer) within three months of the end of the last Contribution Period in which the previous employment ceased, the Contributor may apply to the Trustee to have the contribution periods since the last Contribution Period recognised as Applicable Contribution Periods.

[replaced by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No.[23] operative 30/6/97]

3.12.3 If the Trustee approves an application under subrule 3.12.2, the Contribution Periods approved in the application shall be deemed to be Applicable Contribution Periods in relation to the Contributor as an Employee of the Employer with whom the Contributor resumed employment.

[amended by Deed of Amendment No.[1] operative 27/4/98]

3.12.4 If a Contributor to whom this rule 3.12 applies resumes employment as an Employee (with the same or any other Employer) before the end of the Contribution Period in which the previous employment ceased, the Contributor may apply to the Trustee to have the Contribution Period recognised as an Applicable Contribution Period.

3.12.5 If the Trustee approves an application under subrule 3.12.4, the Contribution Period shall be deemed to be an Applicable Contribution Period in relation to the Contributor as an Employee of the Employer with whom the Contributor resumed employment.

3.13 Contributor eligible for membership or a member of Division E

3.13.1 When a Contributor becomes eligible to become a member of Division E, the Contributor must:

- (a) elect to continue to contribute to this Division; or
- (b) elect to make provision for a Benefit provided by subrule 5.10.8.

3.13.2 If a Contributor fails to make an election under subrule 3.13.1 within 2 months of being required to make that election, the Contributor, for the purposes of this rule 3.13, is to be taken to have elected to continue to contribute under this Division.

3.13.3 Nothing in these Rules prevents a Contributor who elects to continue to contribute under this Division from also contributing to Division E or another superannuation fund and such a Contributor is entitled to Benefits in accordance with these Rules despite being a member of that Scheme or another fund.

3.13.4 If a Contributor elects to continue to contribute under this Division, the Contributor may, at any time thereafter while being eligible to become a member of Division E or being a member of Division E or the Public Sector Executives Superannuation Scheme, elect to make provision for a Benefit provided by subrule 5.10.8.

3.13.5 A Contributor who elects, under this rule 3.13, to make provision for a Benefit provided by subrule 5.10.8:

- (a) is entitled to make provision for the Benefit even though he or she is not entitled to a Benefit (including any interest paid by the Trustee) of or exceeding the amount prescribed for the purposes of subrule 5.10.1; and
- (b) is not entitled to a Benefit payable under any other provision of these Rules; and
- (c) is not entitled to elect to take the Benefit provided by subrule 5.10.10; and
- (d) may elect at any time before the Benefit is paid to have the Benefit paid to the credit of the Contributor in Division E, if the Contributor is a member or is eligible to become a member of that Division.

3.13.6 If a Contributor makes an election under subrule 3.13.5(d):

- (a) the Contributor is entitled to be paid the Benefit provided by subrule 5.10.8, but only in accordance with this subrule 3.13.6; and
- (b) the Trustee must, as soon as practicable thereafter, pay the amount of the Benefit to which the Contributor is entitled to Pool A; and
- (c) the Trustee must credit the amount to the account established or to be established for the person in Division E.

3.13.7 If a Contributor makes an election under subrule 3.13.1(b) or 3.13.4 within 12 months after being:

- (a) appointed as a Chief Executive Officer or Senior Executive Officer; or
- (b) nominated as a office holder for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*,

the Salary of the Contributor, for the purposes of determining the amount of the Benefit to which the election relates, is to be taken to be his or her salary immediately before that appointment or nomination took effect.

3.14 Transfer of Contributors under Public Authorities Superannuation Act 1985

3.14.1 An Employee who, immediately before 1 April 1988 was a Contributor to the Public Authorities Superannuation Fund shall be deemed to have made an election under section 19 of the *State Authorities Superannuation Act 1987* which took effect on 1 May 1988 and to which section 19(2) did not apply.

3.14.2 Where pursuant to subrule 3.14.1, an Employee becomes a Contributor:

- (a) the Employee ceases to be a Contributor to the Public Authorities Superannuation Fund; and

- (b) a Benefit under the *Public Authorities Superannuation Act 1987* is not payable to or in relation to the Contributor.

3.14.3 An application under rule 3.2 may, subject to that rule, be made at any time by an Employee who, pursuant to this rule 3.14, became a Contributor.

3.15 Transferred Members - PSESS Election

[inserted by Deed of Amendment No.[1] operative 27/4/98]

3.15.1 A person:

- (a) who is a member of Division E; and
- (b) who had a benefit transferred under regulation 7(b) of the Transfer Regulation; and
- (c) is employed by an Employer

is entitled to elect at any time to make provision for Benefits provided for by subrule 5.10.8.

3.15.2 If the person makes an election under this rule, then subrules 3.13.5 and 3.13.6 apply to that Benefit.

4. CONTRIBUTIONS BY EMPLOYERS

4.1 Contributions by Employer

4.1.1 If a Contributor is employed by an Employer, the Employer must pay under this Division Contributions at a rate determined by the Trustee on the advice of the Actuary, at such times as the Trustee may require.

4.1.2 In determining the Contributions payable by an Employer, the Trustee is to have regard to the amount required to meet the full costs of the liabilities under these Rules of all Employers.

4.1.3 The Trustee may require any such Employer to pay under this Division additional Contributions for a specified period if it appears to the Trustee that there is insufficient money in the reserve for Employers to meet the Employers' liabilities under these Rules.

4.2 Transfers of credits between Employers of Transferred Contributors

4.2.1 In this subrule 4.2:

transferred contributor means a Contributor who ceases to be employed by an Employer and becomes employed by another Employer and who does not apply for payment of a Benefit under these Rules in respect of the former employment;

transfer value in relation to a transferred contributor, means an amount equal to the Benefit that would have been payable if the transferred contributor, on becoming employed by the new Employer, had elected to make provision for a Deferred Benefit under subrule 5.10.1 and the Benefit provided by subrule 5.10.8(b) had thereupon become payable.

4.2.2 If the Trustee maintains a separate Employer reserve for each Employer, the Trustee shall debit the Employer reserve of the former Employer with the transfer value referable to a

transferred contributor and shall credit the employer reserve of the new Employer with that value.

[amended by Deed of Amendment No.[23] operative 30/6/97]

4.3 Acceptance of Contributions

4.3.1 The Trustee may determine under the Deed, that it must not accept Contributions by or in respect of an Employee. The period during which Contributions may not be made is not an Applicable Contribution Period.

[renumbered by Deed of Amendment No.[1] operative 27/4/98]

4.3.2 An Employee is not entitled to contribute to the Division, and the Trustee is not to accept the contribution to the Division by an Employee, unless the Employee is under 70 years of age;

[inserted by Deed of Amendment No.[1] operative 27/4/98]

4.3.3 The Contributor is not entitled to accrue Benefit Points after attaining the age of 70 years.

[inserted by Deed of Amendment No.[1] operative 27/4/98]

5. BENEFITS

5.1 Definitions

For the purposes of these Rules:

Accrued Benefit Points, in relation to a Contributor at the Contributor's Exit Date, means:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) the Maximum Benefit Points for the Contributor; or
- (b) if the number ascertained by adding together all the contributed points figures for the Contributor is less than the Maximum Benefit Points for the Contributor, that lesser number;

Additional Benefit, in relation to a Contributor, means the amount calculated in accordance with the formula:

$$L = S \times P \times 0.04$$

where:

L represents the amount to be ascertained;

S S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[replaced by Deed of Amendment No.[1] operative 27/4/98] [amended by Deed of Amendment No.[23] operative 30/6/97]

P represents the Prospective Benefit Points for the Contributor at the Contributor's Exit Date;

Applicable Contribution Period, in relation to a Contributor, means a Contribution Period that occurs during the period that commences on the Contributor's Entry Date and ends on the Contributor's final contribution date, except where the Contributor was not liable to contribute under this Division in respect of that Contribution Period because it occurred during leave without pay;

[amended by Deed of Amendment No.[23] operative 30/6/97]

average contribution rate per cent, in relation to a Contributor at the Contributor's Exit Date, means the lesser of:

- (a) 6 per cent; and
- (b) the rate per cent calculated in accordance with the formula:

$$R = \frac{S}{N}$$

where:

- R represents the rate per cent to be ascertained;
- S represents the sum of the rates per cent of Salary at which the Contributor was liable to pay a Contribution for each Applicable Contribution Period for the Contributor; and
- N represents the number of those Applicable Contribution Periods;

contributed points figure, in relation to a Contributor, means the figure that, in relation to each Applicable Contribution Period for the Contributor, is calculated in accordance with the formula:

$$F = \frac{P \times R}{N}$$

where:

- F represents the figure to be ascertained;
- P represents the rate per cent of Salary at which the Contributor elected to pay the Contribution to this Division for that Contribution Period;
- R represents the Salary Ratio applicable to the Contributor on the first day of that Contribution Period; and
- N represents the number of Contribution Periods in a year;

Final Average Salary, in relation to a Contributor, means the average of the Attributed Salaries paid or payable to the Contributor at the rates applicable:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) on the Contributor's Exit Date;
- (b) on 31 December last preceding the Contributor's Exit Date; and

(c) on 31 December last preceding the 31 December referred to in paragraph (b);

final contribution date, in relation to a Contributor, means the last day in respect of which the Contributor is liable to contribute under this Division;

Final Salary, in relation to a Contributor, means the rate of Attributed Salary paid or payable to the Contributor on the Contributor's Exit Date;

[amended by Deed of Amendment No.[23] operative 30/6/97]

Maximum Benefit Points, in relation to a Contributor at the Contributor's Exit Date, means:

- (a) 180; or
 (b) if the number ascertained by the formula:

$$M = 6 \times S \times N$$

where:

M represents the number to be ascertained;

S represents the sum of the Salary Ratios for the Contributor in respect of each Applicable Contribution Period for the Contributor; and

N represents the number of Contribution Periods in a year,

is less than 180, the number so ascertained;

Prospective Benefit Points, in relation to a Contributor at the Contributor's Exit Date, means:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) the number calculated in accordance with the formula:

$$P = \frac{C \times R \times S}{N}$$

where:

P represents the number to be ascertained;

C represents the Contributor's average contribution rate per cent;

R represents the Salary Ratio applicable to the Contributor's Exit Date;

S represents the number of Applicable Contribution Periods for the Contributor that would occur during the period that commences immediately after the Contributor's final contribution date and ends immediately before the Early Retirement Age; and

N represents the number of Contribution Periods in a year; or

- (b) if it is a lesser number than that calculated under paragraph (a), the number of Benefit points that, when added to the number of the Contributor's Accrued

Benefit Points at the Exit Date, would produce a number equal to the Maximum Benefit Points that would have been attributable to the Contributor if Contributions had continued at the average contribution rate per cent, the Salary Ratio had remained constant until the Exit Date and the Exit Date had immediately preceded the Early Retirement Age.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.2 Benefit at or after early Retirement or on death at or after Early Retirement Age

5.2.1 The Benefit provided by this rule 5.2 is payable by the Trustee when a Contributor Retires from employment with an Employer on or after reaching the Early Retirement Age or dies during employment with an Employer on or after reaching that age and is so payable:

- (a) where the Benefit becomes payable on the Contributor retiring, to the Contributor; or

[amended by Deed of Amendment No.[24] operative 24/10/05]

- (b) where the Benefit becomes payable on the death of the Contributor, in accordance with clause 14.17A; or

[amended by Deed of Amendment No.9 operative 27/6/01; replaced by Deed of Amendment No.[24] operative 24/10/05]

[(c) replaced by Deed of Amendment No.8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01; deleted by Deed of Amendment No.[24] operative 24/10/05]

5.2.2 The Benefit provided by this rule 5.2 is an amount equal to the sum of:

- (a) the amount of the Contributor-Financed Benefit; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefits calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = F \times A \times 0.025$$

where:

E represents the amount to be ascertained;

F represents the Contributor's Final Average Salary; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date.

5.2.3 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.2, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.3 Benefit on death before Early Retirement Age

- 5.3.1 The Benefit provided by this rule 5.3 is payable by the Trustee where a Contributor dies before attaining the Early Retirement Age during employment with an Employer and is so payable in accordance with clause 14.17A.

[amended by Deed of Amendment No.[24] operative 24/10/05]

[(b) replaced by Deed of Amendment No.8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01; (a) and (b) deleted by Deed of Amendment No. [24] operative 24/10/05]

- 5.3.2 The Benefit provided by this rule 5.3 in relation to a Contributor is an amount equal to the sum of:

- (a) the amount of the Contributor-Financed Benefit;

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefits calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = S \times A \times 0.025$$

where:

E represents the amount to be ascertained;

S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date; and

- (c) where an approval under rule 3.2 is in force the amount of the Additional Benefit.

- 5.3.3 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.3, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.4 Benefit on total and permanent invalidity before Early Retirement Age

- 5.4.1 The Benefit provided by this rule 5.4 is payable by the Trustee to a Contributor where, before attaining the Early Retirement Age, the Contributor ceases to be employed by an Employer and the Trustee is satisfied:

- (a) that the Contributor's cessation of employment was due, directly or indirectly, to the permanent physical or mental incapacity of the Contributor (not caused by any act or default of the Contributor intended to produce that incapacity); and

- (b) that the Contributor is, when the Contributor ceases to be employed by the Employer, permanently unable, by reason of that incapacity, to be engaged, or to

be employed, in any remunerative occupation in which, in the opinion of the Trustee, it would otherwise be reasonable to expect the Contributor to engage.

5.4.2 The Benefit provided by this rule 5.4 is an amount equal to the sum of:

(a) the amount of the Contributor-Financed Benefit;

[amended by Deed of Amendment No. [23] operative 30/6/97]

(b) an amount of Employer-Financed Benefits calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = S \times A \times 0.025$$

where:

E represents the amount to be ascertained;

S S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[replaced by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date; and

(c) where an approval under rule 3.2 is in force, the amount of the Additional Benefit.

5.4.3 The Trustee is entitled to rely on a certificate by an Employer as to any matter mentioned in subrule 5.4.1(a) if it thinks fit.

5.4.4 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.4, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.5 Benefit on partial and permanent invalidity before Early Retirement Age

5.5.1 The Benefit provided by this rule 5.5 is payable by the Trustee to a Contributor where, before attaining the Early Retirement Age, the Contributor ceases to be employed by an Employer and the Trustee is satisfied:

(a) that the Contributors cessation of employment was due, directly or indirectly, to the permanent physical or mental incapacity of the Contributor (not caused by any act or default of the Contributor intended to produce that incapacity); and

(b) that the Contributor is, when the Contributor ceases to be employed by the Employer, permanently unable, by reason of that incapacity, to perform the duties that the Contributor was required to perform before the Contributor suffered the incapacity.

5.5.2 The Benefit provided by this rule 5.5 for a Contributor is an amount equal to the sum of:

- (a) the amount of the Contributor-Financed Benefit; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefits calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = S \times A \times 0.025$$

where:

E represents the amount to be ascertained;

S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date.

- 5.5.3 The Trustee is entitled to rely on a certificate by an Employer as to any matter mentioned in subrule 5.5.1 if it thinks fit.

- 5.5.4 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.5, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.6 Benefit on Resignation, Dismissal or Discharge before Early Retirement Age

- 5.6.1 The Benefit provided by this rule 5.6 is payable by the Trustee to a Contributor:

- (a) if, before attaining the Early Retirement Age, the Contributor, having Resigned, or having been Dismissed or Discharged, from employment with an Employer elects under subrule 5.10.1 to take that Benefit and no other Benefit is payable under these Rules; or
- (b) if the amount of that Benefit is less than \$200.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 5.6.2 The Benefit provided by this rule 5.6 for a Contributor for whom the period commencing on Entry Date and ending on Exit Date is 10 years or more is an amount equal to the sum of:

- (a) the amount of the Contributor-Financed Benefit; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefit calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$W = V \times R \times \frac{A}{Y} \times 0.025$$

where:

- W represents the amount to be ascertained;
- V represents the period (expressed in years with any fractional part of a year being calculated on a basis of complete Contribution Periods) that commenced on the Contributor's Entry Date and ended on the Contributor's Exit Date;
- R represents the amount of the Contributor-Financed Benefit;
- [amended by Deed of Amendment No.[23] operative 30/6/97]*
- A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date; and
- Y represents the number ascertained by adding together all the Contributor's contributed points figures calculated in relation to the Contributor for the Applicable Contribution Periods for the Contributor.

5.6.3 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.6, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.6.4 The Benefit provided by this rule 5.6 for a Contributor for whom the period commencing on Entry Date and ending on Exit Date is less than 10 years is the amount of the Contributor-Financed Benefit.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.6.5 Notwithstanding anything elsewhere contained in these Rules where, on a Contributor ceasing employment with an Employer, the Benefit calculated by applying Rule 5.6 is greater than the Benefit otherwise payable to the Contributor, the Contributor will be entitled to the Benefit calculated under Rule 5.6 in lieu of the Benefit that would otherwise be payable.

[inserted by Deed of Amendment No. 14 operative 1/7/02]

5.7 Benefit on Retrenchment before Early Retirement Age

5.7.1 The Benefit provided by this rule 5.7 is payable by the Trustee to a Contributor if, before attaining the Early Retirement Age:

- (a) the Contributor is retrenched; and
- (b) no other Benefit is payable under these Rules; and
- (c) the Trustee is provided with a certificate from the Contributor's Employer confirming that the Contributor has been retrenched and specifying the ground for the Retrenchment.

5.7.2 The Benefit provided by this rule 5.7 for a Contributor is an amount equal to the sum of:

- (a) the Contributor-Financed Benefit; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefit calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = S \times A \times 0.025$$

where:

E represents the amount to be ascertained;

S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date.

- 5.7.3 If the Trustee makes a determination under rule 5.13 or 5.14 in relation to a Benefit to be provided by this rule 5.7, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.8 Benefit on attaining 65

- 5.8.1 A Contributor who attains 70 years of age must be paid any Benefit to which the Contributor would be entitled on Retirement at that age but may elect to defer the whole of the Benefit. A Contributor may within three months of being notified by the Trustee of their entitlements under this sub-rule, elect that sub-rule 5.8.2 apply. *[deleted by Deed of Amendment No.[26] operative 01/07/07, inserted by Deed of Amendment No.[29] operative 11/03/11]*

- 5.8.2 In the case of a Contributor who had attained 70 years of age on or before the date this rule 5.8.2 was introduced, or who elects under sub-rule 5.8.1 that this sub-rule apply, that Contributor may elect at any time to be paid the Benefit or to make an election to defer the Benefit. *[deleted by Deed of Amendment No.[1] operative 27/4/98 inserted by Deed of Amendment No.[29] operative 11/03/11]*

- 5.8.3 An employee may elect, at any time on or after attaining 65 years and before attaining 70 years:

[amended by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No.[26] operative 01/07/07, amended by Deed of Amendment No.[29] operative 11/03/11]

- (a) to be paid any Benefit to which the Employee is entitled at the time of the election; or

- (b) to defer the whole of the Benefit,

even though the Employee is not Retired.

- 5.8.4 The Trustee is to adjust the amount of a Benefit payable under this rule 5.8, having regard to any adjustment of a Contributor's Account.

5.8.5 If an amount is deferred under this rule 5.8, it is payable in the same way as a Benefit under rule 5.10.

5.8.6 A person paid a Benefit under this rule is not entitled:

[replaced by Deed of Amendment No.[1] operative 27/4/98]

(a) to any further Benefit under this Division in respect of the same period of service, or

(b) to contribute to the Division or to accrue any further Benefits under this Division.

5.9 Deferral of Benefit on Retrenchment before Early Retirement Age

5.9.1 A Contributor who becomes entitled to be paid a Benefit under rule 5.7 may elect:

(a) to take the Benefit as provided by that rule 5.7; or

(b) to defer a Benefit calculated in the same way as the Benefit provided by that rule 5.7.

5.9.2 The provisions of rule 5.10 (except subrule 5.10.8) apply in relation to a Benefit deferred under this rule 5.9 in the same way as they apply in relation to a Benefit deferred under rule 5.10.

5.9A Compulsory preservation of Benefits

[inserted by Deed of Amendment No.4 operative 1/7/99]

5.9A.1 The Trustee must, when a Benefit becomes payable under these Rules (including a Benefit provided by rule 5.9, 5.10 or 5.11), preserve all or so much of the Benefit as is required to be preserved so as to be consistent with Superannuation Law.

5.9A.2 The amount of a Benefit that must be preserved for the purposes of subrule 5.9A. 1 is to be preserved in the Fund and is to be adjusted, having regard to any adjustment of the Contributor's account under clause 2.2 or is to be preserved under rule 5.9C.

5.9B Payment of compulsorily preserved Benefit

[inserted by Deed of Amendment No.4 operative 1/7/99]

5.9B.1 The whole or part of a Benefit preserved under rule 5.9A is payable by the Trustee in the circumstances in which the whole or part of a Benefit may be paid under Superannuation Law.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.9B.2 The whole or part of a Benefit preserved under rule 5.9A must be paid by the Trustee, if it is required to be paid under Superannuation Law.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.9B.3 The Benefit is payable:

(a) unless the former Contributor has died, to the former Contributor, or

(b) if the former Contributor has died, in accordance with clause 14.17A.

[amended by Deed of Amendment No.[24] operative 24/10/05]

[(c) deleted by Deed of Amendment No.[24] operative 24/10/05]

5.9C Preserved Benefits

[inserted by Deed of Amendment No.4 operative 1/7/99]

5.9C.1 Any amounts preserved by the Trustee under rule 5.9A may be preserved in such funds, accounts or reserves as the Trustee determines, whether established under these Rules or for the purposes of any other division or superannuation scheme administered by the Trustee.

5.9C.2 Any such preserved amounts payable by the Trustee under rule 5.9A are to be paid from the appropriate fund, account or reserve referred to in this rule 5.9C.

5.10 Deferred Benefit

5.10.1 A Contributor who Resigns, or is Dismissed or Discharged, from employment with an Employer before attaining the Early Retirement Age may elect to take the Benefit provided by rule 5.6 or (if that Benefit, including any interest paid by the Trustee, is not less than \$200) to make provision for a Benefit provided by this rule 5.10.

[amended by Deed of Amendment No.[1] operative 27/4/98]

5.10.1A.1 A Contributor who becomes entitled to be paid a Benefit under rule 5.5 may elect to take the Benefit provided by rule 5.5 or (if that Benefit, including interest paid by the Trustee, is not less than \$200) elect to defer the whole or a part of that Benefit.

[inserted by Deed of Amendment No.[22] operative 30/6/97]

5.10.1A.2 The provisions of rule 5.10 (except subrules 5.10.1, 5.10.2, 5.10.8, 5.10.9, 5.10.14, 5.10.15, 5.10.16 and 5.10.17) apply in relation to a the whole or a part of a Benefit deferred under rule 5.10.1A.1 in the same way as they apply in relation to a Benefit deferred under rule 5.10.

[inserted by Deed of Amendment No.[22] operative 30/6/97]

5.10.2 A Contributor who is under 65 years of age may, instead of taking the Benefit payable under rule 5.2, elect to make provision for a Benefit provided by this rule 5.10 (but only if that Benefit, including any interest paid by the Trustee, is not less than \$200).

[amended by Deed of Amendment No.[1] operative 27/4/98]

5.10.3 Where an election to make provision for a Benefit provided by this rule 5.10 made by a Contributor under subrule 5.10.1 or 5.10.2 takes effect, a Benefit is not payable to, or in relation to, the Contributor under any provision of these Rules other than this rule 5.10.

5.10.4 A Contributor who, being entitled to make an election under subrule 5.10.1 or 5.10.2, does not make such an election before the end of a period of 90 days from the date the Benefit becomes payable, or such longer period as the Trustee may allow, is taken to have elected to have made provision for a Benefit provided by this rule 5.10.

5.10.5 The Benefit provided by subrule 5.10.8 or rule 5.8 must be paid by the Trustee:

- (a) if the former member:
 - (i) elected under subrule 5.10.1, or is taken under subrule 5.10.4 to have elected, to defer the Benefit; and
 - (ii) attains the Early Retirement Age; and
 - (iii) applies to the Trustee in writing for payment of the Benefit; or
- (b) if the former member:
 - (i) elected under subrule 5.10.2 or rule 5.8 to defer the Benefit; and
 - (ii) applies to the Trustee in writing for payment of the Benefit; or
- (c) if the former member dies without making an application for payment of the Benefit; or
- (d) except in the case of a Benefit provided under subrule 5.10.2 or rule 5.8 - on the Trustee being satisfied that the former Member is incapable, from infirmity of body or mind, of being employed in any remunerative occupation in which, in the opinion of the Trustee, it would otherwise be reasonable to expect the former member to engage; or
- (e) *[deleted by Deed of Amendment No.[26] operative 01/07/07]*
- (f) *[deleted by Deed of Amendment No.[26] operative 01/07/07]*
- (g) on the Trustee being satisfied that the former member has retired from the workforce and the former member applies for the benefit.

[amended by Deed of Amendment No.[22] operative 30/6/97; amended by Deed of Amendment No.[26] operative 01/07/07]

5.10.6 Subject to subrule 5.10.5, the Benefit provided by subrule 5.10.8 is payable:

- (a) except where the Contributor has died, to the Contributor; or
- (b) if the Contributor has died, in accordance with clause 14.17A.

[amended by Deed of Amendment No.9 operative 27/6/01; replaced by Deed of Amendment No.[24] operative 24/10/05]

[(c) replaced by Deed of Amendment No.8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01; deleted by Deed of Amendment No.[24] operative 24/10/05]

5.10.7 The Benefit provided by subrule 5.10.10 is payable to a Contributor by the Trustee if:

- (a) the Contributor has elected to take that Benefit; and
- (b) the election takes effect before the Benefit provided by subrule 5.10.8 becomes payable to or in respect of the Contributor.

5.10.8 Subject to subrule 5.10.9, the Benefit provided by this subrule 5.10.8 is an amount equal to the sum of:

- (a) the Contributor-Financed Benefit at Exit Date; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) an amount of Employer-Financed Benefits calculated in accordance with the formula:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$E = F \times A \times 0.025 \times K^n$$

where:

E represents the amount to be ascertained;

F represents the Contributor's Final Average Salary;

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date;

K represents a discount factor determined by the Trustee after seeking actuarial advice; and

n represents the period (expressed in years with any fractional part of a year being calculated on the basis of complete Contribution Periods) between the Contributor's age at Exit Date and the Early Retirement Age,

as adjusted under subrule 5.10.12.

5.10.9 For the purposes of calculating the Benefit provided under subrule 5.10.8 in the case of a Contributor who has attained the Early Retirement Age, "K" in the formula in subrule 5.10.8 is to equal 1.

5.10.10 The Benefit provided by this subrule 5.10.10 is an amount equal to the amount of the Benefit under rule 5.6 or 5.7 that would have been payable to the Contributor at the Contributor's Exit Date if the Contributor had not made the election under subrule 5.10.1, as adjusted under subrule 5.10.12.

5.10.11 If the Trustee makes a determination under rule 5.13 in relation to a Benefit to be provided by this rule 5.10, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

5.10.12 The Trustee is to adjust the amount of a Benefit payable under this rule 5.10, having regard to any adjustment of a Contributor's Account under this Deed or these Rules.

5.10.13 A Contributor (other than a Contributor who is eligible to become or who is a member of Division E) who becomes a Contributor to another superannuation fund while employed by the same Employer:

- (a) is required to make provision for a Benefit provided by this rule 5.10 despite anything to the contrary in subrule 5.10.1;

- (b) shall be deemed to have elected under subrule 5.10.1 to make provision for that Benefit on becoming a Contributor to that other superannuation fund; and
- (c) is not entitled to elect to take the Benefit provided by subrule 5.10.10 while employed by that same Employer.

5.10.14 Subrules 5.10.15 - 5.10.17 have effect with respect to Contributors who are transferred as a consequence of a Government initiative (other than a Government privatisation initiative) or who, while remaining with their existing Employer, elect or are required to become Contributors to another superannuation scheme.

5.10.15 Transferred Contributors or Contributors electing or required to join another Superannuation Fund

- (a) Subrules 5.10.15-5.10.17 apply:
 - (i) to Contributors:
 - (A) who are employed in an area of an Employer's activities that is, or is to be, transferred to another Employer who is not, in respect of the Contributor, an Employer under these Rules; and
 - (B) who have elected or are required to transfer to the employment of that other Employer; and
 - (C) whose transfer of employment is determined by the Trustee to be a transfer of employment to which this subrules 5.10.15 - 5.10.17 apply; and
 - (ii) to Contributors:
 - (A) who, while remaining with their existing Employer, have elected or are required to become Contributors to another superannuation fund; and
 - (B) whose transfer to that Fund is determined by the Trustee to be a transfer of superannuation coverage to which subrules 5.10.15 - 5.10.17 apply.
- (b) Subrules 5.10.15 - 5.10.17 do not apply to Contributors transferred as a consequence of a Government privatisation initiative.

5.10.16 Contributor entitled to Deferred Benefit despite having contributed less than the prescribed amount

A Contributor to whom subrule 15.10.15 - 15.10.17 apply is entitled to make provision for a Deferred Benefit even though he or she is not entitled to a Benefit of or exceeding the amount prescribed for the purposes of subrule 5.10.1.

5.10.17 Contributor entitled to immediate payment of Deferred Benefit (including employer-financed component)

- (a) A Contributor to whom subrules 15.10.15, 15.10.16 or 15.10.17 applies and who elects to make provision for a Deferred Benefit is entitled to be paid the Benefit provided by subrule 5.10.8 on ceasing to be a Contributor, despite anything to the contrary in 5.10.
- (b) A Deferred Benefit is payable under this subrule 5.10.17 if, and only if:
 - (i) the Trustee is satisfied that the Benefit will be applied to the credit of the Contributor in another superannuation fund; and
 - (ii) any requirements specified by the Trustee with respect to the payment of the Benefit are complied with.

5.11 Deferral of Benefit for Contributors in certain circumstances

[heading amended by Deed of Amendment No.2 operative 20/10/00]

5.11.1 This rule applies to a Contributor:

[replaced by Deed of Amendment No.2 operative 20/10/00]

- (a) who, as a result of a single reduction of Salary, has undergone a reduction of 20% or more in Attributed Salary; and
- (b) whose Employer certifies the matter referred to in paragraph (a).

5.11.2 The fact that a person undergoes more than one Attributed Salary reduction of 20% or more does not mean that the person ceases to be a person to whom this rule 5.11 applies.

5.11.3 In this rule 5.11, **Exit Date**, in relation to an Employee to whom this rule 5.11 applies, means the day immediately preceding the day of the reduction in Attributed Salary in relation to which the Employee makes an election under subrule 5.11.4.

5.11.4 A Contributor to whom this rule 5.11 applies may elect to make provision for a Benefit under rule 5.10.

5.11.5 An Employee may make only one election under rule 5.11 but the election may relate to any single reduction in Attributed Salary of 20% or more (not just the first reduction that occurs).

[amended by Deed of Amendment No.2 operative 20/10/00]

5.11.6 The Benefit is deferred from the Exit Date.

5.11.7 The initial value of a Deferred Benefit is to be calculated in accordance with rule 5.10 as if the Contributor had ceased employment.

5.11.8 If a Contributor has attained the Early Retirement Age before the Exit Date, for the purpose of calculating the value of the Employer-Financed Benefits to be preserved under subrule 5.11.1, "K" in the formula in subrule 5.10.8(b) is to equal one.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.11.9 A Benefit deferred under this rule 5.11 may only be paid in accordance with rule 5.10 and then only if the person in respect of whom the Benefit is payable has ceased employment or has died.

5.12 Competing for Spouses' Benefits

[deleted by Deed of Amendment No.9 operative 27/6/01]

5.13 Power of the Trustee to reduce Benefits to offset certain Tax liabilities under this Division

5.13.1 Whenever:

- (a) a right to a Benefit under these Rules accrues to or in respect of a Contributor or former Contributor; and
- (b) the Trustee has paid or is liable to pay Tax in respect of Employers' Contributions under this Division; and
- (c) a portion of that Tax is referable to the Employer-financed portion of that Benefit, the Trustee must, subject to subrule 5.13.2;
- (d) calculate the amount necessary to offset the Trustee's liability to pay Tax so far as it is referable to the Employer-financed portion of that Benefit; and
- (e) accordingly make a determination reducing the employer-financed portion of that Benefit by the amount so calculated.

5.13.2 Subrule 5.13.1 does not authorise the reduction of a Benefit, unless:

- (a) the Benefit is of a kind set out in subrule 5.13.3; and
- (b) the reduction is calculated in accordance with the method set out in subrule 5.13.4.

5.13.3 (a) Subject to paragraph (b), the kinds of Benefits referred to in rule 5.13 of these Rules are Benefits provided under rule 5.2, 5.4, 5.5, 5.6, 5.7 or 5.10 of these Rules.

- (b) A Benefit arising as the result of the death of a person may be reduced by the Trustee to offset Tax liabilities under this Division only as provided by subrule 5.13.5.

5.13.4 (a) Reduction for rule 5.2:

- (i) If a Benefit, other than a Benefit arising as the result of the death of the Contributor, becomes payable under rule 5.2, the reduction in Benefit is the amount calculated in accordance with the formula set out in paragraph (ii).
- (ii) For the purposes of paragraph (i), the formula is

$$R = A \times \frac{B}{C} \times 0.025 \times F \times 0.15$$

where:

- R represents the amount of the reduction;
- A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date
- B represents the period in days of continuous contributory service that began on the taxable date
- C represents the period in days of continuous contributory service for the Contributor
- F represents the Contributor's Final Average Salary.

[amended by Deed of Amendment No.[23] operative 30/6/97]

(b) Reduction for rules 5.4 and 5.5:

- (i) If a Benefit becomes payable under rule 5.4 or 5.5, the reduction in Benefit is the amount calculated in accordance with the formula set out in paragraph (ii).
- (ii) For the purposes of paragraph (i), the formula is:

$$R = A \times \frac{B}{C} \times 0.025 \times S \times 0.15$$

where:

- R represents the amount of the reduction;
- A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date;
- B represents the period in days of continuous contributory service that began on the taxable date;
- C represents the period in days of continuous contributory service for the Contributor;
- S S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[replaced by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No.[23] operative 30/6/97]

(c) Reduction for rule 5.6:

- (i) If:
- (A) a Benefit becomes payable under rule 5.6 of these Rules; and
- (B) the Contributor's period of continuous contributory service is 10 years or more,

the reduction in Benefit is the amount calculated in accordance with the formula set out in paragraph (ii).

- (ii) For the purposes of paragraph (i), the formula is:

$$R = T \times C \times \frac{A}{Y} \times 0.025 \times 0.15$$

where:

R represents the amount of the reduction;

T represents the period (expressed in years, with any fractional part of a year being calculated on the basis of complete contribution periods) that commenced on the taxable date or the Contributor's entry date (whichever last occurred) and ended on the Contributor's Exit Date;

C represents the amount of the Contributor-Financed Benefit payable under subrule 5.6.2(a);

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date;

Y represents the number ascertained by adding together all of the Contributor's contributed points figures calculated in relation to the Contributor for the Applicable Contribution Periods for the Contributor.

- (iii) A benefit payable under rule 5.6 of these Rules is not to be reduced if the Contributor's period of continuous contributory service is less than 10 years.

- (d) Reduction for rule 5.7:

- (i) If a Benefit becomes payable under rule 5.7, the reduction in Benefit is the amount calculated in accordance with the formula set out in paragraph (ii).

- (ii) For the purposes of paragraph (i), the formula is:

$$R = A \times \frac{B}{C} \times 0.025 \times S \times 0.15$$

where:

R represents the amount of the reduction;

A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date;

B represents the period in days of continuous contributory service that began on the taxable date;

- C represents the period in days of continuous contributory service for the Contributor;
- S represents the higher of the Contributor's Final Salary or the Contributor's Final Average Salary; and

[replaced by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No.[23] operative 30/6/97]

(e) Reduction for rule 5.10.

- (i) If a Contributor elects to make provision for a Deferred Benefit under rule 5.10, the reduction in Benefit is the amount calculated in accordance with the formula set out in paragraph (ii).
- (ii) For the purposes of paragraph (i), the formula is:

$$R = A \times \frac{B}{C} \times 0.025 \times F \times K^n \times 0.15$$

where:

- R represents the amount of the reduction;
- A represents the Accrued Benefit Points for the Contributor at the Contributor's Exit Date;
- B represents the period in days of continuous contributory service that began on the taxable date;
- C represents the period in days of continuous contributory service for the Contributor;
- F represents the Contributor's final average salary;
- K represents the discount factor determined by the Trustee for the purposes of subrule 5.10.8(b);
- n represents the period between the Contributor's age at his or her Exit Date and the Early Retirement Age, the period being expressed in years with any fractional part of a year being calculated on the basis of complete contribution periods.

5.13.5 Transferred Contributors: Reduction of Benefits

- (a) If a Transferred Contributor referred to in Parts 12-19, or any other person, having a right to do so, elects under rule 17.1, to take a pension Benefit, then, subject to subparagraph (c), the reduction in Benefit referred to in this rule 5.13 is the amount calculated in accordance with the formula set out in paragraph (b).
- (b) For the purposes of paragraph (a), the formula is:

$$R = B \times 0.15 \times P C$$

where:

- R represents the amount of the reduction;
- B represents the period in days of continuous contributory service that began on the taxable date;
- C represents the period in days of continuous contributory service for the Transferred Contributor concerned;
- P represents:
- (a) the proportion of the pension that is attributable to Accrued Benefit Points and that, but for this subrule 5.13.5, would be payable under rule 17.3, 17.4, 17.5 or 17.6 to that Transferred Contributor; or
 - (b) if that Transferred Contributor has died, the proportion of the pension that is attributable to Accrued Benefit Points and that, but for this clause, would be payable under clause 44 of that Regulation to the Spouse of that Contributor.
- (c) If, in accordance with rule 17.1 the Transferred Contributor or other person referred to in subparagraph (a) elects to convert to a pension Benefit only a portion of the Benefit points of the Transferred Contributor, the Benefit to be derived from the Benefit points remaining after conversion is subject to reduction in accordance with the relevant provisions of this rule 5.13 that apply to that Benefit.
- (d) If the Benefit of a Transferred Contributor within the meaning of the *State Authorities Superannuation (State Public Service Superannuation Scheme Transfer) Regulation 1989* is required to be reduced in accordance with a formula set out in subrule 5.13.4(a), (b), (d) or (e), the multiple "0.025" specified in the formula is, in relation to the Contributor, to be read as the multiple "0.03".

5.13.6 In this rule 5.13:

continuous contributory service, in relation to a Contributor, means the period beginning with the Contributor's Entry Date and ending with the Contributor's Exit Date;

taxable date means 1 July 1988.

5.14 Compliance with superannuation guarantee legislation

- 5.14.1 The Trustee must, after obtaining actuarial advice, determine what the minimum employer-financed benefit would have to be to ensure that there is no Superannuation Guarantee Shortfall.
- 5.14.2 An employer-financed benefit provided by an Employer is, despite any other provision of this Deed or these Rules, not to be less than the minimum Benefit determined under subrule 5.14.1. The Benefit that would otherwise be payable under these Rules is increased to the extent necessary for the purposes of complying with this rule 5.14.
- 5.14.3 The amount of any increase in Benefit is to be debited by the Trustee from the appropriate Employer reserve established under the Deed.

5.14.4 In this section, ***employer-financed benefit*** means the sum of the employer- financed benefit under these Rules, any basic Benefit under Division C and any employer-financed benefit of a kind provided by Division C.

5.15 Payment or release of benefit on the grounds of severe financial hardship and compassion

[inserted by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment No. 4 operative 30/6/99; replaced by Deed of Amendment No. 7 operative 4/5/00]

5.15.1 The Trustee may, on the application of a Contributor, or former Contributor who has deferred a benefit in the Division, pay the person a Benefit:

- (a) on the grounds of the person's severe financial hardship and the person satisfies guidelines for payment a Benefit established by the Superannuation Legislation;
- (b) on compassionate grounds and the member has produced to the Trustee written approval of APRA for payment of the Benefit.

5.15.2 The amount of the Benefit:

- (a) is not to exceed the amount permitted to be paid on the applicable ground;
- (b) in the case of a former Contributor is not to exceed the amount of the Benefit that would be payable to the former Contributor under subrule 5.10.10 if the former Contributor elected to be paid such a benefit; and
- (c) in the case of a Contributor is not to exceed the amount of the Contributor-Financed Benefit accrued at the time of payment.

[amended by Deed of Amendment No.[23] operative 30/6/97]

5.15.3 If a Benefit is paid to a person under (a) above, and the person subsequently becomes entitled to another Benefit under this Division, the Trustee must make a determination reducing the amount of the subsequent Benefit to take into account any Benefits previously paid under (a) above.

5A SUPERANNUATION INTEREST UNDER THE FAMILY LAW ACT

[inserted by Deed of Amendment No. [21] operative 28/12/02]

5A.1 Where a Family Court Order, a Superannuation Agreement or Flag Lifting Agreement applies, the value of the Non-Member Spouse's entitlement shall be calculated in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the Family Law Act.

5A.2 The Contributor's Superannuation Interest is reduced in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the Family Law Act.

6. SPECIAL PROVISIONS RELATING TO HUNTER DISTRICT WATER BOARD EMPLOYEES

6.1 Definitions

In Part 6:

Employee means an Employee of the Hunter Water Board;

notional accumulation, in relation to a Transferred HW Contributor, means an amount equal to the sum of:

- (a) the amount transferred to the State Authorities Superannuation Fund under clause 5(4)(b) of the *State Authorities (Hunter District Water Board Employee's Provident Fund Transfer) Regulation 1990* in respect of the Contributor from sub-Accounts 3 and 4 of the Provident Fund, as specified in clause A8.1a of the Trust Deed; and
- (b) in respect of each Applicable Contribution Period from and including 1 July 1990, an amount equal to whichever is the smaller of the following:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (i) 0.85 of 6% of the Salary of that Contributor, multiplied by the Salary Ratio of that Contributor in respect of that period, based on the rate of Salary determined under rule 3.8 in respect of that period; or
- (ii) 0.85 of 1.5 times the Contributions paid or payable by that Contributor in that period under these Rules,

together with interest at a rate or rates determined by the Trustee, but reduced by an amount or amounts calculated in such a manner as the Trustee determines in respect of the costs of administering this Division and such other charges (if any) as are determined by the Trustee;

the Trust Deed means the Hunter District Water Board Employees' Provident Fund Trust Deed;

Transferred HW Contributor means an Employee who was deemed to be a Contributor to the *State Authorities Superannuation Act 1987* by reason of clause 5 of the *State Authorities Superannuation (Hunter District Water Board Employees Provident Fund Transfer) Regulation 1990*.

6.2 Application of certain definitions to Transferred HW Contributor

- 6.2.1 For the purposes of applying these Rules to a Transferred HW Contributor, the Contributor's Entry Date is to be taken to be the date or, if more than one, the latest date on which the Transferred Contributor commenced employment with the Hunter Water Board.
- 6.2.2 For the purposes of applying rule 5.1 to a Transferred HW Contributor, that Contributor's average contribution rate per cent referred to in the definition of Prospective Benefit Points is to be construed in such a way as to exclude from calculation any period which occurred before 1 July 1990.

- 6.2.3 In relation to a Transferred HW Contributor, the definition ***Accrued Benefit Points*** in rule 5.1 is to be construed as if the reference in that definition to contributed points figures included a reference to the number of transferred benefit points for the Contributor calculated in accordance with rule 6.3.
- 6.2.4 For the purposes of applying the definition of ***Final Average Salary*** in rule 5.1 to a Transferred HW Contributor, that definition is to be read as if the Contributor had become a new Contributor on 1 July 1990.

[amended by Deed of Amendment No.[23] operative 30/6/97]

6.3 Benefit points to be credited to a Transferred HW Contributor

- 6.3.1 A Transferred HW Contributor is, in respect of his or her service before 1 July 1990, entitled to the number of transferred benefit points calculated in accordance with the following formula:

$$P = \frac{E}{0.025 \times W}$$

Where:

P represents the initial points credit; and

E represents the amount relating to the Contributor which was credited to the appropriate employer reserve in the State Authorities Superannuation Fund in accordance with clause 5(5)(c) of the *State Authorities Superannuation (Hunter District Water Board Employees' Provident Fund Transfer) (Savings and Transitional) Regulation 1990* from sub-Accounts 3 and 4 of the Hunter District Water Board Employees' Provident Fund, as specified in clause A8.1a of the Trust Deed; and

W represents the Contributor's annual Salary at 1 July 1990.

- 6.3.2 The Trustee may round off the number of a Transferred HW Contributor's accrued transferred Benefit points to not less than one decimal place, as it thinks fit.

6.4 Minimum Benefits for Transferred HW Contributors on death or invalidity

- 6.4.1 This subrule 6.4.1 applies to a Transferred HW Contributor who:

- (a) is not eligible to apply for the Additional Benefit; or
- (b) does not make an application for Additional Benefit coverage under rule 3.2 of these Rules; or
- (c) makes an application for such Additional Benefit coverage but the application is refused.

- 6.4.2 If a Benefit under:

- (a) rule 5.3; or
- (b) rule 5.4; or

(c) rule 5.5,

would have become payable to or in respect of a Transferred HW Contributor to whom this subrule 6.4.2 applies if the words "before attaining the Early Retirement Age" had been omitted from the rule concerned, the employer- financed benefit is to be not less than the amount determined under subrule 6.4.3.

6.4.3 The amount to be determined for the purposes of subrule 6.4.2 is the sum of:

- (a) the notional accumulation; and
- (b) the amount calculated in accordance with the following formula:

$$A = 1.95 \times M \times W$$

where:

- A represents the amount to be calculated; and
- M represents the number of months of the Transferred HW Contributor's contributory service up to 65 years of age, divided by 12; and
- W represents the Transferred HW Contributor's Final Salary divided by 52.2.

6.4.4 If a Transferred HW Contributor to whom rule 6.4 applies has been assigned a medical classification of 1B under clause A10.1c of the Trust Deed, the Benefit payable under subrule 6.4.2 in relation to a Benefit under rule 5.4 or 5.5 is the sum of:

- (a) the notional accumulation; and
- (b) the amount calculated in accordance with the following formula:

$$A = 0.75 \times P$$

where:

- A represents the amount to be calculated; and
- P represents the amount calculated in accordance with subrule 6.4.3(b).

6.5 Benefit for Transferred HW Contributors on Resignation, Dismissal or Discharge before Early Retirement Age

6.5.1 If a Benefit under rule 5.6 becomes payable to a Transferred HW Contributor, the Employer-Financed Benefit is not to be less than the amount determined under subrule 6.5.2

[amended by Deed of Amendment No.[23] operative 30/6/97]

6.5.2 The amount to be determined for the purposes of subrule 6.5.1 is the amount calculated in accordance with the following formula:

$$B = S \times E$$

where:

- B represents the amount to be ascertained; and
- S represents the lesser of 1.0 and the product of 0.025 times the number of complete years of service; and
- E represents the notional accumulation as at the date of Resignation.

7. SPECIAL PROVISIONS RELATING TO CONTRIBUTORS TRANSFERRED FROM THE STATE PUBLIC SERVICE SUPERANNUATION FUND

7.1 Application

7.1.1 This rule 7.1 applies to Employees who were deemed to be a Contributor to the *State Authorities Superannuation Act 1987* by reason of clause 4 of the *State Authorities Superannuation (State Public Service Superannuation Scheme Transfer) Regulation 1989*.

7.1.2 A person to whom subrule 7.1.1 applies is referred to in this rule 7.1 as a ***Transferred SPS Contributor***.

7.2 Transferred SPS Contributors

7.2.1 If a Transferred SPS Contributor was, immediately before 1 April 1989, covered for the supplementary benefit in accordance with section 13 of the *State Public Service Superannuation Act 1985* (supplementary benefit), that Contributor:

- (a) is taken to be covered for the Additional Benefit under these Rules; and
- (b) is required to pay the Additional Benefit Levy as provided by subrule 3.4.2 as if that Contributor had lodged with the Trustee an application under rule 3.2 and that application had been approved by the Trustee.

7.2.2 If immediately before 1 April 1989, any allowance or other kinds of remuneration were treated as Salary for the purposes of the *State Public Service Superannuation Act 1985* in relation to a Transferred SPS Contributor, they continue to be treated as Salary for the purposes of these Rules, but only as regards that Contributor.

7.3 Application of Definitions

7.3.1 For the purpose of applying the definition of ***Accrued Benefit Points*** in rule 5.1 to a Transferred SPS Contributor, that definition is to be read as if the reference in it to contributed points figures included a reference to the total of the contributed points figures calculated in relation to that Contributor under the *State Public Service Superannuation Act 1985* on 31 March 1989.

7.3.2 For the purpose of applying the definition of ***contributed points figure*** in rule 5.1 to a Transferred SPS Contributor, that definition is to be read as if the reference in that definition to Applicable Contribution Periods included a reference to applicable superannuation periods as defined by section 25 of the *State Public Service Superannuation Act 1985*.

7.3.3 For the purpose of applying the definition of ***Early Retirement Age*** in rule 1.1 to a Transferred SPS Contributor, the age of 55 years is applicable.

- 7.3.4 For the purpose of applying these Rules to a Transferred SPS Contributor, such a Contributor's Entry Date is, subject to subrule 8.2.5, to be taken to be the date that was regarded as the Entry Date applicable to the Transferred SPS Contributor under the *State Public Superannuation Act 1985*.
- 7.3.5 For the purpose of applying the definition of **Final Average Salary** in rule 5.1 to a Transferred SPS Contributor, that definition is to be read as if the Transferred SPS Contributor had become a new Contributor on 1 April 1989.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 7.3.6 For the purpose of applying the definition of **Maximum Benefit Points** in rule 5.1 to a Transferred SPS Contributor, a reference to the number 180 in paragraph (a) of that definition:
- (a) in respect of a Transferred SPS Contributor aged 55 years or less, is to be taken to be a reference to the number 162; and
- (b) in respect of a Transferred SPS Contributor aged more than 55 years but less than 58 years, is to be taken to be a reference to the number calculated in accordance with the following formula:

$$162 + \frac{(6 \times Z)}{N}$$

where:

Z represents the sum of the Salary Ratios for the Transferred SPS Contributor in respect of each Applicable Contribution Period for the Transferred SPS Contributor occurring since reaching 55 years of age; and

N represents the number of contribution periods in a year.

7.4 Employer-Financed Benefits for Transferred SPS Contributors

[amended by Deed of Amendment No.[23] operative 30/6/97]

If:

- (a) in any case an Employer-Financed Benefit is payable to or in respect of a Transferred SPS Contributor; and
- (b) provision-is made in these Rules for that Benefit to be calculated utilising the multiple 0.025,

the multiple 0.03 is to be substituted for that multiple, except in relation to a Benefit provided by rule 5.6.

7.5 Qualifying period for Retrenchment Benefit for Transferred SPS Contributor

7.5.1 This rule 7.5 applies to a Transferred SPS Contributor who:

- (a) was a Contributor to the State Public Service Superannuation Fund and the Public Authorities Superannuation Fund for a continuous period; and

- (b) was a person required by the *Public Authorities Superannuation Act 1985* to make provision for a preserved benefit under that Act in respect of employment by an Employer within the meaning of that Act on becoming a Contributor to the State Public Service Superannuation Fund.

7.5.2 In ascertaining the entitlement of a Transferred SPS Contributor referred to in subrule 7.5.1 to a Benefit under rule 5.7 which is subject to the Contributors satisfying a requirement as to the duration of the period that has elapsed from the Contributor's Entry Date to his or her date of exit, the period is to be taken to include any period during which he or she was a contributor to the Public Authorities Superannuation Fund.

7.6 Payment on Retrenchment of a Benefit preserved under the Public Authorities Superannuation Act 1985

7.6.1 For the purpose of establishing the entitlement of a Transferred SPS Contributor referred to in rule 7.5 to payment out of a preserved benefit under section 32 of the *Public Authorities Superannuation Act 1985*, a reference in subsection (3) of that section to the Public Service Superannuation Fund is to be read as a reference to the State Authorities Superannuation Fund.

8. SPECIAL PROVISIONS FOR INSURANCE POLICY HOLDERS AND FORMER LOCAL GOVERNMENT PROVIDENT FUND CONTRIBUTORS UNDER THE LOCAL GOVERNMENT AND OTHER AUTHORITIES (SUPERANNUATION) ACT 1927

8.1 Interpretation

8.1.1 In this rule 8.1:

current insurance policy, in relation to a person, means an insurance policy in force in respect of that person that:

- (a) was effected by or in respect of that person or accepted by the Local Government Superannuation Board or its successor under Part 2 of the earlier Act; and
- (b) is kept in force by the payment of the premiums under section 6 of that Act;

earlier Act means the *Local Government and Other Authorities (Superannuation) Act 1927*;

former fixed rate provident fund contributor means a person who was, immediately before becoming a Transferred LGI Contributor, a Contributor to the Provident Fund but who did not contribute to that fund as a result of having made a request under section 7C(1) or (3) of the earlier Act;

former variable provident fund contributor means a person who was, immediately before becoming a Transferred LGI Contributor, a Contributor to the Provident Fund by virtue of having contributed to the fund as a result of having made a request under section 7C(1) or (3) of the earlier Act;

Provident Fund means the Local Government Provident Fund established under section 8 of the earlier Act;

In this Part 8, *transfer day* means 1 May 1990;

Transferred LGI Contributor means a person who became a Contributor to the State Authorities Superannuation Fund by virtue of clause 4(1) or 5(1) of the *State Authorities (Closed Local Government Schemes Transfer) Regulation 1990*.

- 8.1.2 In relation to a Transferred LGI Contributor, the definition of **Accrued Benefit Points** in rule 5.1 is to be construed as if the reference in that definition to contributed points figures included a reference to the number of transferred benefit points for the Contributor calculated in accordance with rule 8.2 or 9.2 as the case requires.
- 8.1.3 For the purpose of applying the definition of **Prospective Benefit Points** in rule 5.1 to a Transferred LGI Contributor, the reference in that definition to **applicable contribution periods** is to be construed in such a way as to exclude from calculation any of the Contributor's service that occurred before the transfer day.
- 8.1.4 For the purposes of Part 8, a Contributor's Entry Date is to be taken to be the date on which the Transferred LGI Contributor last became subject to the provisions of the earlier Act.

8.2 Definition of notional accumulation for the purposes of Part 8

- 8.2.1 For the purposes of Part 8:

notional accumulation in relation to a Transferred LGI Contributor who is a former holder of a current insurance policy or a former Contributor to the Provident Fund, means an amount equal to the sum of:

- (a) the amounts credited to the appropriate Employer reserve; and
- (b) in respect of each Applicable Contribution Period since the transfer day, the amount determined in accordance with subrule 8.2.2,

together with interest at a rate or rates determined by the Trustee, less:

- (c) an amount or amounts, calculated in such manner as the Trustee may determine, in respect of the costs of administering this Division; and
- (d) such other charges as may be determined by the Trustee.

- 8.2.2 The amount referred to in paragraph (b) of the definition of **notional accumulation** in subrule 8.2.1 is the lesser of the following:

- (a) 0.85 of the Contributions paid or payable by the Transferred LGI Contributor under these Rules; and
- (b) in the case of a Transferred LGI Contributor who is a former holder of a current insurance policy or a former fixed rate Provident Fund Contributor, an amount calculated in accordance with the formula set out in subrule 8.2.3, or, in the case of a Transferred LGI Contributor who is a former variable rate Provident Fund Contributor, an amount calculated in accordance with the formula set out in subrule 8.2.4.

- 8.2.3 For the purpose of subrule 8.2.2(b), the formula in relation to a Transferred LGI Contributor who is a former holder of a current insurance policy or a former fixed rate Provident Fund Contributor is:

$$A = \frac{(0.85 \times S)}{100} \times SR$$

A represents the amount to be calculated; and

S represents the Salary of the Transferred LGI Contributor, based on the rate of salary determined under rule 3.8 in respect of the Applicable Contribution Period concerned; and

SR represents the Salary Ratio of that Contributor in respect of that period.

8.2.4 For the purpose of subrule 8.2.2(b), the formula in relation to a Transferred LGI Contributor who is a former variable rate Provident Fund Contributor is as follows:

$$A = \frac{(4.25 \times S)}{100} \times SR$$

where:

A represents the amount to be calculated; and

S represents the Salary of the Transferred LGI Contributor, based on the rate of salary determined under rule 3.8 in respect of the Applicable Contribution Period concerned; and

SR represents the Salary Ratio of that Contributor in respect of that period.

8.3 Minimum Benefit for Transferred LGI Contributors who were formerly holders of current insurance policies or Provident Fund Contributors

8.3.1 The Employer-Financed Benefit is to be not less than the notional accumulation if any of the Benefits specified in subrule 8.3.2 which becomes payable to a Transferred LGI Contributor who is a former holder of a current insurance policy or a former Contributor to the Provident Fund.

[amended by Deed of Amendment No.[23] operative 30/6/97]

8.3.2 The following Benefits are specified for the purposes of subrule 8.3.1:

- (a) a Benefit under rule 5.2; or
- (b) a Benefit under rule 5.3; or
- (c) a Benefit under rule 5.4; or
- (d) a Benefit under rule 5.5; or
- (e) a Benefit under rule 5.6.

8.3.3 However, if the Employer-Financed Benefit payable to or in respect of a Transferred LGI Contributor referred to in subrule 8.3.1 would, but for this subrule 8.3.3, be reduced by the operation of rule 8.4, then that Benefit is to be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

8.4 Benefit to be adjusted in certain circumstances

8.4.1 Subrule 8.4.1 applies to a Transferred LGI Contributor who is a former holder of a current insurance policy or a former Contributor to the Provident Fund and who, in the opinion of the Trustee, has received or will receive:

- (a) in the case of a Transferred LGI Contributor whose service was terminated, or who died, before 1 July 1993 - a gratuity under section 97 of the *Local Government Act 1919*; or
- (b) in the case of a Transferred LGI Contributor whose service is terminated, or who dies, on or after that date - a similar gratuity, being a gratuity paid or to be paid by the council as an act of grace on the death or termination of service of an Employee of the council and calculated by reference to the period of the Employee's service with the council.

8.4.2 If the Employer-Financed Benefit payable in respect of a Transferred LGI Contributor to whom this clause applies is determined without reference to the notional accumulation of that Contributor, the Trustee must deduct from the Employer-Financed Benefit otherwise payable under these Rules the amount determined in accordance with subrule 8.4.3.

[amended by Deed of Amendment No.[23] operative 30/6/97]

8.4.3 For the purpose of subrule 8.4.2, the amount is an amount calculated in accordance with the formula set out in subrule 8.4.4, if greater than 0, otherwise the amount is 0.

8.4.4 The formula referred to in subrule 8.4.3 is as follows:

$$A = (G + E) - M$$

A represents the amount to be calculated; and

G represents the amount referred to in subrule 8.4.1 as the gratuity payable to or in respect of the Transferred LGI Contributor;

E represents the Employer-Financed Benefit that would be payable under these Rules but for this subrule 8.4.4; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

M represents the Employer-Financed Benefit that would have been payable to the Transferred LGI Contributor concerned if the employer-financed benefit had been based on the Maximum Benefit Points for that Contributor.

[amended by Deed of Amendment No.[23] operative 30/6/97]

8.4.5 An amount payable under subrule 8.4.2 is payable from the appropriate reserve.

8.4.6 If the Employer-Financed Benefit payable is reduced by the operation of subrule 8.4.2, the number of Accrued Benefit Points for the Transferred LGI Contributor is to be taken to have been reduced in proportion to the amount by which the Benefit was reduced.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 8.4.7 If the Employer-Financed Benefit payable is reduced by the operation of subrule 8.4.2, the number of Accrued Benefit Points for a Transferred LGI Contributor to whom this subrule 8.4.7 applies is to be taken to have been reduced in proportion to the amount by which the Benefit was reduced.

[amended by Deed of Amendment No.[23] operative 30/6/97]

8.5 **Debiting of reserves - Transferred LGI Contributors who were formerly holders of current insurance policies or Provident Fund Contributors**

Whenever the Trustee pays a Benefit in accordance with rule 8.3 to a Transferred LGI Contributor, the Trustee must debit the appropriate employer reserve with the difference between the amount of the Benefit paid and the amount that, but for that rule 8.3, would have been paid under these Rules.

9. **SPECIAL PROVISIONS FOR FORMER BENEFITS FUND CONTRIBUTORS UNDER THE LOCAL GOVERNMENT AND OTHER AUTHORITIES (SUPERANNUATION) ACT 1927**

9.1 **Definitions**

- 9.1.1 In this Rule 9.1:

Benefits Fund means the Superannuation Benefits Fund established under section 15S of the earlier Act;

earlier Act means the *Local Government and Other Authorities (Superannuation) Act 1927*;

In this Part 9, ***transfer day*** means 1 May 1990;

Transferred LGS Contributor means a person who became a Contributor to the *State Authorities Superannuation Fund* by virtue of clause 6(1) of the *State Authorities (Closed Local Government Schemes Transfer) Regulation 1990*.

- 9.1.2 In relation to a Transferred Contributor, the definition of ***Accrued Benefit Points*** in rule 5.1 is to be construed as if the reference in that definition to contributed points figures included a reference to the number of transferred benefit points for the Contributor calculated in accordance with rule 9.3.

- 9.1.3 For the purpose of applying the definition of ***Prospective Benefit Points*** in rule 5.1 to a Transferred Contributor, the reference in that definition to Applicable Contribution Periods is to be construed in such a way as to exclude from calculation any of the Contributor's service that occurred before the transfer day.

- 9.1.4 For the purposes of Part 9, a Contributor's Entry Date is to be taken to be the date on which the Transferred Contributor last became subject to the provisions of the earlier Act.

9.2 **Definition of notional accumulation for the purposes of Part 9**

- 9.2.1 For the purposes of Part 9:

notional accumulation, in relation to a Transferred Contributor who is a former Contributor to the Benefits Fund, means an amount equal to the sum of:

- (a) the amounts credited to the appropriate employer reserve; and

- (b) in respect of each Applicable Contribution Period ending on or after the transfer day, the lesser of:
- (i) an amount calculated in accordance with the formula set out in subrule 9.2.2; and
 - (ii) an amount equal to 1.275 times the Contributions paid or payable by the Contributor under these Rules,

together with interest at a rate or rates determined by the Trustee, but reduced by an amount or amounts calculated in such manner as the Trustee may determine in respect of the costs of administering this Division and such other charges as may be determined by the Trustee.

- 9.2.2 For the purpose of paragraph (b)(i) of the definition of *notional accumulation* in subrule 9.2.1, the formula in relation to a Transferred LGS Contributor who is a former Contributor to the Benefits Fund is as follows:

$$A = \frac{(4.4625 \times S)}{100} \times SR$$

where:

- A represents the amount to be calculated; and
- S represents the Salary of the Transferred LGS Contributor, based on the rate of salary determined under rule 3.8 in respect of the Applicable Contribution Period concerned; and
- SR represents the Salary Ratio of that Contributor in respect of that period.

9.3 Minimum Benefit for Transferred LGS Contributors who were formerly Benefits Fund Contributors

- 9.3.1 The Employer-Financed Benefit is to be not less than the notional accumulation:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) if
 - (i) a Benefit under rule 5.2; or
 - (ii) a Benefit under rule 5.5,
 becomes payable to or in respect of a Transferred LGS Contributor who was formerly a Contributor to the Benefits Fund; or
- (b) if a Transferred LGS Contributor who was formerly a Contributor to the Benefits Fund is not qualified for the Additional Benefit and:
 - (i) a Benefit under rule 5.3; or
 - (ii) a Benefit under rule 5.4,
 becomes payable to or in respect of the Contributor.

- 9.3.2 However, if the Employer-Financed Benefit payable to or in respect of a Transferred LGS Contributor referred to in subrule 9.3.1 would, but for this subrule 9.3.2, be reduced by the operation of rule 9.5, then that Benefit is to be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

9.4 Minimum Benefit for certain specially qualified Transferred LGS Contributors who were formerly Benefits Fund Contributors

- 9.4.1 The Employer-Financed Benefit is to be not less than the amount determined under subrule 9.4.2, if:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) a Benefit under rule 5.3; or
- (b) a Benefit under rule 5.4,

becomes payable to or in respect of a Transferred LGS Contributor who was formerly a Contributor to the Benefits Fund and who:

- (c) becomes covered for the Additional Benefit under rule 3.4; or
- (d) by virtue of clause 4(6) or 6(6) of the *State Authorities Superannuation (Closed Local Government Schemes Transfer) Regulation 1990*, was taken at the Transfer Day to be covered for the Additional Benefit.

- 9.4.2 The amount to be determined for the purposes of subrule 9.4.1 is the sum of:

- (a) the notional accumulation; and
- (b) the amount calculated in accordance with the following formula:

$$A = M \times S$$

where:

A represents the amount to be calculated; and

M represents the number under the heading "Multiplier of Salary" in the table following, opposite the age specified in years in that table that was the age of the Transferred LGS Contributor concerned at that Contributor's Exit Date;

Age in years at Exit Date	Multiplier of Salary	Age in years Exit Date	Multiplier of Salary
20, or under 20	6.0	40	2.50
21	5.8	41	2.35
22	5.6	42	2.20
23	5.4	43	2.05

Age in years at Exit Date	Multiplier of Salary	Age in years Exit Date	Multiplier of Salary
24	5.2	44	1.90
25	5.0	45	1.75
26	4.8	46	1.60
27	4.6	47	1.45
28	4.4	48	1.30
29	4.2	49	1.15
30	4.0	50	1.00
31	3.85	51	0.9
32	3.70	52	0.8
33	3.55	53	0.7
34	3.40	54	0.6
35	3.25	55	0.5
36	3.10	56	0.4
37	2.95	57	0.3
38	2.80	58	0.2
39	2.65	59	0.1
		60, or over 60	0

S represents:

- (a) if the Transferred LGS Contributor concerned contributed to this Division at the rate of 1% of his or her Salary - two-sevenths of his or her final salary; or
- (b) if that Contributor contributed to this Division at the rate of 2% of his or her Salary - four-sevenths of his or her final salary; or
- (c) if that Contributor contributed to this Division at the rate of 3% of his or her Salary - six-sevenths of his or her final salary;
- (d) if that Contributor contributed to this Division at a rate exceeding 3% of his or her Salary - his or her Final Salary.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 9.4.3 In subrule 9.4.2, a reference to a rate, in relation to a Transferred LGS Contributor referred to in subrule 9.4.1, is a reference to the rate at which the Contributor last elected to contribute, or is taken to have last elected to contribute, immediately before the Benefit became payable.

9.5 Benefit to be adjusted in certain circumstances

- 9.5.1 This rule 9.5 applies to a Transferred LGS Contributor who is a former Contributor to the Benefits Fund and who, in the opinion of the Board, has received:

- (a) in the case of a Transferred LGI Contributor whose service was terminated, or who died, before 1 July 1993 - a gratuity under section 97 of the *Local Government Act 1919*; or
- (b) in the case of a Transferred LGI Contributor whose service is terminated, or who dies, on or after that date - a similar gratuity, being a gratuity paid or to be paid by the council as an act of grace on the death or termination of service of an Employee of the council and calculated by reference to the period of the Employee's service with the council.

- 9.5.2 If the Employer-Financed Benefit payable in respect of a Transferred LGS Contributor to whom this rule 9.5 applies is determined without reference to the notional accumulation of the Contributor, the Trustee must deduct from the Employer-Financed Benefit otherwise payable under these Rules the amount determined in accordance with subrule 9.5.3.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 9.5.3 For the purpose of subrule 9.5.2, the amount is an amount calculated in accordance with the formula set out in subrule 9.5.4, if greater than 0, otherwise the amount is 0.

- 9.5.4 The formula referred to in subrule 9.5.3 is as follows:

$$A = (G + E) - M$$

where:

- A represents the amount to be calculated;
- G represents the amount referred to in subrule 9.5.1 as the gratuity payable to or in respect of the Transferred LGS Contributor;
- E represents the Employer-Financed Benefit that would be payable but for this subrule 9.5.4; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

- M represents the Employer-Financed Benefit that would have been payable to or in respect of the Transferred LGS Contributor concerned if the Employer-financed Benefit had been based on the Maximum Benefit Points for that Contributor.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 9.5.5 If the Employer-Financed Benefit payable is reduced by the operation of subrule 9.5.2, the number of Accrued Benefit Points for a Transferred LGS Contributor to whom this subrule

9.5.5 applies is to be taken to have been received in proportion to the amount by which the Benefit was reduced.

[amended by Deed of Amendment No.[23] operative 30/6/97]

9.6 Debiting of reserves - Transferred LGS Contributors who were formerly Benefits Fund Contributors

9.6.1 Whenever the Trustee pays a Benefit in accordance with rule 9.3 to or in respect of a Transferred LGS Contributor who is a former Contributor to the Benefits Fund, the Trustee must debit the appropriate employer reserve with the difference between the amount of the Benefit paid and the amount that, but for rule 9.3, would have been payable to or in respect of the Contributor under these Rules.

9.6.2 Whenever the Trustee pays a Benefit in accordance with rule 9.4 in respect of a Transferred LGS Contributor who is a former Contributor to the Benefits Fund, the Trustee must:

- (a) debit the Additional Benefit Reserve with the amount of the Additional Benefit which would have been payable in respect of the Contributor if an Additional Benefit had been paid under these Rules; and
- (b) debit the remainder to the appropriate Employer reserve.

10. SPECIAL PROVISIONS FOR CERTAIN FORMER LOCAL GOVERNMENT SCHEME CONTRIBUTORS EMPLOYED UNDER INDUSTRIAL AWARDS ETC.

10.1 Definitions and Application

10.1.1 This rule 10.1 applies to an Employee within the meaning of the earlier Act who, immediately before the transfer day, was a Contributor to the Benefits Fund.

10.1.2 For the purposes of Part 10:

earlier act means the *Local Government and Others Authorities (Superannuation) Act 1927*;

relevant award or agreement means an award or industrial agreement which was in force under the *Industrial Arbitration Act 1940* immediately before 12 April 1990 and which is binding on Employees to whom this Part 10 applies and their respective Employees;

supplementary benefit means the amount (if any) by which the refund to an Employer under section 15Y(1)(b) of the earlier Act exceeds the amount of the Employer-Financed Benefit payable under the provisions of these Rules;

[amended by Deed of Amendment No.[23] operative 30/6/97]

In this Part 10, *transfer day* means 1 May 1990.

10.2 Supplementary payments to Employees to whom Part 10 applies

10.2.1 If the Trustee is satisfied that an Employee to whom this Part 10 applies is entitled to a Benefit payable under a relevant award or agreement, the Trustee must pay to the Employee the lesser of:

- (a) the amount prescribed by the award or agreement; and

- (b) the amount of the supplementary benefit.

10.2.2 The Trustee must also pay the amount of the supplementary Benefit to an Employee to whom this Part 10 applies if the Employee, having reached 55 but not having reached 58 years of age, has Retired from the service of Energy Australia on or after the date of transfer to this Division, and the Trustee is satisfied that the Employee:

- (a) was employed by the Sydney County Council on 31 March 1977 and continued until Retirement to be employed by that Council and, where appropriate, by Sydney Electricity and Energy Australia; and
- (b) was continuously a Contributor to the Benefits Fund from and including 31 March 1997 to 1 May 1990; and
- (c) was continuously a Contributor to the State Authorities Superannuation Fund from and including 1 May 1990 to and including the date of transfer to this Division; and
- (d) was continuously a Contributor to this Division to and including the date of Retirement.

10.3 Additional Benefit for certain Sydney Electricity Employees

10.3.1 A further Additional Benefit, determined in accordance with subrule 10.3.3, is payable to or in respect of an Employee to whom Part 10 applies if:

- (a) the Employee was employed by Sydney County Council on 31 March 1977 and has since continued to be employed by that Council and its successors, Sydney Electricity and Energy Australia; and
- (b) the Employee was continuously a Contributor to the Benefits Fund from and including 31 March 1977 to 1 May 1990 and has continuously been a Contributor to the State Authorities Superannuation Fund from and including that day; and
- (c) the Employee is covered or (because of the *State Authorities Superannuation (Closed Local Government Schemes Transfer) Regulation 1990* was at the date of Transfer to this Division taken to be covered for an Additional Benefit under the State Authorities Superannuation Act which Benefit now applies under the corresponding provision of these Rules; and
- (d) a relevant Benefit becomes payable to or in respect of the Employee.

10.3.2 A Benefit is a relevant Benefit if:

- (a) it is a Benefit payable under rule 5.3 or rule 5.4 of these Rules; or

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) it is a Benefit payable under rule 5.2 of these Rules and the Trustee is satisfied that a Benefit would have been payable under rule 5.3 or 5.4 had the Early Retirement Age been 60 rather than 55 years of age.

10.3.3 A further Additional Benefit payable under this subrule 10.3.3 is to be calculated as follows:

$$A = (M \times S) - AB$$

where:

- A represents the amount to be determined;
- M represents the number under the heading "Multiplier of Salary" in the table contained in subrule 9.4.2 opposite the age specified in years in that table that was the age of the Employee at the Employee's Exit Date;
- S represents:
- (a) if the Employee contributed to the Division at the rate of 1% of Salary - two-sevenths of the Employee's Final Salary;
 - (b) or if the Employee contributed to the Division at the rate of 2% of Salary - four-sevenths of that Employee's Final Salary; or
 - (c) if the Employee contributed to the Division at the rate of 3% of Salary - six-sevenths of the Employee's Final Salary; or
 - (d) if the Employee contributed to the Division at a rate exceeding 3% of Salary - the Employee's Final Salary; and
- AB represents the amount of any Additional Benefit payable to the Employee under rule 5 of these Rules.

[amended by Deed of Amendment No.[23] operative 30/6/97]

10.3.4 In subrule 10.3.3, **rate** means the rate at which the Employee concerned last elected or is taken to have last elected to contribute immediately before the relevant Benefit became payable.

10.3.5 Rule 10.3 applies to persons who are Employees to whom Part 10 applies, or were such Employees at any time on or after the Transfer Day.

10.4 Debiting of accounts - payment of supplementary Benefits

10.4.1 Whenever the Board makes a payment in accordance with rule 10.3, the Trustee must debit the appropriate Employer reserve with the amount of the payment.

10.4.2 An Additional Benefit paid under rule 10.3 is to be regarded as an **Additional Benefit** for the purposes of these Rules and the Trustee must debit the amount of that Benefit to the Additional Benefits Reserve.

[replaced by Deed of Amendment No.9 operative 30/6/03]

11. MISCELLANEOUS PROVISIONS RELATING TO LOCAL GOVERNMENT EMPLOYEES

11.1 Early Retirement Age - female Contributors and Sydney County Council employees

11.1.1 For the purposes of the definition of **Early Retirement Age** in rule 1.1, the Early Retirement Age is 55 years:

- (a) in relation to a female Transferred LGS Contributor who, immediately before 1 May 1990, was a Contributor to the Benefits Fund; and

- (b) in relation to a Transferred LGS Contributor who, immediately before 1 May 1990, was an employee of the Sydney County Council.

11.1.2 Subrule 11.1.1 does not have effect in relation to a male Transferred LGS Contributor referred to in subrule 11.1.1(b) unless the Contributor has, at the Contributor's Exit Date, completed 20 years or more service with the Sydney County Council or its successors, Sydney Electricity and Energy Australia in terms of the industrial award that was applicable to the Contributor immediately before 1 May 1990.

12. SPECIAL PROVISIONS FOR TRANSFERRED PAS CONTRIBUTORS

12.1 Definitions

12.1.1 In Parts 12-18:

Board means the SAS Trustee Corporation established under the Administration Act;

earlier Act means the *Public Authorities Superannuation Act 1985*;

earlier Fund means the Public Authorities Superannuation Fund established in accordance with the earlier Act;

new Fund means the State Authorities Superannuation Fund established by the Board in accordance with the *Superannuation Administration Act 1987* and when referred to in these Rules includes this Division;

pension means a pension payable under Parts 12-18;

Transferred PAS Contributor means a person who became a Contributor by virtue of clause 3 of Schedule 3 of the Current Act (rule 3.14 of these Rules).

12.2 Transferred PAS Contributors

12.2.1 If, immediately before 1 April 1988, a Transferred PAS Contributor was, in accordance with section 12 of the earlier Act, covered for the Additional Benefit, that Contributor:

- (a) shall be taken at the date of transfer to this Division to be covered for the Additional Benefit under these Rules; and
- (b) shall pay the Additional Benefit Levy as required by rule 3.4.2 as if that Contributor had lodged with the Trustee an application under rule 3.2 which had been approved by the Trustee.

[amended by Deed of Amendment No.[23] operative 30/6/97]

12.2.2 If, immediately before 1 April 1988, any allowances or other kinds of remuneration were treated as Salary for the purposes of the earlier Act in relation to a Transferred PAS Contributor, they shall continue to be treated as Salary for the purposes of these Rules, but only as regards that Contributor.

12.3 ******12.4 Application of certain definitions to Transferred PAS Contributor**

- 12.4.1 For the purpose of applying the definition of *Accrued Benefit Points* in rule 5.1 to a Transferred PAS Contributor, that definition shall be construed as if the reference in it to contributed points figures included a reference to the total of the contributed points figures calculated in relation to that Contributor under the earlier Act on 31 March 1988 but multiplied by 0.72.
- 12.4.2 For the purposes of applying the *State Authorities Superannuation Act 1987* and these Rules to a Transferred PAS Contributor, such a Contributor's Entry Date shall be taken to be the date that was regarded as the Entry Date applicable to the Transferred PAS Contributor under the earlier Act.
- 12.4.3 For the purpose of applying the definition of *contributed points figure* in rule 5.1 to a Transferred PAS Contributor, that definition shall be construed as if the reference in that definition to Applicable Contribution Periods included a reference to applicable months as defined by section 24 of the earlier Act, but with the result derived from the formula for those months multiplied by 0.72.
- 12.4.4 In applying the calculation of *Prospective Benefit Points* in rule 5.1 to a Transferred PAS Contributor, that calculation shall be subject to a minimum value of 0.7 multiplied by the number of Prospective Benefit Points that would have been calculated under that Act if the Early Retirement Age had been 60 years.

12.5 Adjustment of Benefit where broken service recognised

- 12.5.1 This rule 12.5 applies to a Transferred PAS Contributor in respect of whom an order has been in force under the *New South Wales Retirement Benefits Regulation 1983* at any time with respect to one or more periods of employment of that Contributor which occurred before 1 July 1985.
- 12.5.2 If a Transferred PAS Contributor to whom this rule 12.5 applies has received an allowance with respect to a period of employment to which an order under the *New South Wales Retirement Benefits Regulation 1983* has been in force, the Employer-Financed Benefit payable under these Rules to or in respect of the Transferred PAS Contributor shall be reduced by the following amount in respect of each such period:

[amended by Deed of Amendment No.[23] operative 30/6/97]

$$J = S \times \frac{A}{W}$$

where:

J represents the amount by which the Employer-Financed Benefit is to be reduced;

[amended by Deed of Amendment No.[23] operative 30/6/97]

S represents the amount of the Transferred PAS Contributor's Salary, as used in the calculation of the Benefit payable to or in respect of the Transferred PAS Contributor under these Rules;

- A represents the amount of the allowance received by the Transferred PAS Contributor; and
- W represents the annual wages of the Transferred PAS Contributor, as determined by the Board, immediately before the allowance became payable to the Transferred PAS Contributor.

12.5.3 In this rule, **allowance**, in relation to a Transferred PAS Contributor, means such part of the amount of a Benefit that has been paid to the Transferred PAS Contributor from a superannuation fund as, in the opinion of the Trustee, represents the employer-financed component of the Benefit.

13. SPECIAL CONDITIONS FOR FORMER LOCAL GOVERNMENT PENSION FUND CONTRIBUTORS

13.1 Definitions

13.1.1 In this Part 13:

applicable month has the meaning that that expression had under section 24 of the earlier Act;

former Act means the *Local Government and Other Authorities (Superannuation Act) 1927*;

former Fund means the Local Government Pension Fund established under the former Act;

guaranteed pension points, in relation to a Transferred LGP Contributor, means a number of points which is the greater of 0 and the number determined by the formula:

$$S = (2/3 \times P) + (1/4 \times A) - (1/3 \times B) - R$$

where:

S represents the number of guaranteed pension points to be calculated;

P represents the number of Prospective Benefit Points which would have been calculated under these Rules if the age for early retirement had been 65 years;

[amended by Deed of Amendment No.[23] operative 30/6/97]

A represents the number of Accrued Benefit Points calculated as if 1 April 1988 were the Transferred LGP Contributor's Exit Date under these Rules;

B represents the number of Accrued Benefit Points at the Transferred LGP Contributor's Exit Date under these Rules; and

R represents the number of Prospective Benefit Points calculated in respect of the Transferred LGP Contributor in accordance with rule 5.1 as modified by sub-rule 12.4.4;

[amended by Deed of Amendment No.[23] operative 30/6/97]

notional accumulation in relation to a Transferred LGP Contributor who became a Contributor to the former Fund under section 15AO, 15AP or 15AQ of the former Act, means an amount equal to the sum of:

-
- (a) the amount credited to the general reserve or the special reserve of the former Fund under section 15AO(3), 15AP(9) or 15AQ(10) of the former Act in respect of that Contributor;
- (b) in respect of each Superannuation Year during the period beginning with the date on which that Contributor became a Contributor to the former Fund and ending with 30 June 1985, an amount equal to:
- (i) 5.25% of the Salary of that Contributor, based on the rate of Salary determined under section 15AV of the former Act in respect of that superannuation year; or
 - (ii) 1.5 times the Contributions paid or payable by that Contributor in that Superannuation Year under the former Act,
- whichever is the less;
- (c) in respect of each applicable month in relation to that Contributor under the earlier Act, an amount equal to:
- (i) 5.25% of the Salary of that Contributor, multiplied by the Salary Ratio of that Contributor in respect of that month as determined by the Board, based on the rate of Salary determined under section 6 of the earlier Act in respect of that month; or
 - (ii) 1.5 times the Contributions paid or payable by that Contributor in that month under the earlier Act,
- whichever is the less; and
- (d) in respect of each Applicable Contribution Period since 1 April 1988, an amount equal to:
- (i) 5.25% of the Salary of that Contributor, multiplied by the Salary Ratio of that Contributor in respect of that period, based on the rate of Salary determined under rule 3.8 in respect of that period; or
 - (ii) 1.5 times the Contributions paid or payable by that Contributor under the current Act,
- whichever is the less, together with interest at a rate or rates determined by the Trustee, but reduced by an amount or amounts calculated in such manner as the Trustee may determine in respect of the costs of administering the scheme and such other charges as may be determined by the Trustee;

Transferred LGP Contributor means a person who has become a Contributor by virtue of clause 3 of Schedule 3 to the Current Act (rule 3.14) after having become a Contributor to the earlier Fund by virtue of the operation of Schedule 6 to the earlier Act (transitional provisions Local Government Pension Fund).

13.2 Application of the definition of Prospective Benefit Points to Transferred LGP Contributor

13.2.1 For the purpose of applying rule 5.1 to a Transferred LGP Contributor, that Contributor's average contribution rate per cent referred to in the definition of *Prospective Benefit Points* in that rule shall be construed in such a way as to exclude from calculation any period which occurred before the date when the Transferred LGP Contributor last became a Contributor under Part IIID of the former Act.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.3 Benefit to be adjusted in certain circumstances

13.3.1 This rule 13.3 applies to a Transferred LGP Contributor who, in the opinion of the Board, has received, or will receive:

- (a) in the case of a Transferred LGI Contributor whose service was terminated, or who died, before 1 July 1993 - a gratuity under section 97 of the *Local Government Act 1919*; or
- (b) in the case of a Transferred LGI Contributor whose service is terminated, or who dies, on or after that date - a similar gratuity, being a gratuity paid or to be paid by the council as an act of grace on the death or termination of service of an Employee of the council and calculated by reference to the period of the Employee's service with the council.

13.3.2 Where the Employer-Financed Benefit payable in respect of a Transferred LGP Contributor to whom this rule 13.3 applies is determined without reference to the notional accumulation of that Contributor, the amount determined in accordance with subrule 13.3.3 shall be deducted from the Employer-Financed Benefit otherwise payable under these Rules.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.3.3 For the purposes of subrule 13.3.2, the amount is:

- (a) 0; or
- (b) an amount calculated in accordance with the formula set out in subrule 13.3.4, whichever is the greater.

13.3.4 The formula referred to in subrule 13.3.3 is as follows:

$$A = (G + E) - M$$

where:

- A represents the amount to be calculated;
- G represents the amount referred to in subrule 13.3.1 as the gratuity payable to or in respect of the Transferred LGP Contributor;
- E represents the Employer-Financed Benefit that would be payable but for this rule 13.3; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

M represents the Employer-Financed Benefit that would have been payable to the Transferred LGP Contributor concerned if the Employer-Financed Benefit had been based on the Maximum Benefit Points for that Contributor.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.3.5 If the Employer-Financed Benefit payable is reduced by the operation of subrule 13.3.2, the number of Accrued Benefit Points for the Transferred LGP Contributor shall be taken to have been reduced in proportion to the amount by which the Benefit was reduced.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.4 Additional Benefit for qualified Transferred LGP Contributors

13.4.1 This rule 13.4 applies to a Transferred LGP Contributor who:

- (a) becomes covered for the Additional Benefit under the current Act or these Rules; or
- (b) by virtue of rule 12.2, is taken at the date of transfer to this Division to be covered for that Additional Benefit.

13.4.2 If:

- (a) a Benefit becomes payable under rule 5.3 or 5.4 to or in respect of a Transferred LGP Contributor to whom this rule 13.4 applies; or
- (b) a Benefit is paid under rule 5.2 and the Trustee is satisfied that a Benefit would have been payable under section rule 5.3 or 5.4 if the Early Retirement Age had been 60 years,

the lump sum Benefit calculated in accordance with the formula specified in subrule 13.4.3 is payable to or in respect of that Contributor.

13.4.3 The formula referred to in subrule 13.4.3 is as follows:

$$L = \frac{S}{100} \times (P - R)$$

where:

L represents the amount to be calculated;

S represents the Transferred LGP Contributor's Final Salary;

[amended by Deed of Amendment No.[23] operative 30/6/97]

P represents the number of Prospective Benefit Points which would have been calculated under sub-rule 12.4.4 if the Early Retirement Age had been 65 years; and

[amended by Deed of Amendment No.[23] operative 30/6/97]

R represents the number of Prospective Benefit Points which would have been calculated under subrule 12.4.4.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.4.4 If, in applying the formula specified in subrule 13.4.3, P is not more than R, no lump sum is payable.

13.5 Minimum Benefit for qualified Transferred LGP Contributors

13.5.1 In this rule 13.5, a reference to an Employer-Financed Benefit includes a lump sum Benefit payable under rule 13.4.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.5.2 This rule 13.5 applies to a Transferred LGP Contributor who:

- (a) becomes covered for the Additional Benefit under these Rules; or
- (b) by virtue of rule 12.2, is taken to be covered for that Additional Benefit,

and who in either case became a Contributor to the former Fund under section 15AO, 15AP or 15AQ of the former Act.

13.5.3 If:

- (a) a Benefit becomes payable under rule 5.3 or 5.4 to or in respect of a Transferred LGP Contributor to whom this rule 13.5 applies and no election is made under rule 13.9 or 13.10; or
- (b) a Benefit is paid under rule 5.2 and the Board is satisfied that a Benefit would have been payable under rule 5.3 or 5.4 if the Early Retirement Age had been 60 years,

the Employer-Financed Benefit in respect of that Contributor shall be not less than the amount determined in accordance with subrule 13.5.4.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.5.4 For the purposes of subrule 13.5.3, the amount referred to in that subrule is the sum of:

- (a) the notional accumulation; and
- (b) the amount calculated in accordance with the following formula:

$$A = MXS$$

where:

A represents the amount to be calculated;

M represents the number under the heading Multiplier of Salary in Part 19 opposite the age specified in years in that Part that was the age of the Transferred LGP Contributor at that Contributor's Exit Date; and

S represents:

- (i) if the Transferred LGP Contributor contributed to the new Fund at the rate of 1% of Salary - two-sevenths of that Contributor's Final Salary;
- (ii) if the Transferred LGP Contributor contributed to the new Fund at the rate of 2% of Salary - four-sevenths of that Contributor's Final Salary;
- (iii) if the Transferred LGP Contributor contributed to the new Fund at the rate of 3% of Salary - six-sevenths of that Contributor's Final Salary; or
- (iv) if the Transferred LGP Contributor contributed to the new Fund at a rate exceeding 3% of Salary - that Contributor's Final Salary.

13.5.5 In subrule 13.5.4, a reference to a rate, in relation to a Transferred LGP Contributor, is a reference to the rate at which the Contributor last elected or is taken to have last elected to contribute immediately before the Benefit became payable.

13.5.6 If a Benefit becomes payable to a Transferred LGP Contributor to whom this rule 13.5 applies under the Employer-Financed Benefit in respect of that Contributor shall be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.5.7 If:

- (a) a Benefit becomes payable under rule 5.2 to or in respect of a Transferred LGP Contributor to whom this rule applies;
- (b) no election is made under rule 13.8; and
- (c) the Employer-Financed Benefit would, but for the operation of this subrule 13.5.7, be reduced by the operation of rule 13.3,

the Employer-Financed Benefit in respect of the person shall be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.6 Minimum Benefit for Transferred LGP Contributors not qualified

13.6.1 This rule 13.6 applies to a Transferred LGP Contributor other than one who:

- (a) becomes covered for the Additional Benefit under these Rules; or
- (b) is taken, by virtue of rule 12.2, to be covered for that Additional Benefit,

and who in either case became a Contributor to the former Fund under section 15AO, 15AP or 15AQ of the former Act.

13.6.2 If:

- (a) a Benefit becomes payable in respect of a Transferred LGP Contributor to whom this rule 13.6 applies under rule 5.3; and
 - (b) no election is made under rule 13.10,
- the Employer-Financed Benefit in respect of that Contributor shall be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.6.3 If a Benefit under:

- (a) rule 5.4; or
- (b) rule 5.5,

becomes payable to a Transferred LGP Contributor to whom this rule 13.6 applies, the Employer-Financed Benefit in respect of that Contributor shall be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.6.4 If:

- (a) a Benefit becomes payable to or in respect of a Transferred LGP Contributor to whom this rule 13.6 applies under rule 5.2;
- (b) no election is made under rule 13.8; and
- (c) the Employer-Financed Benefit would, but for the operation of this subrule 13.6.4, be reduced by the operation of rule 13.3,

the Employer-Financed Benefit in respect of that Contributor shall be not less than the notional accumulation.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.7 Debiting of accounts

13.7.1 Whenever the Trustee pays a Benefit in accordance with rule 13.4 or rule 13.5, the Trustee shall:

- (a) debit the Additional Benefit Reserve established under these Rules with the amount of the Additional Benefit which would have been payable if an Additional Benefit had been paid under these Rules; and
- (b) debit the remainder to the appropriate Employer reserve.

13.7.2 Whenever the Trustee pays a Benefit in accordance with rule 13.6, the Board shall debit the appropriate Employer reserve with the difference between the amount of the Benefit so paid and the amount that, but for that rule, would have been paid under these Rules.

13.8 Pension rights exit after age 60

- 13.8.1 A Transferred LGP Contributor who, having attained 60 years of age on or before the Contributor's Exit Date, Retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 may elect to convert to a pension in accordance with rule 17.4 benefit points to which the Transferred LGP Contributor is entitled.
- 13.8.2 The benefit points to which the election referred to in subrule 13.8.1 relates are the Transferred LGP Contributor's Accrued Benefit Points.
- 13.8.3 Those benefit points which the Transferred LGP Contributor does not elect to convert to a pension shall be applied towards payment of a lump sum in accordance with rule 5.2.

13.9 Pension rights: total and permanent invalidity

- 13.9.1 If:
- (a) a Transferred LGP Contributor becomes entitled to be paid the Benefit provided by rule 5.4; or
 - (b) a Transferred LGP Contributor Retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 and the Trustee is satisfied that that Contributor would have been entitled to be paid the Benefit provided by rule 5.4 if the Early Retirement Age had been 60 years,

that Contributor may elect to convert to a pension in accordance with rule 17.6 benefit points to which that Contributor is entitled.

- 13.9.2 The benefit points to which the election referred to in subrule 13.9.1 relates are the Transferred LGP Contributor's Accrued Benefit Points, Prospective Benefit Points and guaranteed pension points.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 13.9.3 If the Transferred LGP Contributor does not elect to convert all of the benefit points specified in subrule 13.9.2 into a pension, the proportion of Accrued Benefit Points and Prospective Benefit Points which was not so converted shall be applied to the payment of a lump sum in accordance with rule 5.2 or 5.4, as the case may require.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.10 Pension rights death

- 13.10.1 If the Spouse of a deceased Transferred LGP Contributor becomes entitled to be paid:

- (a) the Benefit provided by rule 5.3; or
- (b) the Benefit provided by rule 5.2,

that Spouse may elect to convert to a pension in accordance with rule 17.7 the benefit points to which that Contributor was entitled at death.

- 13.10.2 The benefit points in respect of which an election under subrule 13.10.1 may be made are the Accrued Benefit Points, Prospective Benefit Points and guaranteed pension points which

would have accrued in respect of the Transferred LGP Contributor had the Contributor become entitled to a Benefit under rule 5.4.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.10.3 If the Spouse of the Transferred LGP Contributor does not elect to convert into a pension all of the benefit points referred to in subrule 13.10.2, the proportion of Accrued Benefit Points and Prospective Benefit Points which has not been so converted shall be applied towards the payment of a lump sum in accordance with rule 5.2 or 5.4, as the case may require.

[amended by Deed of Amendment No.[23] operative 30/6/97]

13.11 Payment of pensions

13.11.1 Subject to subrule 13.11.2, a pension is payable to or in respect of a former Transferred LGP Contributor in accordance with Parts 17 and 18.

13.11.2 If a Transferred LGP Contributor or a former Transferred LGP Contributor dies leaving a dependent child, a pension is, subject to rule 17.9, payable in accordance with Part 17.

14. SPECIAL CONDITIONS FOR FORMER RETIREMENT FUND CONTRIBUTORS

14.1 Definitions

14.1.1 In this Part 14:

former Act means the *New South Wales Retirement Benefits Act 1972*;

Transferred RF Contributor means a person who has become a Contributor by virtue of clause 3 of Schedule 3 of the *State Authorities Superannuation Act 1987* (rule 3.14) after having become a Contributor to the earlier Fund by virtue of Schedule 7 of the earlier Act.

14.2 Application of certain definitions to Transferred RF Contributor

14.2.1 For the purpose of applying the definition of *Prospective Benefit Points* in rule 5.1 to a Transferred RF Contributor, the reference in that definition to Applicable Contribution Periods shall be construed as including any period occurring before that Contributor's Entry Date where that period would have been taken into account in calculating a Benefit payable to that Contributor under the former Act:

[amended by Deed of Amendment No.[23] operative 30/6/97]

(a) if the Benefit had become payable immediately before 1 April 1988; and

(b) if the former Act had then been in force.

14.2.2 For the purpose of applying the definition of *average contribution rate per cent* in rule 5.1 to a Transferred RF Contributor, that definition shall be construed as if a reference in it to the sum of rates per cent of Salary at which a Contributor was liable to pay a Contribution for a Contribution Period were a reference to the sum of Benefit points accrued by the Transferred Contributor.

14.3 Contribution rates

- 14.3.1 A Transferred RF Contributor may contribute to this Division at a rate of Contribution which is not 1, 2, 3, 4, 5, 6, 7, 8 or 9 per cent of the Transferred RF Contributor's Salary, but no such Contributor may contribute to that Fund more than 9 per cent of his or her Salary.
- 14.3.2 A Transferred RF Contributor who does not, before 31 December in any year, make an election under rule 3.9 shall be taken to have made such an election specifying, in accordance with subrule 3.9.2(b), a rate equal to the rate which applied in respect of that Contributor on that date.
- 14.3.3 A Transferred RF Contributor referred to in subrule 14.3.1 who wishes to make an election under rule 3.9 may make that election by specifying the number of benefit points to be accrued for a Superannuation Year.
- 14.3.4 An election made in accordance with subrule 14.3.3 shall be taken to specify a rate per cent of the Transferred RF Contributor's Salary sufficient to increase by the number of benefit points specified in the election the Accrued Benefit Points for the Superannuation Year concerned.

14.4 Adjustment of points accrual: persons under age 59 and 11 months

- 14.4.1 This rule 14.4 applies to a Transferred RF Contributor who, on 1 April 1986, had not attained the age of 59 years and 11 months and who, on 1 April in any succeeding Superannuation Year, has not attained that age.
- 14.4.2 In this rule 14.4:

adjusted points limit means the number calculated in accordance with the following formula:

$$A = \frac{((L \times 1.8) + 0.7) \times 9}{2.5}$$

where:

- A represents the adjusted points limit to be determined; and
- L represents one ninth of the maximum number of benefit points for which the Transferred RF Contributor could have contributed in accordance with rule 7 of Schedule 7 to the earlier Act in the Superannuation Year which commenced on 1 April 1987.

- 14.4.3 For the purposes of this rule 14.4, but subject to subrules 14.4.4 and 14.4.5, for each 1% of Salary contributed to the new Fund by a Transferred RF Contributor for the Superannuation Year that commences on 1 April 1988, and each successive Superannuation Year, the number of benefit points accrued is:

- (a) the number of points specified in Schedule 2 of the *State Authorities Superannuation (Transitional Provisions) Regulation 1988*; or
- (b) the number of points that is equal to one-ninth of the adjusted points limit for the Transferred RF Contributor,

whichever is the greater.

14.4.4 The maximum number of Benefit points that may be accrued in any Superannuation Year by the application of subrule 14.4.3(a) is 9.

14.4.5 The maximum number of Benefit points that may be accrued in any Superannuation Year by the application of subrule 14.4.3(b) is the adjusted points limit for the Transferred RF Contributor concerned.

14.5 Adjustment of points accrual: persons aged over 59 years and 11 months

14.5.1 This rule 14.5 applies to a Transferred RF Contributor who had attained the age of 59 years and 11 months on 1 April 1986.

14.5.2 The adjusted points limit for a Transferred RF Contributor to whom this rule 14.5 applies shall be calculated in accordance with the following formula:

$$L = \frac{(N \times 1-8) + 0.7}{2.5}$$

where:

L represents the adjusted points limit to be calculated; and

N represents the number of benefit points accrued by the Transferred RF Contributor in accordance with rule 7 of Schedule 7 to the earlier Act in the Superannuation Year which commenced on 1 April 1987.

14.5.3 A Transferred RF Contributor to whom this rule 14.5 applies is required to contribute the percentage of Salary determined in accordance with subrule 14.5.4 in order to accrue 1 benefit point.

14.5.4 The percentage of Salary required to be contributed under subrule 14.5.3 is whichever of the following is the smaller:

(a) 1; or

(b) the number calculated by the following formula:

$$K = \frac{C}{L}$$

where:

K represents the number to be calculated;

C represents the Transferred RF Contributor's Contribution rate per cent as at 31 March 1988; and

L represents the adjusted points limit calculated in accordance with subrule 14.5.2.

14.5.5 The maximum number of benefit points that may be accrued in any Superannuation Year by the operation of subrule 14.5.4(b) is:

(a) the adjusted points limit for the Transferred RF Contributor; or

(b) 9,

whichever is the greater.

14.5.6 A Transferred RF Contributor to whom this rule applies whose Contribution rate per cent on 31 March 1988 is 0 shall be taken to have a Contribution rate per cent of 1 and the Trustee may make such arrangements as it thinks fit in relation to the deduction of Contributions for such a Contributor.

14.6 Pension rights exit after age 60

14.6.1 A Transferred RF Contributor who, having attained 60 years of age on or before that Contributor's Exit Date, Retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 may elect to convert to a pension in accordance with:

(a) rule 17.3; or

(b) rule 17.4,

benefit points to which that Contributor is entitled.

14.6.2 The benefit points to which the election referred to in subrule 14.6.1 relates are the Transferred RF Contributor's Accrued Benefit Points.

14.6.3 Those benefit points which the Transferred RF Contributor does not elect to convert to a pension shall be applied to payment of a lump sum in accordance with rule 5.2.

14.7 Pension rights: total and permanent invalidity

14.7.1 If:

(a) a Transferred RF Contributor becomes entitled to be paid the Benefit provided by rule 5.4; or

(b) a Transferred RF Contributor Retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 and the Trustee is satisfied that that Contributor would have been entitled to be paid the Benefit provided by rule 5.4 if the Early Retirement Age had been 60 years,

that Contributor may elect to convert to a pension in accordance with:

(c) rule 17.5; or

(d) rule 17.6,

benefits points to which he or she is entitled.

14.7.2 The benefit points to which the election referred to in subrule 14.7.1 relates are the Transferred RF Contributor's Accrued Benefit Points and Prospective Benefit Points.

[amended by Deed of Amendment No.[23] operative 30/6/97]

14.7.3 If the Transferred RF Contributor does not elect to convert all of the benefit points specified in subrule 14.7.2 into a pension, the proportion of Accrued Benefit Points and Prospective

Benefit Points which was not so convened shall be applied towards the payment of a lump sum benefit in accordance with rule t.2 or 5.4, as the case may require.

[amended by Deed of Amendment No.[23] operative 30/6/97]

14.8 Pension rights: death

14.8.1 If the Spouse of a deceased Transferred RF Contributor becomes entitled to be paid:

- (a) the Benefit provided by rule 5.3; or
- (b) the Benefit provided by rule 5.2,

that Spouse may elect to convert to a pension in accordance with rule 17.7 the Benefit points to which that Contributor was entitled at death.

14.8.2 The benefit points in respect of which an election under subrule 14.8.1 may be made are the Accrued Benefit Points and Prospective Benefit Points which would have accrued to the Transferred RF Contributor had that Contributor become entitled to a Benefit under rule 5.4.

[amended by Deed of Amendment No.[23] operative 30/6/97]

14.8.3 If the Spouse of a Transferred RF Contributor does not elect to convert to a pension all of the benefit points referred to in subrule 14.8.2, the proportion of Accrued Benefit Points and Prospective Benefit Points which has not been so converted shall be applied towards the payment of a lump sum benefit in accordance with rule 5.2 or 5.3, as the case may require.

[amended by Deed of Amendment No.[23] operative 30/6/97]

14.9 Payment of pensions

14.9.1 A pension is payable to or in respect of a former Transferred RF Contributor in accordance with Parts 17 and 18.

14.10 Minimum Benefit in certain cases

14.10.1 If the amount of a Benefit that would, but for this rule 14.10, be payable under:

- (a) rule 5.3;
- (b) rule 5.4; or
- (c) rule 5.5,

to or in respect of a Transferred RF Contributor would be less than a lump sum benefit calculated in respect of that Contributor in accordance with subrule 14.10.2, the Trustee shall, instead of paying the first-mentioned Benefit, pay that lump sum benefit to that Contributor or, if the case so requires, to such person as would have been entitled under rule 5.3 to the first-mentioned Benefit.

14.10.2 The lump sum Benefit referred to in subrule 14.10.1 shall be calculated in accordance with the following formula:

$$Z = \frac{A}{30} \times (10 + \frac{N}{12})$$

where:

- Z represents the lump sum Benefit to be calculated;
- A represents the Final Salary for the Transferred RF Contributor concerned; and
[amended by Deed of Amendment No.[23] operative 30/6/97]
- N represents the number of periods for that Contributor which would have been Applicable Contribution Periods for that Contributor if:
- (a) the *State Authorities Superannuation Act 1987* or these Rules had been in force at that Contributor's Entry Date; and
 - (b) that Contributor had become a Contributor under the *State Authorities Superannuation Act 1987* or these Rules on that date.

14.10.3 Whenever the Trustee pays a Benefit in accordance with this rule 14.10, it shall:

- (a) debit the Additional Benefit Reserve with the amount of the Additional Benefit which would have been payable if an Additional Benefit had been paid under these Rules; and
- (b) debit the remainder to the appropriate employer reserve.

15. SPECIAL PROVISIONS FOR FORMER TRANSPORT FUND CONTRIBUTORS

15.1 Definitions

15.1.1 In this Part:

former Act means the *Transport Employees Retirement Benefits Act 1967*;

Transferred TF Contributor means a person who has become a Contributor by virtue of clause 3 of Schedule 3 of the *State Authorities Superannuation Act 1987* (rule 3.14) after having become a Contributor to the earlier Fund by virtue of the *Public Authorities Superannuation (Transport Retirement Fund Closure) Regulation 1986*.

15.2 Application of certain definitions to Transferred TF Contributors

15.2.1 For the purpose of applying the definition of *Prospective Benefit Points* in rule 5.1 to a Transferred TF Contributor, the reference in that definition to Applicable Contribution Periods shall be construed as including any period occurring before that Contributor's Entry Date where that period would have been taken into account in calculating a Benefit payable to that Contributor under the *New South Wales Retirement Benefits Act 1972* if:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) the Benefit had become payable immediately before 1 April 1988;
- (b) that Contributor had been entitled to a Benefit under *State Authorities Superannuation Act 1987* or these Rules; and
- (c) the *State Authorities Superannuation Act 1987* or these Rules had been in force at the relevant time.

15.2.2 For the purpose of applying the definition of *average contribution rate per cent* in rule 5.1 to a Transferred TF Contributor, that definition shall be construed as if a reference in it to the sum of the rates per cent of Salary at which a Contributor was liable to pay a Contribution for a Contribution Period were a reference to the sum of benefit points accrued by the Transferred TF Contributor.

15.3 Pension rights: exit after age 60

15.3.1 A Transferred TF Contributor who, having attained 60 years of age on or before the Contributor's Exit Date, Retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 may elect to convert to a pension in accordance with:

- (a) rule 17.3; or
- (b) rule 17.4,

benefit points to which that Contributor is entitled.

15.3.2 The benefit points in respect of which an election may be made under subrule 15.3.1 are the Transferred TF Contributor's Accrued Benefit Points.

15.3.3 Those benefit points which the Transferred TF Contributor does not elect to convert to a pension shall be applied towards payment of a lump sum benefit in accordance with rule 5.2.

15.4 Pension rights: total and permanent invalidity

15.4.1 If:

- (a) a Transferred TF Contributor becomes entitled to be paid the Benefit provided by rule 5.4; or
- (b) a Transferred TF Contributor retires and thereby becomes entitled to be paid the Benefit provided by rule 5.2 and the Trustee is satisfied that a Benefit would have been payable to that Contributor under rule 5.4 if the Early Retirement Age had been 60 years,

that Contributor may elect to convert to a pension in accordance with:

- (c) rule 17.5; or
- (d) rule 17.6,

benefit points to which that Contributor is entitled.

15.4.2 The benefit points to which the election referred to in subrule 15.4.1 relates are the Transferred TF Contributor's Accrued Benefit Points and Prospective Benefit Points.

[amended by Deed of Amendment No.[23] operative 30/6/97]

15.4.3 If the Transferred TF Contributor concerned does not elect to convert all of the benefit points specified in subrule 15.4.2 into a pension, the proportion of Accrued Benefit Points and Prospective Benefit Points which was not so converted shall be applied towards the payment of a lump sum benefit in accordance with rule 5.2 or 5.4, as the case may require.

[amended by Deed of Amendment No.[23] operative 30/6/97]

16. SPECIAL PROVISIONS FOR CERTAIN FORMER LOCAL GOVERNMENT SCHEME CONTRIBUTORS

16.1 Definitions

16.1.1 In this Part:

applicable month has the meaning that that expression had under section 24 of the earlier Act;

former Act means the *Local Government and Other Authorities (Superannuation) Act 1927*;

notional accumulation, in relation to a Transferred LGA Contributor, means an amount equal to the sum of:

- (a) the amounts credited to the appropriate employer reserve established under the former fund in accordance with rule 6(3) of the *Public Authorities Superannuation (Closed Local Government Schemes Transfer) Regulation 1986* in respect of that Contributor;
- (b) in respect of each applicable month in relation to that Contributor under the earlier Act, an amount equal to:
 - (i) 5.25% of the Salary of that Contributor, multiplied by the Salary Ratio of that Contributor in respect of that month as determined by the Trustee, based on the rate of Salary determined under section 6 of the earlier Act in respect of that month; or
 - (ii) 1.5 times the Contributions paid or payable by that Contributor in that month under the earlier Act,whichever is the less; and
- (c) in respect of each Applicable Contribution Period since 1 April 1988, an amount equal to:
 - (i) 5.25% of the Salary of that Contributor, multiplied by the Salary Ratio of that Contributor in respect of that period, based on the rate of salary determined under rule 3.8 in respect of that period; or
 - (ii) 1.5 times the Contributions paid or payable by that Contributor under these Rules,

whichever is the less,

together with interest at a rate or rates determined by the Trustee, but reduced by an amount or amounts calculated in such manner as the Trustee may determine in respect of the costs of administering the scheme and such other charges as may be determined by the Trustee;

Transferred LGA Contributor means a person who has become a Contributor by virtue of clause 3 of Schedule 3 of the *State Authorities Superannuation* (rule 3.14) after having become a Contributor to the earlier Fund by virtue of the *Public Authorities Superannuation (Closed Local Government Schemes Transfer) Regulation 1986*.

16.2 Application of certain definition to Transferred LGA Contributors

16.2.1 For the purpose of applying the definition of *Prospective Benefit Points* in rule 5.1 to a Transferred LGA Contributor, the reference in that definition to *Applicable Contribution Period* shall be construed in such a way as to exclude from calculation any service which occurred before that Contributor's date of transfer to the earlier Fund under the *Public Authorities Superannuation (Closed Local Government Schemes Transfer) Regulation 1986*.

[amended by Deed of Amendment No.[23] operative 30/6/97]

16.3 Benefit to be adjusted in certain circumstances

16.3.1 The provisions of rule 13.3 apply to a Transferred LGA Contributor as if that Contributor were a Transferred LGA Contributor to whom Part 13 applies if the Transferred LGA Contributor, in the opinion of the Trustee, has received or will receive:

- (a) in the case of a Transferred LGA Contributor whose service was terminated, or who died, before 1 July 1993 - a gratuity under section 97 of the *Local Government Act 1919*, or
- (b) in the case of a Transferred LGA Contributor whose service is terminated, or who dies, on or after that date - a similar gratuity, being paid or to be paid by the council as an act of grace on the death or termination of service of an Employee of the council and calculated by reference to the period of the Employee's service with the council.

16.4 Minimum Benefit for qualified Transferred LGA Contributors

16.4.1 This rule 16.4 applies to a Transferred LGA Contributor who:

- (a) was, immediately before becoming a Contributor to the earlier Fund, a Contributor to the Superannuation Benefits Fund established under section 15S of the former Act; and
- (b) becomes covered for the Additional Benefit under the *State Authorities Superannuation Act 1987* or these Rules or, by virtue of rule 12.2, is taken to be covered for that Additional Benefit.

16.4.2 If a Benefit under:

- (a) rule 5.3; or
- (b) rule 5.4,

becomes payable to or in respect of a Transferred LGA Contributor to whom this rule 16.4 applies, the Employer-Financed Benefit shall be not less than the amount determined under subrule 16.4.3.

[amended by Deed of Amendment No.[23] operative 30/6/97]

16.4.3 The amount to be determined for the purposes of subrule 16.4.2 is the sum of:

- (a) the notional accumulation; and
- (b) the amount calculated in accordance with the following formula:

$$A = M \times S$$

where:

- A represents the amount to be calculated;
- M represents the number under the heading "Multiplier of Salary" in Part 19 opposite the age specified in years in that Part 19 that was the age of the Transferred LGA Contributor concerned at that Contributor's Exit Date; and
- S represents:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (i) if the Transferred LGA Contributor contributed to the new Fund at the rate of 1% of Salary - two-sevenths of the Transferred LGA Contributor's Final Salary;
- (ii) if the Transferred Contributor contributed to the new Fund at the rate of 2% of Salary - four-sevenths of the Transferred LGA Contributor's Final Salary;
- (iii) if the Transferred LGA Contributor contributed to the new Fund at the rate of 3% of Salary - six-sevenths of the Transferred LGA Contributor's Final Salary; or
- (iv) if the Transferred LGA Contributor contributed to the new fund at a rate exceeding 3% of Salary - the Transferred LGA Contributor's Final Salary.

16.4.4 In subrule 16.4.3, a reference to a *rate*, in relation to a Transferred LGA Contributor, is a reference to the rate at which the Contributor last elected or is taken to have last elected to contribute immediately before the Benefit became payable.

16.5 Debiting of accounts

16.5.1 Whenever the Trustee pays a Benefit in accordance with rule 16.4, the Trustee shall:

- (a) debit the Additional Benefit Reserve with the amount of the Additional Benefit which would have been payable if an Additional Benefit had been paid under these Rules; and
- (b) debit the remainder to the appropriate employer reserve.

17. PENSIONS

17.1 Election by Transferred Contributor to take pension Benefit

17.1.1 An election by a Transferred Contributor or the Spouse of a Transferred Contributor to take a pension Benefit under Parts 12-19 shall:

- (a) be in a form approved by the Trustee;
- (b) be signed by that Contributor or Spouse, as the case requires;

- (c) specify such matters and be accompanied by such information as the Trustee may require;
- (d) specify the proportion of benefit points to be converted to a pension, the proportion being the same for each class of benefit points which may be so converted; and
- (e) be lodged at the office of the Trustee within the period of 3 months (or such extended period as the Trustee may in special circumstances allow) that immediately follows that Contributor's Exit Date or, if the case requires, the day on which that Contributor died.

17.1.2 The Trustee is entitled to act on the information provided in accordance with subrule 17.1.1.

17.2 Payment of pension Benefit

17.2.1 If a Transferred Contributor has elected to take a pension benefit under Parts 12-19, that Benefit shall be calculated with effect from that Contributor's Exit Date and is payable in equal fortnightly instalments.

17.2.2 If the Spouse of a deceased Transferred Contributor has elected to take a pension Benefit under Parts 12-19, that Benefit shall be calculated with effect from the date of death of that Contributor and is payable in equal fortnightly instalments.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.3 Employer-financed pension: normal retirement without reversion

17.3.1 When an election is made by a Transferred Contributor to take the pension Benefit provided by this rule 17.3, the pension shall be calculated in accordance with the following formula:

$$P = S \times C \times 0.002778 \times (1 - 0.025 \times T)$$

where:

- P represents the annual pension payable;
- S represents the Transferred Contributor's Final Average Salary;
- C represents the number of Benefit points to which the election relates; and
- T represents the number of whole years by which that Contributor's Exit Date precedes the date of his or her 65th birthday.

17.3.2 For the purposes of symbol "T" in subrule 17.3.1, a fraction of a year which does not form part of a whole year counts as a whole year.

17.4 Employer-financed pension: normal retirement with reversion

17.4.1 When an election is made by a Transferred Contributor to take the pension Benefit provided by this rule 17.4, the pension shall be calculated in accordance with the following formula:

$$P = S \times C \times 0.002223 \times (1 - 0.025 \times T)$$

where:

P, S, C and T have the same meanings as in rule 17.3

17.5 Employer-financed pension: invalidity without reversion

17.5.1 When an election is made by a Transferred Contributor to take the pension Benefit provided by this rule 17.5, the pension shall be calculated in accordance with the following formula:

$$P = S \times C \times 0.002778$$

where:

P and C have the same meanings as in rule 17.3; and

S represents the Transferred Contributor's Final Salary.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.6 Employer-financed pension: invalidity with reversion

17.6.1 When an election is made by a Transferred Contributor to take the pension benefit provided by this rule 17.6, the pension shall be calculated in accordance with the following formula:

$$P = S \times C \times 0.002223$$

where:

P and C have the same meanings as in rule 17.3; and

S represents the Transferred Contributor's Final Salary.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.7 Employer-financed pension: Spouse

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.7.1 When an election is made by the Spouse of a deceased Transferred Contributor to take the pension benefit provided by this rule 17.7, the pension shall be calculated in accordance with the following formula:

$$P = S \times C \times 0.002223 \times 0.625$$

where:

P and C have the same meanings as in rule 17.3; and

S represents:

- (a) the Transferred Contributor's Final Average Salary if that Contributor died after attaining the age of 60 years; or

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) the Transferred Contributor's Final Salary if that Contributor died before attaining that age.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.8 Duration of pensions

17.8.1 If a pension under rule 17.4 or 17.6 is payable:

- (a) that pension is payable during the lifetime of the Transferred Contributor; and
- (b) on the death of that Contributor, a pension is payable to the Spouse of that Contributor for life at an annual rate equal to 62.5% of the annual rate of pension that was payable to that Contributor immediately before that death.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.8.2 If a pension under rule 17.3 or 17.5 is payable, that pension is payable only during the lifetime of the Transferred Contributor concerned.

17.8.3 If a pension under rule 17.7 is payable, that pension is payable only during the lifetime of the Spouse of the Transferred Contributor concerned.

[amended by Deed of Amendment No.[23] operative 30/6/97]

17.8.4 In this rule 17.8:

spouse, in relation to a pension payable under rule 17.4, 17.6 or 17.7, means the person who was the Spouse of the Transferred Contributor concerned at the time when the election to take the pension was made.

17.9 Pensions in respect of children and orphans

17.9.1 In this rule 17.9:

dependent child, in relation to a deceased Transferred LGP Contributor, means:

- (a) a child of that Contributor who has not attained 16 years of age; or
- (b) a child of that Contributor, who has attained 16 years of age but not 25 years of age and who is, in the opinion of the Trustee, receiving full-time education at a school, college or university and not ordinarily employed or engaged in working for remuneration,

and who in either case was, in the opinion of the Trustee, wholly or substantially financially dependent on the Transferred LGP Contributor immediately before that Contributor's death;

[amended by Deed of Amendment No.[26] operative 01/07/07]

notional pension, in relation to the Spouse of a deceased Transferred LGP Contributor or pensioner, means:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (i) where the Spouse is entitled to receive the pension provided by rule 17.4 or 17.6, the pension that would have been payable to the deceased if he or she had elected to take the pension so provided and had lived; or

- (ii) where the Spouse is entitled to receive the pension provided by rule 17.7, the pension that would have been payable to the deceased if he or she had suffered total and permanent invalidity instead of death and had elected to take the pension provided by rule 17.6;

pensioner means a person entitled to receive a pension payable in accordance with rule 13.8, 13.9 or 13.10;

Transferred LGP Contributor has the same meaning as in Part 13.

- 17.9.2 The provisions of this rule 17.9 apply to the Spouse of a deceased pensioner in the same way as they apply to the Spouse of a deceased Transferred LGP Contributor.

[amended by Deed of Amendment No.[23] operative 30/6/97]

- 17.9.3 If a Transferred LGP Contributor or a pensioner dies leaving a dependent child, the Trustee shall:

- (a) in respect of the child, pay a pension to the Spouse of that deceased Contributor or pensioner or the guardian of the child; or

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (b) if the Trustee thinks fit, expend the pension for the benefit of the child in such manner as it may determine.

- 17.9.4 A pensioner in respect of whom there exists a notional pension is entitled to only so much of the pension or pensions under subrule 17.9.3 as would, when added to the pensioner's actual pension, not exceed that notional pension.

- 17.9.5 A pension payable under subrule 17.9.3 ceases to be payable in respect of a child when the child ceases to be a dependent child.

- 17.9.6 Subject to any periodical adjustment effected as a result of the operation of Part 18, the rate of pension payable under subrule 17.9.3 in respect of a child is:

- (a) if a parent of the child is living, a fortnightly amount of \$58.86; or
 (b) in any other case, a fortnightly amount of \$139.76.

17.10 Definitions

- 17.10.1 In Part 17 (other than rule 17.9) Transferred Contributor means, as the case requires, a Transferred PAS Contributor, a Transferred LGP Contributor, a Transferred RF Contributor, a Transferred TF Contributor or a Transferred LGA Contributor.

18. PERIODIC ADJUSTMENT OF PENSIONS

18.1 Definitions

- 18.1.1 In this Part 18:

adjustment date, in relation to an adjustment period, means the first day of the pension pay period that ends on the first pension pay day in the October that next follows that adjustment period;

adjustment percentage, in relation to an adjustment period, means, subject to subrule 18.3.2, the percentage for that period calculated in accordance with rule 18.3;

adjustment period means:

- (a) the period of 6 months beginning on 1 January 1989; or
- (b) the period of 12 months beginning on 1 July 1989; or
- (c) the period of 12 months beginning on 1 July in any subsequent year.

as the case requires;

December quarter means the quarter commencing on 1 October in each year;

index number in relation to a June quarter, means the number for that June quarter appearing in the Consumer Price Index (All Groups Index) for Sydney published by the Commonwealth Statistician under the *Census and Statistics Act 1905* of the Commonwealth;

June quarter means the quarter commencing on 1 April in each year;

quarter, in relation to a year, means the period of 3 months commencing on 1 January, 1 April, 1 July or 1 October in that year.

18.1.2 If a pension is to be adjusted under this Part 18 by reference to the adjustment percentage for an adjustment period, a reference (however expressed) in this Part 18 to adjusting the pension is a reference to:

- (a) where the adjustment percentage is calculated in accordance with the formula set out in subrule 18.3.1(a), increasing the pension; or
- (b) where the adjustment percentage is calculated in accordance with the formula set out in subrule 18.3.1(b), reducing the pension.

18.2 Restriction on automatic adjustment of pension

18.2.1 If the Trustee is of the opinion that an increase in accordance with this Part 18 in the pension payable to a person would prejudicially affect that person as regards some advantageous situation in which, but for being so affected, that person would be placed, the Trustee may:

- (a) determine not to pay the amount of the increase; or
- (b) determine to pay a specified increase of a lesser amount; or
- (c) determine to decrease the pension to a specified amount.

18.2.2 A determination made under subrule 18.2.1 has effect according to its tenor, and once the determination has had effect a person is not entitled to be paid or to recover any amount that would have been payable but for the determination.

18.2.3 A determination made under subrule 18.2.1 must be disregarded in calculating a pension payable to the Spouse of a deceased pensioner to whom the determination relates but such a determination may be made in relation to the pension so calculated.

[amended by Deed of Amendment No.[23] operative 30/6/97]

18.3 Calculation of adjustment percentage

18.3.1 For the purposes of the definition of *adjustment percentage* in rule 18.1, the percentage for an adjustment period is to be calculated:

- (a) if, in relation to the adjustment period beginning on 1 January 1989, the index number for the June quarter in that period was greater than the index number for the immediately preceding December quarter or, if in relation to the adjustment period beginning on 1 July 1989 or 1 July in any subsequent year, the index number for the June quarter was greater than the index number for the immediately preceding June quarter in accordance with the following formula:

$$P = \frac{100 (C - L)}{L}; \text{ or}$$

- (b) if, in relation to the adjustment period beginning on 1 January 1989, the index number for the June quarter in that period was less than the index number for the immediately preceding December quarter or, if in relation to the adjustment period beginning on 1 July 1989 or 1 July in any subsequent year, the index number for the June quarter was less than the index number for the immediately preceding June quarter in accordance with the following formula:

$$P = \frac{100 (L - C)}{L}$$

where, in the case of either formula:

- P represents the percentage to be obtained; and
- C represents the index number for the June quarter in the adjustment period concerned; and
- L represents the index number for the immediately preceding December quarter or the immediately preceding June quarter, as the case requires.

18.3.2 There is to be no adjustment percentage for an adjustment period if:

- (a) the percentage calculated for that period in accordance with this rule 18.3 is less than 1%; or
- (b) the index number for the June quarter in that period is the same as the index number for the immediately preceding June quarter.

18.3.3 If there is to be no adjustment percentage for an adjustment period, then, for the purposes of calculating the percentage for the next adjustment period:

- (a) the index number for the June quarter in the first-mentioned period is to be taken to have not been published; and
- (b) the index number for that quarter is to be taken to be the same as the index number for the June quarter in the last year for which there was an adjustment percentage.

18.3.4 If at any time, whether before, on or after 1 January 1989, the Commonwealth Statistician has published, or publishes in respect of a particular June quarter an index number in substitution for an index number previously published by him or her in respect of that quarter, then, for the purposes of this Part 18 the publication of the later index number must be disregarded.

18.3.5 Despite subrule 18.3.4, if at any time after 1 January 1989 the Commonwealth Statistician has changed the reference base for the Consumer Price Index (All Groups Index) for Sydney, then, for the purposes of the application of this Part 18 (after the change takes place), regard must be had only to index numbers published in terms of the new reference base.

18.4 Adjustment of pensions: general cases

18.4.1 Subject to this Part 18, if there is an adjustment percentage for a particular adjustment period, the pension payable on the adjustment date for that period to a person to whom this rule 18.4 applies is adjusted, on and from that adjustment date, by that percentage.

18.4.2 This rule 18.4 applies:

- (a) to a person who last became a pensioner on or before the first day of that particular adjustment period concerned; and
- (b) to a person who is the Spouse of a deceased pensioner, where that deceased pensioner last became a pensioner on or before the first day of the particular adjustment period concerned and died before the adjustment date for that period.

[amended by Deed of Amendment No.[23] operative 30/6/97]

18.5 Adjustment of pensions: partial adjustment

18.5.1 This rule 18.5 applies:

- (a) to a person who last became a pensioner during the period beginning with the first day of the particular adjustment period concerned and ending with 31 March next following; and
- (b) to a person who is the Spouse of a deceased pensioner, where that deceased pensioner last became a pensioner during the period beginning with the first day of the particular adjustment period concerned and ending with 31 March next following and died before the adjustment date for that adjustment period.

[amended by Deed of Amendment No.[23] operative 30/6/97]

18.5.2 Subject to this Part 18, if there is an adjustment percentage for a particular adjustment period, the pension payable on the adjustment date for that period to a person to whom this rule 18.5 applies is adjusted, on and from that adjustment date, by the percentage calculated in accordance with the formula set out in subrule 18.5.3.

18.5.3 The formula referred to in subrule 18.5.2 is:

- (a) where the adjustment period is the adjustment period beginning on 1 January 1989;

$$A = P \times \frac{Q}{2}; \text{ or}$$

- (b) where the adjustment period is the adjustment period beginning on 1 July 1989 or on 1 July in any subsequent year:

$$A = P \times \frac{Q}{4}$$

where, in the case of either formula:

- A represents the percentage by which the pension is to be adjusted; and
- P represents the adjustment percentage for the particular adjustment period; and
- Q represents the number of whole quarters of the particular adjustment period, being the whole quarters after, and (if applicable) the whole quarter on the first day of which:
- (i) in the case of a person referred to in subrule 18.5.1(a) the person last become a pensioner; or
 - (ii) in the case of a person referred to in subrule 18.5.1(b) the deceased Spouse of that person last became a pensioner.

[amended by Deed of Amendment No.[23] operative 30/6/97]

18.6 Minimum amount to which pensions may be reduced

18.6.1 Irrespective of anything in this Part 18:

[amended by Deed of Amendment No.[23] operative 30/6/97]

- (a) a pension (other than a pension payable to a person by virtue of that person being the Spouse of a pensioner) must not be reduced below the fortnightly amount that would have been payable but for this Part 18; and
- (b) a pension payable to a person by virtue of that person being the Spouse of a pensioner must not be reduced below the fortnightly amount that would have been payable by reference to the pension that would have been payable to the former pensioner but for this Part 18.

18.7 Calculation of percentages

18.7.1 If a percentage that is calculated under this Part 18 is or includes a fraction of one-tenth of 1%, then:

- (a) if the fraction is less than one-half of one-tenth the fraction is to be disregarded; and
- (b) if the fraction is not less than one-half of one-tenth the fraction is to be treated as one-tenth.

19. SCALE FOR CALCULATING ADDITIONAL DEATH BENEFITS AND ADDITIONAL DISABLEMENT BENEFITS

Age in years at Exit Date	Multiplier of Salary	Age in years at Exit Date	Multiplier of Salary
20, or under 20	6.0	40	2.50
21	5.8	41	2.35
22	5.6	42	2.20
23	5.4	43	2.05
24	5.2	44	1.90
25	5.0	45	1.75
26	4.8	46	1.60
27	4.6	47	1.45
28	4.4	48	1.30
29	4.2	49	1.15
30	4.0	50	1.00
31	3.85	51	0.9
32	3.70	52	0.8
33	3.55	53	0.7
34	3.40	54	0.6
35	3.25	55	0.5
36	3.10	56	0.4
37	2.95	57	0.3
38	2.80	58	0.2
39	2.65	59	0.1
		60, or over 60	0

20. OTHER CONTRIBUTORS TRANSFERRED UNDER THE TRANSFER REGULATIONS

20.1 In respect of those transferred contributors transferred pursuant to clause 11 of the Transfer Regulations, the Benefits of those members shall be determined in accordance with the

provisions of the Acts and Regulations set out in rule 20.2 below insofar as they apply to each of those members.

20.2 The Acts and Regulations referred to in rule 20.1 are:

- (a) New South Wales Retirements Benefits Act 1972;
- (b) Local Government & Other Authorities (Superannuation) Act 1927;
- (c) Public Authorities Superannuation Act 1985;
- (d) Transport Employees Retirement Benefits Act 1967; and
- (e) Parts 2, 3 and 6 of the State Authorities Superannuation (Transitional Provisions) Regulation 1988.

SCHEDULE 3

DIVISION C – (SANCS)

This document incorporates the following Amendments:

- Amendment 1 dated 27 April 1998
- Amendment 2 dated 20 October 2000
- Amendment 3 dated 11 January 1999 (*Division F*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999
- Amendment 6 dated 1 October 1999 (*Deed*)
- Amendment 7 dated 4 May 2000
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000 (*Division D*)
- Amendment 11 dated 28 September 2000 (*Division F*)
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001 (*Division F only*)
- Amendment 14 dated 20 September 2002 (*Division B*)
- Amendment 15 dated 8 September 2002 (*Division A only*)
- Amendment 16 dated (*Deed only*)
- Amendment 17 dated (*Division A only*)
- Amendment 18 dated 5 February 2003
- Amendment 18A dated 17 July 2003 (*Deed and Division A*)
- Amendment 19 dated 5 September 2003 (*Division F*)
- Amendment 20 dated 1 June 2003 (*Division N*)
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004
- Amendment 23 dated 18 February 2005 (*not Division C*)
- Amendment 24 dated 21 September 2005
- Amendment 26 dated 28 March 2008
- Amendment 29 dated 11 March 2011

SCHEDULE 3
DIVISION C — (SANCS)

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SCHEDULE 3

DIVISION C — (SANCS)

These are these Rules governing Division C of the Fund. As at the Transfer Day, the Rules of Division C are intended to reflect the rights, benefits and entitlements of members of the State Authorities Non-Contributory Superannuation Scheme, established under the *State Authorities Non-Contributory Superannuation Act 1987*, as at the time immediately before the Transfer Day.

1. INTERPRETATION

1.1 Definitions

In these Rules:

Attributed Salary, in relation to a Member at any time, means:

- (a) where the Member is a Full-Time Employee at that time, the Salary of the Member at that time, or
- (b) where the Member is a Part-Time Employee at that time, the Salary that would be payable to the Member at that time if employed as a Full-Time Employee.

Basic Benefit means the Basic Benefit referred to in rule 4.2.

Chief Executive Officer has the same meaning as in Division E.

Contribution Period means a named month or such other period as may be determined by the Trustee in relation to any class of persons or circumstances.

Co-contribution Amount means the Contributions made by the Government.

[inserted by Deed of Amendment No. [22] operative 24/9/04]

Co-contribution Member means a Member in respect of whom the Trustee receives a Co-Contribution Amount.

[inserted by Deed of Amendment No. [22] operative 24/9/04]

Executive Officer means an Employee who is:

- (a) a Chief Executive Officer, or
- (b) a Senior Executive Officer,
- (c) an office holder nominated for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*;
- (d) an eligible person.

[inserted by Deed of Amendment No.[1] operative 27/4/98]

Exit Date in relation to a Member, means the day on which the Member ceases employment with an Employer, that cessation of employment being:

- (a) the only such cessation; or
- (b) where there has been more than one such cessation of employment of the Member the later or latest of those cessations of employment.

Final Average Salary, in relation to a Member, means the average of the Attributed Salaries paid or payable to the Member at the rates applicable:

[inserted by Deed of Amendment No. [21] operative 28/12/02]

- (a) on the Member's Exit Date;
- (b) on 31 December (or such other date as the Trustee may determine) last preceding the Member's Exit Date; and
- (c) on 31 December (or such other date as the Trustee may determine) last preceding the date referred to in paragraph (b).

Final Salary, in relation to a Member, means the rate of Attributed Salary paid or payable to the Member on the Member's Exit Date.

[inserted by Deed of Amendment No.[21] operative 28/12/02]

Full-Time Employee means a Member whose Salary Ratio is 1.

Other Contributions Account means the account established pursuant to subrule 2.2A.

[inserted by Deed of Amendment No. [22] operative 24/9/04]

Part-Time Employee means a Member whose Salary Ratio is less than 1 but at least 0.1.

Public Sector Executives Superannuation Scheme means the superannuation scheme established under *Public Sector Executives Superannuation Act 1989*, and when used in these Rules means Division E.

Reserve means an Account.

Resign, in relation to a Member, means cease to be employed by an Employer before reaching the age of 55 years, otherwise than on account of:

- (a) death, or
- (b) invalidity, where the Trustee is satisfied:
 - (i) that the ceasing to be employed was due, directly or indirectly to the permanent physical or mental incapacity of the Member (not caused by any act or default of the Member intended to produce that incapacity; and
 - (ii) that the Member is permanently unable, by reason of that incapacity, to be engaged in, or to be employed in, any remunerative occupation

in which, in the opinion of the Trustee, it would otherwise be reasonable to expect the Member to engage.

Retire means cease (otherwise than by reason of death) in any manner to be employed by an Employer on or after reaching the age of 55 years.

Retrenchment, in relation to a Member, means the termination of the employment of the Member with an Employer where the employment is expressed by the Employer to be:

- (a) compulsorily terminated by the Employer on the ground that:
 - (i) the Employer no longer requires the Member's services and, on termination of the Member's employment, does not propose to fill the Member's position; or
 - (ii) the work that the Member was engaged to perform has been completed; or
 - (iii) the amount of work that the Employer requires to be performed has diminished and, due to that fact, it has become necessary to reduce the number of persons employed by the Employer; or
- (b) terminated as a result of the acceptance by the Member of an offer by the Employer of terms of retrenchment made on a ground specified in paragraph (a).

Salary, in relation to a Member, means Salary of the Member, determined in accordance with rule 1.2 or 1.4 and expressed as an annual rate.

Salary Ratio, in relation to a Member at any time during a Contribution Period, means the number ascertained by dividing the Salary of the Member at the commencement of that Contribution Period by the Attributed Salary of the Member at that commencement.

Same-sex Partner [inserted by Deed of Amendment No.12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]

Senior Executive Officer has the same meaning as in Division E.

Spouse [[a] amended by Deed of Amendment No.[1] operative 1/7/97, (d) inserted by Deed of Amendment No.12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]

1.2 Definition of Salary

1.2.1 For the purposes of these Rules, Salary, in relation to a Member (other than an Executive Officer) means the sum of:

- (a) the remuneration, salary or wages payable in money to the Member in the Member's capacity as an Employee, as reported to the Trustee from time to time by the Member's Employer, including:
 - (i) a loading in respect of any shift allowance, as determined in accordance with rule 1.3;

-
- (ii) other allowances payable in money that are of a kind included within the value of leave paid on termination of employment; and
 - (iii) weekly workers compensation paid to the Member, as from the date the weekly workers compensation commences to be paid,

but not including the excluded amounts or allowances referred to in subrule 1.2.3, and
- (b) if approved employment Benefits are provided to the Member, the cost of providing the approved employment Benefits, as determined by the Trustee.
- 1.2.2 The weekly workers compensation to be treated as Salary for the purposes of these Rules does not include any amount by which the aggregate of:
- (a) the weekly workers compensation paid to an injured Member; and
 - (b) the salary actually paid to the Member while partially incapacitated,
- exceeds the salary that the Member would probably have been earning but for the injury (assuming the Member had continued to be employed in the same or some comparable employment).
- 1.2.3 The excluded amounts or allowances are:
- (a) an amount paid for overtime or as a bonus, or an allowance instead of overtime;
 - (b) except to the extent determined in accordance with rule 1.3, as referred to in subrule 1.2.1, an amount paid as shift allowance;
 - (c) except to the extent that this rule 1.2 otherwise provides, a relieving allowance;
 - (d) an expense allowance or an allowance for travelling, subsistence or other expenses;
 - (e) an equipment allowance;
 - (f) an amount paid for rent or as a residence, housing or quarters allowance; and
 - (g) an amount of weekly workers compensation excluded by subrule 1.2.2.
- 1.2.4 If a Member's Employer, or a person authorised to do so on behalf of the Employer, certifies in writing to the Trustee that a relieving allowance to be, or being, paid to the Member in the Member's capacity as an Employee is likely to be paid for a continuous period of 1 year (whether or not the period is partly before the date of the certificate), the allowance is, as from:
- (a) the date on which the certificate is lodged with the Trustee; or
 - (b) the date from which the allowance becomes payable,
- whichever is the later, Salary for the purposes of these Rules.

- 1.2.5 If a relieving allowance has been paid to a Member in the Member's capacity as an Employee for a continuous period of 1 year that ends after 1 April 1988 and, during that period, the allowance has not been treated as part of the Member's Salary in accordance with subrule 1.2.8, the allowance shall, as from the expiration of that period of 1 year, be treated as part of the Member's Salary while its payment to the Member continues.
- 1.2.6 If a Member is on secondment to another Employer, the Salary of the Member for the purposes of these Rules is the Salary paid or payable to the Member by the other Employer.
- 1.2.7 The Employer may by notice in writing to Trustee determine, unconditionally or subject to conditions, that subrule 1.2.8 applies:
- (a) to a particular Member who is on secondment but not to another Employer; and
 - (b) generally during the period of that secondment, or during such other period as is determined, being, in either case, a period commencing before, on or after the date of the determination.
- 1.2.8 During the period in which this subrule 1.2.8 is declared pursuant to subrule 1.2.7 to apply to a Member on secondment, the Member's Salary shall, for the purposes of these Rules, be that paid or payable in respect of the employment to which he or she is seconded.
- 1.2.9 In this rule 1.2:

approved employment benefit means a Benefit provided to a Member at the cost of the Member's Employer (being a Benefit of a private nature) that is approved by the Trustee, for the purposes of this rule 1.2 in relation to the Member or a class of Members of which the Member is a member.

shift allowance means an allowance paid to a Member in respect of shift work performed by the Member, and includes amounts paid as penalty rates.

weekly workers compensation, in relation to a Member, means weekly payments of compensation under the *Workers Compensation Act 1987* (or the provisions of the *Workers Compensation Act 1926* as applied by that Act) payable to the Member because the Member is partially incapacitated for work through injury.

1.3 Determination of loading in respect of shift allowance

- 1.3.1 In this rule 1.3:

base salary in relation to a Member, means the remuneration, salary or wages payable to the Member under an award of an industrial tribunal or under an industrial or enterprise agreement, but excluding all allowances payable to the Member;

relevant period in relation to a Member, means the period of 12 months ending with 31 December immediately preceding the date on which the Salary of the Member is to be calculated for the purposes of these Rules;

relevant shift means a shift worked by a Member in respect of which a shift allowance is payable by an Employer;

trade union means:

- (a) an industrial organisation of employees registered or recognised as such under the *Industrial Relations Act 1991*; or
- (b) an association of employees registered as an organisation under the *Industrial Relations Act 1988* of the Commonwealth.

1.3.2 For the purposes of subrule 1.2.1(a), the loading (if any) to be treated as part of a Member's Salary for the purposes of these Rules must be determined by reference to subrule 1.3.3, 1.3.4 or 1.3.5, according to whichever is appropriate to the Member.

1.3.3 If:

- (a) there is in force an agreement between, or a practice accepted by, a trade union and the Employer of a Member which was in force immediately before 18 December 1987; and
- (b) the effect of the agreement or practice is that amounts that the Employer pays to the Member as shift allowances for relevant shifts that the Member works during a relevant period are treated as a loading for superannuation purposes; and
- (c) the total of those amounts is greater than that which would be determined under subrule 1.3.4 for that year in respect of the Member,

then, for the purposes of subrule 1.2.1(a), that total is the Member's loading for those shift allowances.

1.3.4 Subject to subrule 1.3.3 or 1.3.5 if a Member is paid shift allowances for shifts worked by the Member during a relevant period, then, for the purposes of subrule 1.2.1(a), the Member's loading for those allowances is to be determined by reference to the number of shifts the Contributor is taken to have worked (as calculated in accordance with subrule 1.3.6) during the relevant period. The loading is:

[amended by Deed of Amendment No.5 operative 30/6/99]

- (a) if during the relevant period the Member is taken to have worked not more than 104 relevant shifts - no amount; or

[amended by Deed of Amendment No.5 operative 30/6/99]

- (b) if during the relevant period the Member is taken to have worked more than 104 but not more than 156 relevant shifts - an amount equal to 10% of the Member's base salary for that period; or

[amended by Deed of Amendment No.5 operative 30/6/99]

- (c) if during the relevant period the Member is taken to have worked more than 156 but not more than 208 relevant shifts - an amount equal to 20% of the Member's base salary for that period; or

[amended by Deed of Amendment No.5 operative 30/6/99]

- (d) if during the relevant period the Member is taken to have worked more than 208 relevant shifts - an amount equal to 20% of the Member's base salary for that period.

[amended by Deed of Amendment No.5 operative 30/6/99]

- 1.3.5 If the amounts actually paid or payable to a Member as shift allowances for shifts that the Member has worked during a relevant period are less than the loading determined for that period in respect of the Member in accordance with subrule 1.3.4, then, for the purposes of subrule 1.2.1(a), the total of those amounts is the Member's loading for those allowances.
- 1.3.6 For the purposes of subrule 1.3.4, the number of shifts a Contributor is taken to have worked during a relevant period, being shifts for which a shift allowance is paid, is the number calculated as follows:

$$N = \frac{H}{H_o} \times S$$

where:

N is the number of such shifts the Contributor is taken to have worked during the relevant period.

H is the number of hours per shift regularly required to be worked in such shifts during the relevant period.

H_o is the smallest number of hours per shift regularly required to be worked (whether by the Contributor or any comparable worker) in such shifts during any calendar year after 1987, including the relevant period.

S is the number of such shifts the Contributor actually worked during the relevant period.

[inserted by Deed of Amendment No.5 operative 30/6/99]

1.4 Salary of Executive Officers

- 1.4.1 For the purposes of these Rules, the Salary of an Executive Officer is the salary as last nominated or changed in accordance with this rule 1.4.
- 1.4.2 An amount of Salary for the purposes of these Rules must be nominated to an Executive Officer's Employer by the officer, on, or as soon as practicable after, being appointed as an Executive Officer. An amount may also be nominated to the Employer by the officer on, or as soon as practicable after, being reappointed, or appointed to another position, as an Executive Officer.
- 1.4.3 The amount nominated is to be not less than the monetary remuneration payable to the Executive Officer at the date of nomination and not more than the total value of the remuneration package paid to the officer (less the cost of providing Employer's contributions to superannuation and any performance-related incentive payment).
- 1.4.4 If an Executive Officer fails to nominate an amount of Salary within 28 days of first being appointed as an Executive Officer or within such further period as the Trustee may allow, the officer is taken to have nominated an amount of Salary that is equal to the monetary remuneration payable to the officer at the end of the applicable period.

-
- 1.4.5 An Executive Officer may, from time to time, by notice to the officer's Employer elect to reduce the amount of Salary nominated under this rule 1.4, but not so that the amount is less than the monetary remuneration payable to the officer at the date of the election.
- 1.4.6 An Executive Officer may, from time to time, by notice to the officer's Employer elect to increase the amount of Salary nominated under this rule 1.4, but not so as to increase the amount nominated by a percentage of that amount that is more than the percentage by which the remuneration package of the officer has increased since the amount of Salary was last nominated or changed.
- 1.4.7 An Employer must notify the Trustee of a nomination or election under this rule 1.4. Any such nomination or election takes effect on the date of notification to the Trustee or on such other date as the Trustee may determine with the consent of the Executive Officer concerned.
- 1.4.8 Nothing in this rule 1.4 requires the nominated amount of salary to be increased if, because of a variation in the remuneration package of an Executive Officer or in the proportions of the remuneration package comprising monetary remuneration and employment Benefits of the officer, the amount of Salary as last nominated or changed for the purposes of this rule 1.4 is less than the monetary remuneration of the officer.
- 1.4.9 In this rule 1.4, the monetary remuneration payable to an Executive Officer is:
- (a) if the officer is a Chief Executive Officer or Senior Executive Officer, within the meaning of the *Public Sector Management Act 1988*, the monetary remuneration payable in accordance with the *Public Sector Management Act 1988*; or
 - (b) if the officer is an office holder nominated for the purposes of section 11A of the *Statutory and Other Officer's Remuneration Act 1975*, the remuneration payable to the officer as reduced under that section by the cost of employment benefits provided to the officer; or
 - (c) if the officer is an Employee of an Employer to whom Division E applies, the monetary remuneration payable to the officer.

1.5 Determination of Eligible Service

- 1.5.1 The eligible service accrued by a Member for any day is such proportion of a day as is equal to the Salary Ratio of the Member on that day.
- 1.5.2 A Member who is on leave without pay that is not prescribed leave has a Salary Ratio of 0 in respect of that leave.
- 1.5.3 A continuous period of leave without pay is not to be regarded as leave without pay for the purposes of this rule 1.5 if the period is not prescribed leave and the period is 5 days or less.
- 1.5.4 For the purposes of subrules 1.5.2 and 1.5.3:

leave without pay, in relation to a Member, means a period of leave from employment with an Employer (otherwise than on secondment as referred to in rule 1.2) during which the Member is not entitled to receive payment of Salary from the Employer;

prescribed leave, in relation to a Member, means leave without pay during which the Member on leave is absent from employment with an Employer:

- (a) because of a grant of sick leave; or
- (b) for a period during which the Member receives periodic payments under an Act providing compensation for workers' injuries; or
- (c) because of a grant of maternity leave; or
- (d) under an agreement with the Employer for the secondment of the Member to employment that is not employment with a person who is not an Employer within the meaning of these Rules; or
- (e) for the purpose of enabling the Member to perform trade union duties unless, in a particular case, the Employer certifies to the Trustee in writing that this paragraph is not to apply; or
- (f) for the purpose of enabling the Member to perform duties that the Employer certifies to the Trustee in writing to be in the interests of the Employer or the State; or
- (g) while on service with the naval, military or air forces of the Commonwealth; or
- (h) in other circumstances decided by the Trustee for the purposes of this rule 1.5.

2. MAINTENANCE AND ADMINISTRATION OF THIS DIVISION

2.1 Establishment and maintenance of funds

2.1.1 The Trustee shall cause to be held in Pool B, in respect of this Division:

- (a) contributions made by Employers;
- (b) income derived from investment of assets held in respect of this Division, and any profit made from realisation of those investments, and
- (c) money borrowed for the purposes of this Division.

2.1.2 The Trustee shall cause to be paid from Pool B, in respect of this Division:

- (a) administration costs incurred by the Trustee;
- (b) any Tax; and
- (c) the Benefits payable under these Rules.

2.2 Reserves for Employers

2.2.1 The Trustee shall establish and maintain a separate employer reserve, or separate employer reserves as the case may be.

2.2.2 There shall be credited to such employer reserve the Contributions made by the Employer or Employers to whom the reserve relates.

2.2.3 There shall be debited to such employer reserve:

- (a) the amount of any Benefit paid to, or in relation to, a Member who, immediately before the Benefit became payable, was an Employee of the Employer or an Employer to whom the reserve relates; and
- (b) administration costs incurred by the Trustee in relation to the Employer or an Employer to whom the reserve relates.

2.2.4 The Trustee may, after obtaining actuarial advice, adjust the amount credited to an employer reserve by crediting or debiting an amount, if it appears to the Trustee appropriate to do so because of a change in the constitution or nature of an Employer.

2.2.5 Subrule 2.2.4 does not apply to a change in the constitution or nature of an Employer because of a Government privatisation initiative.

2.2A Co-contributions and other contribution amounts

[inserted by Deed of Amendment No. [22] operative 24/9/04]

2.2A.1 The Trustee shall establish a separate reserve in relation to co-contributions and other contributions and within that reserve an Other Contributions Account in respect of each Member.

2.2A.2 The Trustee shall credit to each Other Contributions Account:

- (a) the Co-contribution Amount in relation to each Co-contribution member; and
- (b) any other amounts or contributions in respect of the Member; and
- (c) any income derived from the investment of assets attributable to the Other Contributions Account, and any profit made from realisation of those investments.

2.2A.3 The Trustee shall debit from each Other Contributions Account:

- (a) administration costs incurred by the Trustee;
- (b) any Tax; and
- (c) the Benefits payable under these Rules.

2.3 Adjustment of reserves and accounts for interest etc

[inserted by Deed of Amendment No. 18 operative 5/2/03]

2.3.1 Whenever appropriate, the Trustee must fix a rate of interest for the purposes of subrule 2.3.2 after having regard to:

- (a) the income in respect of this Division;
- (b) any Tax in respect of the investment of assets held to provide Benefits under this Division; and

(c) such other matters as it considers relevant.

2.3.2 Whenever appropriate, the Trustee must adjust each of the reserves and any accounts established under this Part 2 by applying the rate of interest that is currently fixed under subrule 2.3.1

2.3.3 The Trustee may fix a rate of interest for the purpose only of enabling specific reserves or accounts to be adjusted.

2.4 Source of administration costs payments

[inserted by Deed of Amendment No. 18 operative 5/2/03]

The administration costs payable in respect of this Division are to be debited to the Employer Reserves and such other reserves and accounts in the Fund as the Trustee considers appropriate.

2.5 Funds, accounts and reserves generally

[inserted by Deed of Amendment No.18 operative 5/2/03]

2.5.1 The Trustee must:

(a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is required by or under the Deed or Rules to be debited to this Division or to that reserve or account; and

(b) debit to this Division or to the appropriate reserve or account any amount that is required by the Deed or Rules to be debited to this Division or to that reserve or account.

2.5.2 The Trustee may:

(a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be credited to this Division or to that reserve or account; and

(b) debit to this Division or to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be debited to this Division or to that reserve or account.

3. CONTRIBUTIONS BY EMPLOYERS

3.1 Contributions

3.1.1 If an Employee is employed by an Employer, the Employer must pay at such times as the Trustee may require, Contributions at a rate determined by the Trustee.

3.1.2 The rate is to be determined by the Trustee after obtaining actuarial advice.

3.1.3 In determining the contributions payable by an Employer, the Trustee is to have regard to the amount required to meet the full costs of the liabilities under these Rules of all Employers.

- 3.1.4 The Trustee may require any such Employer to pay into the fund additional Contributions for a specified period if it appears to the Trustee that there is insufficient money in the reserve for Employers to meet the Employers' liabilities under these Rules.

3.2 Acceptance of contributions

The Trustee may determine, for the purposes of Superannuation Law, that it must not accept contributions by or in respect of a Member. The period during which such Contributions may not be made is not included as eligible service for the purposes of calculating the Basic Benefit.

3.3 Transfer of Members

- 3.3.1 The Trustee shall determine the value of the Basic Benefit at the date of cessation of employment with a former Employer and shall if the Trustee has separate employer reserves:

- (a) debit the Employer reserve of the former Employer with that value; and
- (b) credit the Employer reserve of the new Employer with that value.

4. BENEFITS

4.1 Definitions

- 4.1.1 In Part 4:

Final Average Salary, in relation to a Member, means the average of the Attributed Salaries paid or payable to the Member at the rates applicable:

- (a) on the Member's Exit Date;
- (b) on 31 December (or such other date as the Trustee may determine) last preceding the Member's Exit Date; and
- (c) on 31 December (or such other date as the Trustee may determine) last preceding the date referred to in paragraph (b).

Final Salary, in relation to a Member, means the rate of Attributed Salary paid or payable to the Member on the Member's Exit Date.

- 4.1.2 Different dates may be determined by the Trustee for the purposes of the definition of Final Average Salary in subrule 4.2.1, so as to apply differently according to different classes of Members.

4.2 Basic Benefit

- 4.2.1 The Basic Benefit provided by these Rules for a Member is an amount equal to the amount calculated in accordance with the formula:

$$B = (0.03 \times F \times Y) + C$$

[formula amended by Deed of Amendment No.[22] operative 24/9/04]

where:

B represents the amount to be ascertained,

F represents:

- (a) in the case of the Member's death or Retrenchment, or the Member ceasing to be employed because of physical or mental incapacity, before reaching the age of 55 years the Member's Final Salary; or
- (b) in any other case the Member's Final Average salary; and

Y represents the years of eligible service on a daily basis, commencing on or after 1 April 1988.

C represents the amount standing in the Other Contributions Account on the Member's Exit Date.

[inserted by Deed of Amendment No. [22] operative 24/9/04]

4.2.2 If the Trustee makes a determination under rule 4.8 in relation to a Basic Benefit to be provided by this rule 4.2, the amount of that Benefit is reduced by the amount specified in the Trustee's determination.

4.2.3 For the purpose of determining the amount of a Basic Benefit provided by rule 4.5 that becomes payable in respect of a person within 12 months after the person:

- (a) has been appointed as a Chief Executive Officer or Senior Executive Officer; or
- (b) has been nominated as an office holder for the purposes of section 11A of the Statutory and Other Officer's Remuneration Act 1975,

the person's Salary is taken to be his or her salary as a Member immediately before the appointment or nomination took effect.

4.3 Benefit immediately payable

4.3.1 The Basic Benefit in respect of a person is payable by the Trustee when:

- (aa) the person has satisfied a condition of release which does not have a nil cashing restriction - by transfer of the amount to Division F; or

[inserted by Deed of Amendment No.[26] operative 01/07/07]

- (a) the person has satisfied a condition of release which has a nil cashing restriction; or
- (b) the person has produced to the Trustee written approval of APRA for payment of the Benefit; or

[amended by Deed of Amendment No7 operative 4/5/00]

- (c) the Trustee has given approval for payment of the Benefit under guidelines established by APRA.

[amended by Deed of Amendment No7 operative 4/5/00]

- 4.3.2 The Basic Benefit in respect of a person is payable by the Trustee if the person becomes eligible under another Eligible Fund for a Benefit that is of the same kind as a Benefit provided by these Rules and the Trustee has been requested to pay the Benefit to the other Eligible Fund.
- 4.3.3 The Basic Benefit in respect of a former Member is payable:
- (a) unless the former Member has died, in accordance with rule 4.3.2 or, subject to Superannuation Law, to the former Member; or
 - (b) if the former Member has died, in accordance with clause 14.17A.

[amended by Deed of Amendment No.9 operative 27/6/01; replaced by Deed of Amendment No. [24] operative 24/10/05]

(c) [amended by Deed of Amendment No8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01; deleted by Deed of Amendment No. [24] operative 24/10/05]

- 4.3.4 For the purposes of the payment under rule 4.3.1(c) of a Benefit on compassionate grounds, or severe financial hardship the Trustee may only pay the Benefit if the Trustee is satisfied that the circumstances are such that a Benefit would be payable on the grounds of severe financial hardship or compassionate grounds as the case may be.

[inserted by Deed of Amendment No. [1] operative 27/4/98]

- 4.3.5 If a person has been paid a benefit on compassionate grounds or on the grounds of severe financial hardship and the person subsequently becomes entitled to another Benefit under this Division, the Trustee must reduce the amount of the subsequent benefit to take into account the Benefit previously paid and associated loss of earnings to the Fund.

[inserted by Deed of Amendment No.[1] operative 27/4/98; amended by Deed of Amendment no. 7 operative 27/4/98 and 4/5/00]

4.4 Benefit on attaining 65

- 4.4.1 A person who attains 65 years of age may elect to be paid the Basic Benefit to which the person would be entitled on retirement at that age or may elect to defer the whole of the Benefit.

[amended by Deed of Amendment No. [1] operative 27/4/98]

4.4.2 [deleted by Deed of Amendment No. [1] operative 27/4/98].

4.4.3 [deleted by Deed of Amendment No.[1] operative 27/4/98].

- 4.4.4 If an amount is deferred under this rule 4.4, it is payable in the same way as a Benefit under rule 4.5.
- 4.4.5 A person to whom this rule 4.4 applies is not entitled to any other Benefit under these Rules in respect of the same period of service, or to be paid or defer a Benefit under this rule 4.4 more than once.

4.5 Benefit to be Deferred

4.5.1 The Basic Benefit in respect of a person must be deferred by the Trustee if the Benefit is not otherwise payable under these Rules.

4.5.2 The Basic Benefit must also be deferred by the Trustee when:

- (a) a Member who is a Member of Division E ceases to be a contributor to any other superannuation fund established by or under an Act; or
- (b) a Member who is not a member of any other superannuation fund established by or under an Act becomes a Member of Division E; or
- (c) a Member becomes eligible under another superannuation fund for a Benefit that is of the same kind as a Benefit provided by these Rules and the Trustee has not been requested to pay the Benefit to another superannuation fund.

4.5.3 The Basic Benefit deferred under this rule 4.5 must be paid by the Trustee when:

- (a) the person has satisfied a condition of release which has a nil cashing restriction; or
- (b) the person has produced to the Trustee written approval of APRA for payment of the benefit; or

[amended by Deed of Amendment No.7 operative 4/5/00]

- (c) otherwise where the Trustee is required to pay the Benefit under Superannuation.

4.5.4 The Basic Benefit in respect of a former Member is payable:

- (a) unless the former Member has died, in accordance with rule 4.3.2 or, subject to Superannuation Law, to the former Member; or
- (b) if the former Member has died, in accordance with clause 14.17A.

[amended by Deed of Amendment No.9 operative 27/6/01; replaced by Deed of Amendment No. [24] operative 24/10/05]

- (c) *[replaced by Deed of Amendment No.8 operative 1/7/97; amended by Deed of Amendment No.9 operative 27/6/01; deleted by Deed of Amendment No. [24] operative 24/10/05]*

4.6 Deferral of Benefit for Members in certain circumstances

[heading amended by Deed of Amendment No.2 operative 20/10/00]

4.6.1 This rule 4.6 applies to a Member:

- (a) who, as a result of a single reduction of Salary, has undergone a reduction of 20% or more in Attributed Salary; and
- (b) whose Employer certifies the matter referred to in paragraph (a).

[replaced by Deed of Amendment No.2 operative 20/10/00]

- 4.6.2 The fact that a person undergoes more than one Attributed Salary reduction of 20% or more does not mean that the person ceases to be a person to whom this rule 4.6 applies.
- 4.6.3 In this rule 4.6, *exit date*, in relation to a Member to whom this rule 4.6 applies, means the day immediately preceding the day of the reduction in Attributed Salary in relation to which the Member makes an election under subrule 4.6.4.
- 4.6.4 A Member to whom this rule 4.6 applies may elect to defer his or her Benefit under these Rules in accordance with this rule 4.6.
- 4.6.5 A Member may make only one election under this rule 4.6 but the election may relate to any single reduction in Attributed Salary of 20% or more (not just the first reduction that occurs).

[amended by Deed of Amendment No.2 operative 20/10/00]

- 4.6.6 The Benefit is deferred from the exit date.
- 4.6.7 The value of a deferred Benefit in respect of a Member to whom this rule 4.6 applies is to be calculated in accordance with rule 4.2 as if the Member had ceased employment.
- 4.6.8 A Benefit deferred under this rule 4.6 may only be paid in accordance with rule 4.5.

[amended by Deed of Amendment No.4 operative 1/7/99]

4.7 Competing claims for Spouses' Benefits

[deleted by Deed of Amendment No.9 operative 27/6/01]

4.8 Power of the Trustee to reduce Benefits to offset certain Tax liabilities

4.8.1 Whenever:

- (a) a right to a Benefit accrues to or in respect of a Member or former Member; and
- (b) the Trustee has paid or is liable to pay Tax in respect of Employers' contributions under this Division; and
- (c) a portion of that Tax is referable to that Benefit,

the Trustee must, subject to subrule 4.9.2:

- (d) calculate the amount necessary to offset the Trustee's liability to pay Tax so far as it is referable to that Benefit; and
- (e) accordingly make a determination reducing the Benefit by the amount so calculated.

4.9 Benefit Reduction Provisions

4.9.1 In this rule 4.9, *taxable rate* means 1 July 1988.

4.9.2 Prescription of Benefits

- (a) The kinds of Benefits to which rule 4.8 applies are the Benefits provided by rules 4.1 and 4.5.
- (b) The Benefits referred to in paragraph (a) do not include a Benefit payable as a result of the death of a Member.

4.9.3 Reduction of Basic Benefit - ordinary cases

- (a) Whenever the Basic Benefit:
 - (i) is payable under rule 4.3 in respect of a Member; or
 - (ii) is preserved in respect of a Member in accordance with rule 4.5,
 the reduction in Benefit prescribed for the purposes of rule 4.8 is the amount calculated in accordance with the formula set out in paragraph (b).

- (b) For the purposes of paragraph (a), the formula is:

$$R = 0.03 \times F \times Z \times 0.15$$

where:

R represents the amount of the reduction;

F represents:

- (a) in the case of the Member's resignation or retirement - the Member's Final Average Salary; or
- (b) in any other case - the Member's Final Salary;

Z represents the Member's years of eligible service calculated on a daily basis, commencing on or after the taxable date.

- (c) This subrule 4.9.3 does not apply if the Basic Benefit is payable as a result of the death of a person who was, immediately before death, a Member.

4A SUPERANNUATION INTEREST UNDER THE FAMILY LAW ACT

[inserted by Deed of Amendment No.[21] operative 28/12/02]

- 4A.1 Where a Family Court Order, a Superannuation Agreement or Flag Lifting Agreement applies, the value of the Non-Member Spouse's entitlement shall be calculated in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the *Family Law Act*.
- 4A.2 the Member's Superannuation Interest is reduced in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the *Family Law Act*.

SCHEDULE 4
DIVISION D – (SSS)

This document incorporates the following amendments

- Amendment No. 1 dated 27 April 1998
- Amendment 2 dated 20 October 2000
- Amendment 3 dated 11 January 1999 (*Division F*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999 (*Divisions B and C*)
- Amendment 6 dated 1 October 1999 (*Deed*)
- Amendment 7 dated 4 May 2000
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000
- Amendment 11 dated 28 September 2000 (*Division F*)
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001 (*Division F*)
- Amendment 14 dated 20 September 2002 (*Division B*)
- Amendment 15 dated 8 September 2002 (*Division A*)
- Amendment 16 dated 25 October 2002 (*Deed*)
- Amendment 17 dated 22 November 2002 (*Division A*)
- Amendment 18 dated 5 February 2003
- Amendment 18A dated 17 July 2003 (*Deed and Division A*)
- Amendment 19 dated 5 September 2003 (*Division F*)
- Amendment 20 dated 1 June 2003 (*Division N*)
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004
- Amendment 23 dated 18 February 2004
- Amendment 24 dated 21 September 2005
- Amendment 26 dated 28 March 2008
- Amendment 27 dated 22 March 2010
- Amendment 29 dated 11 March 2011

**SCHEDULE 4
DIVISION D — (SSS)**

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SCHEDULE 4

DIVISION D — (SSS)

These are the Rules governing Division D of the Fund. As at the Transfer Day, these Rules are intended to reflect the rights, benefits and entitlements of Members under the State Superannuation Scheme established under the *Superannuation Act 1916*, as at the time immediately before the Transfer Day.

1. INTERPRETATION

1.1 Definitions

1.1.1 In these Rules, unless inconsistent with the content or subject-matter:

Abandoned Unit, in relation to a Member, means:

(a) a unit of pension which the Member has, in accordance with these Rules, elected to abandon;

a unit of pension in respect of which the Member is not to contribute, or has ceased contributing, under this Division, by reason of electing, in accordance with these Rules, to reduce the number of units of pension in respect of which the Member is to contribute;

a unit of pension in respect of which the Member has, in accordance with these Rules, elected not to contribute under this Division; or

(b) a unit of pension the Contributions for which are refunded to the Member or the Member's Spouse under subrule 9.2.3;

but does not include a unit of pension to which an election under subrule 6.1.2 relates.

Annual Adjustment Day in relation to a contributor, means the day determined to be the Contributor's Annual Adjustment Day under Rule 4.2.

Annual Review Day, in relation to a Contributor, means the day determined to be the Contributor's Annual Review Day under rule 4.2.

Appointed Day means 14 February 1966.

Chief Executive Officer has the same meaning as in Division E.

Child means a Child who has not attained the age of 18 years and, without limiting the operation of the *Status of Children Act 1996*, includes an ex-nuptial or adopted Child (whether or not the adoption took place in Australia).

Contribution Period means a four-weekly period commencing on and including a date specified in Column 2 of rule 1.6 and ending on and including the date specified opposite thereto in Column 3 of that rule.

Contributor means a Member and includes a person who has elected to take the benefit of Part 16, but does not include a Member while exempted from contributing under this Division.

Contributors' Reserve means the reserve for Contributors' Contributions established and maintained under subrule 2.2.1.

Contributory Unit means a unit of pension other than a Reduced Value Unit, an Abandoned Unit or a reserve unit of pension under rule 11.7.

De Facto Relationship is the relationship described in paragraph (b), (c) or (d) of the definition of Spouse between a Contributor or pensioner and a De Facto Spouse.

[amended by Deed of Amendment No.12 operative 1/7/01]

De Facto Spouse is a Spouse referred to in paragraph (b), (c) or (d) of the definition of Spouse.

[amended by Deed of Amendment No.12 operative 1/7/01]

Discharged has the meaning given to that expression by subrule 12.8.2.

Dismissed has the meaning given to that expression by rule 12.11.

Eligible Salary Sacrifice Contributor means a Contributor whose Employer has agreed to pay contributions by way of salary sacrifice to this Division.

[inserted by Deed of Amendment No.[22] operative 1/7/05]

Employer Reserve means a reserve referred to in subrule 2.2.1(b).

Entry Payment Day, in relation to a Member, means that Member's Entry Payment Day for the purposes of the *Superannuation Act 1916*.

Executive Officer means a Contributor who is:

- (a) a Chief Executive Officer;
- (b) a Senior Executive Officer;
- (c) an office holder nominated for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*;
- (d) an eligible person

[(d) inserted by Deed of Amendment No.[1] operative 27/4/98]

Exit Day, in relation to a Member, means the last day on which the Member is, in the opinion of the Trustee an Employee, whether he is an Employee for the whole or part only of that day.

Financial Year means the year commencing 1 July.

Maturity Age means:

- (a) in the case of a Member who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 55 years, that age; or
- (b) in the case of any other Member, the age of 60 years.

Part-time Employee means a person appointed by an Employer to a position certified to the Trustee by the Employer not to be a full-time position, having regard to the number of hours per week for which the person is required to work in that position.

Prescribed means under the *Superannuation Act 1916* or, if no such prescription has been made, after the Transfer Day means as determined from time to time by the Trustee.

Prescribed Age means:

- (a) in the case of a Member who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 50 years, that age; or
- (b) in the case of any other Member, the age of 55 years.

Public Sector Executives Superannuation Scheme means the superannuation scheme established under the *Public Sector Executives Superannuation Act 1989*, and when used in these Rules means Division E.

Reduced Value Unit means a Reduced Value Unit allocated under rule 14.1.

Relieving Allowance means an allowance paid to the holder of an office or position for performing any or all of the duties of another office or position, without being appointed to that other office or position on a permanent basis.

Reserve means an Account.

Resigned has the meaning given to that expression by subrule 12.12.

Retrenched has the meaning given to that expression by subrule 12.8.1.

Salary, in relation to a Contributor, means Salary of the Contributor, determined in accordance with rule 1.2 or 1.3 and expressed as an annual rate.

Salary Sacrifice Amount means an amount in lieu of Contributions due by an Eligible Salary Sacrifice Contributor from the Contributor's remuneration to the Fund.

[inserted by Deed of Amendment No.[22] operative 1/7/05]

Same-sex Partner *[inserted by Deed of Amendment No.12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]*

Senior Executive Officer has the same meaning as in Division E.

Service means Service under, or employment by, one or more Employers.

Spouse *[(a) amended by Deed of Amendment No.[1] operative 1/7/97],(d) inserted by Deed of Amendment No.12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]*

State Superannuation Scheme means the superannuation scheme established under the *Superannuation Act 1916*.

Superannuation Guarantee Shortfall has the same meaning as in the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth.

- 1.1.2 A person who is an Employee and a Contributor does not cease to be a Contributor just because at any time after the Commencement Date the person is paid at hourly, daily, weekly or fortnightly rates, or by piece-work.
- 1.1.3 For the purposes of these Rules, the salary group within which a Salary falls is the Salary group in the scale in section 12(1) of the *Superannuation Act 1916* in which the Salary would fall if the scale were extended to express the unit entitlement for that Salary as provided by subrule 11.1.1 of these Rules.
- 1.1.4 For the purposes of these Rules, the number of Abandoned Units of pension that a person has at a particular time after 28 November 1972 is the number (if any) by which:
- (a) the number of units of pension that, pursuant to subrule 11.1.1, is appropriate for a Salary equal to that person's Salary at that time,
exceeds:
 - (b) the number of units of pension in respect of which pension would be paid:
 - (i) if the person had reached the age entitling the person to Retire under subrule 13.1.1 and had so retired; and
 - (ii) if any contributions under rule 9.2, 11.3 or 11.5 outstanding at that time in respect of any of those units of pension had been paid.
- 1.1.5 ***
- 1.1.6 A reference in these Rules to a pension payable to a person who is a Spouse is a reference to a pension payable under rule 13.6, 13.7 or 16.7 to the person in the person's capacity as a Spouse.
- 1.1.7 A reference in these Rules (except in rule 13.11 and subrule 13.28.2) to a Child in respect of whom a pension is payable (being a pension payable at a rate determined in accordance with rule 22.2 or 22.3) includes a reference to a student in respect of whom a pension is payable under rule 13.27 or 16.10 at that rate.
- 1.1.8 Where, under these Rules, any period is required to be expressed as a fractional part of a year, the period shall be expressed as a fractional part of 365.25 days.

1.2 Salary of Executive Officers

- 1.2.1 For the purposes of these Rules, the ***Salary*** of an Executive Officer is the Salary as last nominated or changed in accordance with this rule 1.2.
- 1.2.2 An amount of Salary for the purposes of these Rules must be nominated to an Executive Officer's Employer by the officer, on, or as soon as practicable after, being appointed as an Executive Officer. An amount may also be nominated to the officer's Employer by the officer on, or as soon as practicable after, being reappointed, or appointed to another position, as an Executive Officer.

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- 1.2.3 The amount nominated is to be not less than the monetary remuneration payable to the Executive Officer at the date of nomination and not more than the total value of the remuneration package paid to the officer (less the cost of providing Employer's contributions to superannuation and any performance-related incentive payment).
- 1.2.4 If an Executive Officer fails to nominate an amount of Salary within 28 days of first being appointed as an Executive Officer or within such further period as the Trustee may allow, the officer is taken to have nominated an amount of Salary that is equal to the monetary remuneration payable to the officer at the end of the applicable period.
- 1.2.5 An Executive Officer may, from time to time, by notice to the officer's Employer elect to reduce the amount of Salary nominated under this rule 1.2, but not so that the amount is less than the monetary remuneration payable to the officer at the date of the election.
- 1.2.6 An Executive Officer may, from time to time, by notice to the officer's Employer elect to increase the amount of Salary nominated under this rule 1.2, but not so as to increase the amount nominated by a percentage of that amount that is more than the percentage by which the remuneration package of the officer has increased since the amount of Salary was last nominated or changed.
- 1.2.7 An Employer must notify the Trustee of a nomination or election under this rule 1.2. Any such nomination or election takes effect on the date of notification to the Trustee or on such other date as the Trustee may determine with the consent of the Executive Officer concerned.
- 1.2.8 Nothing in this rule 1.2 requires the nominated amount of Salary to be increased if, because of a variation in the remuneration package of an Executive Officer or in the proportions of the remuneration package comprising monetary remuneration and employment benefits of the officer, the amount of Salary as last nominated or changed for the purposes of this rule 1.2 is less than the monetary remuneration of the officer.
- 1.2.9 In this rule 1.2, the **monetary remuneration** payable to an Executive Officer is:
- (a) if the officer is a Chief Executive Officer or Senior Executive Officer, within the meaning of the *Public Sector Management Act 1988*, the monetary remuneration payable in accordance with the *Public Sector Management Act 1988*; or
 - (b) if the officer is an office holder nominated for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*, the remuneration payable to the officer as reduced under that section by the cost of employment benefits provided to the officer; or
 - (c) if the officer is an Employee of an Employer to which Division E applies, the monetary remuneration payable to the officer.

1.3 Definition of Salary

- 1.3.1 For the purposes of these Rules, **Salary**, in relation to a Contributor (other than an Executive Officer) means the sum of:
- (a) the remuneration, salary or wages payable in money to the Contributor in the Contributor's capacity as a Contributor, as reported to the Trustee from time to time by the Contributor's Employer, including:

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- (i) a loading in respect of any shift allowance, as determined by or under these Rules;
 - (ii) other allowances payable in money that are of a kind included within the value of leave paid on termination of employment; and
 - (iii) weekly workers compensation paid to the Contributor as from the date the weekly workers compensation commences to be paid,
but not including the excluded amounts or allowances referred to in subrule 1.3.3;
and
- (b) if approved employment benefits are provided to the Contributor, the cost of providing the approved employment benefits, as determined by the Employer and notified to the Trustee.
- 1.3.2 The weekly workers compensation to be treated as Salary for the purposes of these Rules does not include any amount by which the aggregate of:
- (a) the weekly workers compensation paid to an injured Contributor; and
 - (b) the Salary actually paid to that Contributor while partially incapacitated,
- exceeds the Salary that the Contributor would probably have been earning but for the injury (assuming the Contributor had continued to be employed in the same or some comparable employment).
- 1.3.3 The excluded amounts or allowances are:
- (a) an amount paid for overtime or as a bonus, or an allowance instead of overtime;
 - (b) except to the extent determined in accordance with rule 1.7, as referred to in subrule 1.3.1, an amount paid as shift allowance;
 - (c) except to the extent that this rule 1.3 otherwise provides, a Relieving Allowance;
 - (d) an expense allowance or an allowance for travelling, subsistence or other expenses;
 - (e) an equipment allowance;
 - (f) an amount paid for rent or as a residence, housing or quarters allowance; and
 - (g) an amount of weekly workers compensation excluded by subrule 1.3.2.
- 1.3.4 If a Contributor's Employer, or a person authorised to do so on behalf of the Employer, certifies in writing to the Trustee that a Relieving Allowance to be, or being, paid to the Contributor in the Contributor's capacity as an Employee is likely to be paid for a continuous period of 1 year (whether or not the period is partly before the date of the certificate), the allowance is, as from the later of:
- (a) the date on which the certificate is lodged with the Trustee; and
 - (b) the date from which the allowance becomes payable,

Salary for the purposes of these Rules.

1.3.5 If a Relieving Allowance has been paid to a Contributor in the Contributor's capacity as an Employee for a continuous period of 1 year that ends after the commencement of this rule 1.3 and, during that period, the allowance has not been treated as part of the Contributor's Salary in accordance with subrule 1.3.4, the allowance shall, as from the expiration of that period of 1 year, be treated as part of the Contributor's Salary while its payment to the Contributor continues.

1.3.6 In this rule 1.3:

approved employment Benefit means a Benefit provided to a Contributor at the cost of the Contributor's Employer (being a Benefit of a private nature) that is approved by the Trustee, for the purposes of this rule 1.3 in relation to the Contributor or a class of Employees of which the Contributor is a member;

shift allowance means an allowance paid to an Employee in respect of shift work performed by the Employee, and includes amounts paid as penalty rates.

weekly workers compensation, in relation to a Contributor, means weekly payments of compensation under the *Workers Compensation Act 1987* (or the provisions of the *Workers Compensation Act 1926* as applied by that Act) payable to the Contributor because the Contributor is partially incapacitated for work through injury.

1.3.7 Any allowances or other kinds of remuneration treated as Salary immediately before the commencement of this rule 1.3 in relation to a Contributor shall continue to be treated as Salary for the purposes of these Rules, but only in relation to that Contributor.

1.4 Certain Persons not entitled to Contribute

1.4.1 Notwithstanding any other provision of these Rules (except subrule 1.4.3), a person is not required or entitled to commence contributing to this Division on or after 1 July 1985.

1.4.2 Subrule 1.4.1 applies, subject to subrule 1.4.3, to a person who was previously a Contributor to the State Superannuation Scheme, whether before or after 1 July 1985.

1.4.3 Subrule 1.4.1 does not apply to:

(a) a person who was, immediately before 1 July 1985, an Employee but was not contributing to the State Superannuation Scheme, being a person to whom rule 1.5 applies and who elects to become a Contributor to this Division in accordance with that rule 1.5;

(b) a person who makes an election under rule 13.21 and complies with that rule; or

(c) a person who is re-employed by an Employer under subrule 15.4.1 after the restoration of the person's health.

1.5 Existing Employees who may elect to contribute to Fund

1.5.1 Except as provided by subrule 1.5.2, this rule 1.5 applies to a person:

(a) who was, immediately before 1 July 1985, an Employee but was not contributing to the State Superannuation Scheme; and

- (b) who would, but for section 1A of the *Superannuation Act 1916*, have been required or entitled, subject to the provisions of that Act, to contribute to the State Superannuation Scheme.

1.5.2 This rule 1.5 does not apply to:

- (a) a person exempted from contributing to the State Superannuation Scheme under section 10T of the *Superannuation Act 1916*; or
 - (b) a person who was, under section 10D of the *Superannuation Act 1916*, treated by the State Authorities Superannuation Board as if he or she were not an Employee.
- (a) A person to whom this rule 1.5 applies may elect to contribute to this Division if:
- (i) before 1 July 1985, the Employer of the person had notified the State Authorities Superannuation Board that the person was an Employee; or
 - (ii) on or before 31 December 1985:
 - (A) the Employer of the person notified the State Authorities Superannuation Board that the person was an Employee; or
 - (B) the person lodges at the office of the Trustee a certificate signed by or on behalf of his or her Employer stating that the person is an Employee.
- (b) Where, within the period of 28 days after a person to whom this rule 1.5 applies was given notice by the State Authorities Superannuation Board that the Employee of the person notified the State Authorities Superannuation Board that the person is an Employee, the person did not make an election referred to in subrule 1.5.3(a) or apply to the State Authorities Superannuation Board to be excluded from the provisions of this rule 1.5, the person shall be deemed to have directed that the notification given by the Employer be regarded as an election referred to in subrule 1.5.3(a).
- (c) Where, immediately before 1 July 1985, a person was an Employee but was, under section 10C of the *Superannuation Act 1916*, being treated by the State Authorities Superannuation Board as if he or she were not an Employee, the person may elect to contribute to this Division only if:
- (i) the person had not attained the Maturity Age before that day or, if the person had attained that age, has not served for at least 10 years with any one or more Employers;
 - (ii) on or before 30 September 1985 the person lodged a request with his or her Employer that arrangements be made for the person to submit himself or herself to a prescribed medical examination (as defined in section 10A of the *Superannuation Act 1916*); and
 - (iii) the person submits himself or herself to the examination arranged pursuant to that request and, in the opinion of the Trustee, passes that examination.

- (d) A person who would, but for rule 1.4, be required or entitled, subject to the provisions of these Rules, to contribute to this Division and who makes an election in accordance with this rule 1.5 shall, upon the election taking effect, be so required or entitled to contribute to this Division.
- (e) Subrule 1.5.3(d) ceases to apply in respect of a person to whom this rule 1.5 applies if, pursuant to rule 3.2, the Trustee treats the person as if the person had not been an Employee and subrule 1.5.3(d) shall not thereafter apply in respect of that person.
- (a) Where a Contributor to the State Public Service Superannuation Fund or the Public Authorities Superannuation Fund becomes a Contributor to this Division in accordance with an election made under this rule 1.5, the Contributor shall, for the purposes of the *State Public Service Superannuation Act 1985* or the *Public Authorities Superannuation Act 1985*, as the case requires, be deemed to have Resigned from employment with an Employer.
- (b) Where a Contributor to the Public Authorities Superannuation Fund (being a person entitled to make an election under this rule 1.5) does not become a Contributor to this Division in accordance with such an election, section 12(7) of the *State Public Service Superannuation Act 1985* applies to the Contributor.

1.6 Four-weekly Contribution Periods

Column 1	Column 2	Column 3
Period No.	Commencing Date	Terminating Date
1.	1st July.	28th July.
2.	29th July.	25th August.
3.	26th August.	22nd September.
4.	23rd September.	20th October.
5.	21st October.	17th November.
6.	18th November.	15th December.
7.	16th December.	12th January.
8.	13th January.	9th February.
9.	10th February.	9th March.
10.	10th March.	6th April.
11.	7th April.	4th May.
12.	5th May.	1st June.
13.	2nd June.	30th June.

1.7 Shift Allowance

1.7.1 In this rule 1.7:

agreement means an industrial agreement in force under the *Industrial Arbitration Act 1940* as in force immediately before 18 December 1987;

award means an award in force under the *Industrial Arbitration Act 1940* as in force immediately before 18 December 1987;

base salary, in relation to a Contributor, means the remuneration, salary or wages payable to the Contributor under an award or agreement after excluding all allowances;

industrial organisation means:

- (a) an industrial union of Employees registered under the *Industrial Arbitration Act 1940* as in force immediately before 18 December 1987; or
- (b) an organisation of Employees registered under the *Conciliation and Arbitration Act 1904* of the Commonwealth as in force immediately before 18 December 1987;

relevant period, in relation to a Contributor, means the period of 12 months ending on 31 December preceding the date on which the Salary of the Contributor is to be calculated for the purposes of rule 1.3.

1.7.2 For the purposes of rule 1.3.1(a), the loading (if any) to be treated as part of a Contributor's Salary is determined by reference to whichever of the provisions of subrule 1.7.3, 1.7.4 or 1.7.5 is applicable to the Contributor.

1.7.3 If:

- (a) there is in force an agreement between, or a practice accepted by, an industrial organisation and the Employer of a Contributor which was in force immediately before 18 December 1987; and
- (b) the effect of the agreement or practice is that an amount in respect of any shift allowance paid to the Contributor by the Employer for shifts worked by the Contributor during a relevant period is to be treated as a loading for superannuation purposes; and
- (c) that amount is greater than that which would be determined for that period in respect of the Contributor under subrule 1.7.4,

then the amount referred to in paragraph (b) is, for the purposes of subrule 1.3.1(a), the loading for the Contributor in respect of that shift allowance.

1.7.4 Unless subrule 1.7.3 or 1.7.5 applies, if a Contributor is paid a shift allowance for shifts worked by the Contributor during a relevant period, the loading for the Contributor in respect of that shift allowance is to be determined by reference to the number of shifts the Contributor is taken to have worked (as calculated in accordance with subrule 1.7.6) during the relevant period. The loading is:

[amended by Deed of Amendment No.4 operative 30/6/99]

- (a) nil, if during the relevant period the Contributor is taken not to have worked more than 104 shifts; or
- (b) an amount equal to 10% of the Contributor's base salary for the relevant period, if during that period the Contributor is taken to have worked more than 104 shifts but not more than 156 shifts; or
- (c) an amount equal to 15% of the Contributor's base salary for the relevant period, if during that period the Contributor is taken to have worked more than 156 shifts but not more than 208 shifts; or
- (d) an amount equal to 20% of the Contributor's base Salary for the relevant period, if during that period the Contributor is taken to have worked more than 208 shifts.

1.7.5 If the amount actually paid or payable to a Contributor as a shift allowance in respect of shifts worked by the Contributor during a relevant period is less than the amount of loading for that period determined in respect of the Contributor in accordance with subrule 1.7.4, the amount so paid is, for the purposes of subrule 1.3.1(a), the loading for the Contributor in respect of that shift allowance.

1.7.6 For the purposes of subrule 1.7.4, the number of shifts a Contributor is taken to have worked during a relevant period, being shifts for which a shift allowance is paid, is the number calculated as follows:

$$N = \frac{H}{H_0} \times S$$

where:

- N is the number of such shifts the Contributor is taken to have worked during the relevant period.
- H is the number of hours per shift regularly required to be worked in such shifts during the relevant period.
- H₀ is the smallest number of hours per shift regularly required to be worked (whether by the Contributor or any comparable worker) in such shifts during any calendar year after 1987, including the relevant period.
- S is the number of such shifts the Contributor actually worked during the relevant period.

[1.7.6 inserted by Deed of Amendment No.4 operative 30/6/99]

2. MAINTENANCE AND ADMINISTRATION OF THIS DIVISION

2.1 Payments under Division

2.1.1 The Trustee shall cause to be held in Pool B in respect of this Division:

- (a) Contributions or payments made by Employers and Members under this Division;

[amended by Deed of Amendment No.[1] operative 27/4/98]

- (b) income derived from investment of assets held in respect of this Division, and any profit made from realisation of any investment held in respect of this Division;
- (c) subject to Superannuation Law, money borrowed for the purposes of this Division; and
- (d) any other amounts payable to this Division.

2.1.2 The Trustee shall cause to be paid from Pool B in respect of this Division:

- (a) the administration costs incurred by the Trustee;
- (b) Benefits payable under these Rules;
- (c) amounts in repayment of money borrowed for the purposes of this Division;
- (d) any Tax; and
- (e) any other amounts payable from this Division.

2.2 The Trustee required to establish certain reserves within this Division

2.2.1 The Trustee shall establish and maintain in respect of this Division the following reserves:

- (a) a reserve for Contributors' contributions;
- (b) in relation to Employers a reserve or reserves as the case may be.

2.2.2 The Trustee may also establish and maintain in respect of this Division such other reserves and such accounts as, in its opinion, are necessary or convenient for the proper management of this Division and administration of these Rules.

2.3 Contributors' Reserve

2.3.1 The Trustee must ensure that there is credited to the Contributors' Reserve the contributions that Contributors make to this Division or have made to the State Superannuation Scheme on or after 1 July 1988.

2.3.2 The Trustee must ensure that there is debited to the Contributors' Reserve:

- (a) that portion of any Benefit payable to or in respect of a Contributor from the Contributors' Reserve in accordance with subrule 13.15.2(a);

[2.3.2 (b) & (c) deleted by Deed of Amendment No.7 operative 1/7/99]

2.4 Employer Reserves

2.4.1 Whenever an Employer makes a contribution under this Division in respect of a Contribution Period, the Trustee must ensure that the contribution is credited to the appropriate Employer Reserve.

2.4.2 The Trustee must ensure that there is debited to the appropriate Employer Reserve:

- (a) the portion of any Benefit payable to or in respect of a Contributor in accordance with subrule 13.15.2(b);
- (b) any administration costs incurred by the Trustee in relation to the Employer or an Employer to whom the reserve relates, and contributors who are employees of that employer;

[(b) replaced by Deed of Amendment No.7 operative 1/7/99]

- (c) any Tax in respect of contributions to the reserve that are attributable to the Employer or an Employer to whom the reserve relates; and
- (d) any other amounts that are properly debited to the reserve.

2.5 Adjustment of reserves and accounts for interest etc.

2.5.1 Whenever appropriate, the Trustee must fix a rate of interest for the purposes of subrule 2.5.2 after having regard to:

- (a) the income in respect of this Division;
- (b) any Tax in respect of the investment of assets held to provide Benefits under this Division; and
- (c) such other matters as it considers relevant.

2.5.2 Whenever appropriate, the Trustee must adjust each of the reserves and accounts established under this Part 2 by applying the rate of interest that is currently fixed under subrule 2.5.1.

2.5.3 The Trustee may fix a rate of interest for the purpose only of enabling specific reserves or accounts to be adjusted.

2.6 Source of administration costs payments

[replaced by Deed of Amendment No.7 operative 1/7/99]

The administration costs payable in respect of this Division are to be debited to the Employer Reserves and such other reserves (the Contributors' Reserve excepted) and accounts in the Fund as the Trustee considers appropriate.

2.7 Funds, accounts and reserves generally

2.7.1 The Trustee must:

- (a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is required by or under the Deed or Rules to be debited to this Division or to that reserve or account; and
- (b) debit to this Division or to the appropriate reserve or account any amount that is required by the Deed or Rules to be debited to this Division or to that reserve or account.

2.7.2 The Trustee may:

- (a) credit to this Division or, as the case may be, to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be credited to this Division or to that reserve or account; and
- (b) debit to this Division or to the appropriate reserve or account any amount that is permitted by or under the Deed or Rules to be debited to this Division or to that reserve or account.

3. MEDICAL EXAMINATION OF CONTRIBUTORS

3.1 Medical Examination

- 3.1.1 The Trustee may require a person to undergo a medical examination.
- 3.1.2 A person shall submit to a medical examination as soon as practicable after the person has been required to undergo such an examination.

3.2 Failure etc. to undergo medical examination

3.2.1 Where a person submits to a medical examination and, in the opinion of the Trustee, fails to pass the examination, the Trustee shall, subject to this rule 3.2, treat the person as if the person had not, for the period of the person's employment, been an Employee and, if the person is still an Employee, as if the person were not an Employee.

3.2.2 Where a person is being treated by the Trustee under subrule 3.2.1 as if the person were not an Employee and the person subsequently passes a medical examination:

- (a) the Trustee shall cease treating the person in that way pursuant to that subrule 3.2.1 as from the time when, in the opinion of the Trustee, the person so passed the examination; and
- (b) if at that time the person would, apart from this rule 3.2, have been an Employee, the Trustee shall treat him as if the person had become an Employee at that time.

3.2.3 Where:

- (a) a person has been required to submit to a medical examination; and
- (b) the Trustee forms the opinion that the person refused or wilfully neglected to submit to the examination,

the Benefit payable on the person ceasing, or, as the case may be, having ceased, to be an Employee (whether by reason of his death or in any other circumstances except those referred to in rule 12.1) shall be that which would be payable if the person had Resigned and elected under rule 13.20 to take the Benefit of rule 13.18 and no pension or other Benefit shall be payable to the person or to, or in respect of, any other person as a consequence of the person so ceasing or having ceased to be an Employee.

3.2.4 Where the Trustee forms the opinion referred to in subrule 3.2.3 in relation to a person and the person subsequently submits to a medical examination and, in the opinion of the Trustee, passes the examination:

- (a) subrule 3.2.3 does not apply to the person in respect of the person ceasing to be an Employee; and

- (b) any pension or other Benefit payable as a result of the person ceasing to be an Employee shall be calculated as if the person had become a Contributor from the time when, in the opinion of the Trustee the person so passed the examination.
- 3.2.5 Except as provided by subrule 3.2.6, where an Employee who, in the opinion of the Trustee, did not submit to a medical examination as required by subrule 3.1.2, being an Employee who is not a person to whom subrule 3.2.3 applies, ceases to be an Employee (whether by reason of death or in any other circumstances), the Trustee shall treat the person as if the person had not, for the period of the person's employment, been an Employee.
- 3.2.6 Subrule 3.2.5 does not apply in respect of a person:
- (a) who, in the opinion of the Trustee, did not submit to a medical examination; and
 - (b) in respect of whom, but for this subrule 3.2.6, subrule 3.2.5 would apply,
- where the Trustee is of the opinion, having regard to such evidence as is available to it, that the person would have passed a medical examination.

3.3 Suppressed or misleading information

- 3.3.1 This rule 3.3 applies to a person if the person was medically examined at a medical examination and the examining medical practitioner, at any time after a report is made with respect to the examination, forms the opinion that the person suppressed information, or gave misleading information, in connection with the examination and that, as a result, the report would have been different if all information, or correct information, in that connection had been given.
- 3.3.2 The Trustee may require a person to whom this rule 3.3 applies to undergo a medical examination.
- 3.3.3 The Trustee may, in relation to a person to whom this rule 3.3 applies (whether or not the person has undergone a medical examination in accordance with a requirement under subrule 3.3.2):
- (a) treat the person for the purposes of these Rules in such manner; and
 - (b) take such action,
- as will, in the opinion of the Trustee, result in the person, and the person's Spouse and children, as the case may require, being placed, as nearly as possible, in the position under these Rules that they would be or would have been placed at all relevant times had all the information, or correct information, been given as referred to in subrule 3.3.1.
- 3.3.4 The action which the Trustee may take under subrule 3.3.3 may include any or all of the following:
- (a) discontinuing or varying the rate of any pension;
 - (b) paying the whole or any part of a lump sum;
 - (c) refunding all or any contributions made to this Division;

- (d) recovering the whole or part of any pension paid or any amount paid by reason of a commutation of pension.

4. CONTRIBUTIONS

4.1 Definitions

4.1.1 In this Part 4, except in so far as the context or subject-matter otherwise indicates or requires:

half-year means a period of 6 months:

- (a) commencing on and including 1st January and ending on and including 30th June; or
- (b) commencing on and including 1st July and ending on and including 31st December;

relevant period, in relation to an Employee, means the half-year in which the Employee's birthday does not fall.

4.1.2 In this Part 4, a reference:

- (a) to the number of units of pension for which the annual cost is equal to a particular amount includes a reference to the largest number of units of pension for which the annual cost is less than that amount; and
- (b) to the annual cost to a person for a unit of pension:
- (i) where the contributions in respect of the unit are required to be made by the person in accordance with the tables of contributions fixed by or under these Rules, is a reference to an amount equal to 13 of those contributions; or
- (ii) where contributions in respect of the unit are required to be made by the person by instalments under rule 9.2 is a reference to an amount equal to 13 of those instalments.

4.2 Determination of Annual Review Day and Annual Adjustment Day

4.2.1 The Trustee shall, in respect of a Contributor, determine:

- (a) a day in each relevant period to be the Contributor's Annual Review Day; and
- (b) a day in each relevant period to be the Contributor's Annual Adjustment Day.

4.2.2 A Contributor's Annual Adjustment Day for a relevant period may be the same as, or later than, but not earlier than, the Contributor's Annual Review Day for that period.

4.2.3 A Contributor may not have more than one Annual Review Day, nor more than one Annual Adjustment Day, in a relevant period.

4.3 General provisions as to determinations under this Part 4

4.3.1 The Trustee may amend or revoke a determination under this Part 4.

- 4.3.2 A determination may be made under this Part 4 so as to apply to a specified Employee or a specified class of Employees.

5. LIABILITY OF EMPLOYEES TO CONTRIBUTE

5.1 Requirement to contribute

- 5.1.1 Subject to the Deed and Rules, every Employee who is a Member of this Division shall contribute to this Division in accordance with these Rules.

5.1A Salary Sacrifice

- 5.1A.1 The Trustee shall credit as a Contribution by the Contributor an amount equal to the Salary Sacrifice Amount less any Tax attributable to that Salary Sacrifice Amount.

[inserted by Deed of Amendment No.[22] operative 1/7/05]

5.2 Existing Contributors and Employees

- 5.2.1 An Employee who was contributing to the State Superannuation Scheme on 12th January 1977 shall, subject to rule 6.1, contribute, and continue to do so, to this Division for the number of units of pension for which, and at the rate for each such unit at which, the Employee was required to contribute on that date or at such other rates as may from time to time be fed by or under these Rules.

- 5.2.2 Where:

- (a) a Contributor's first Annual Adjustment Day under the *Superannuation Act 1916* fell before 31st December 1977;
- (b) the Contributor contributed to the State Superannuation Scheme in respect of an additional number of units of pension as on and from that adjustment day; and
- (c) the Contributor was a Contributor to the State Superannuation Scheme at 12th January 1977,

the Contributor shall, for the purposes of rule 13.3, be deemed to have commenced contributing for those units as from 13th January 1976, or the day on which the Contributor became a Contributor, whichever is the later.

5.3 Commencement of contributions

- 5.3.1 A person who became a Contributor to the State Superannuation Scheme on or after 13th January 1977 shall contribute to this Division in accordance with these Rules by reference to the rate of Salary actually being paid to the person on his entry review date (as determined under the State Superannuation Scheme).

5.4 Increase of contributions: Annual Review Days

- 5.4.1 Subject to the Deed or Rules, where the number of units of pension that, pursuant to subrule 11.1.1, is appropriate for the Salary actually being paid to a Contributor (including a Contributor referred to in rule 5.2) on the Contributor's Annual Review Day in any half-year is higher than the aggregate of:

- (a) the number of units of pension (if any) for which the Contributor is contributing at that time;
- (b) the number of units of pension (if any) for which the Contributor has completed contributing; and
- (c) the number of the Contributor's Abandoned Units (if any),

the Contributor shall, as on and from the Contributor's Annual Adjustment Day in that half-year, contribute to this Division in respect of the additional number of units of pension in accordance with these Rules.

5.4.2 On a Contributor's Annual Review Day in any half-year:

- (a) if the annual cost to the Contributor for the units of pension for which contributions are payable by the Contributor is not less than an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid, the additional units of pension referred to in subrule 5.4.1 are optional units of pension; and
- (b) if:
 - (i) the annual cost to the Contributor for the units of pension or which contributions are payable by the Contributor is less than an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid; and
 - (ii) the number of additional units of pension referred to in subrule 5.4.1 is in excess of the number for which the annual cost to the Contributor is equal to the shortfall under subparagraph (i),

the excess additional units of pension are optional units of pension.

5.4.3 A Contributor may, within 2 months after the Contributor's Annual Review Day in any half-year, elect to abandon any 1 or more of the optional units of pension in respect of which, but for the election, the Contributor, would be required by this rule 5.4 to commence contributing to this Division.

5.4.4 Where a Contributor entitled to make an election under subrule 5.4.3 dies without making such an election before the expiration of the period within which, but for the Contributor's death, the Contributor could have made the election, the Contributor's Spouse may, before the expiration of that period, make the election.

5.5 Abandoned Units to be taken up if contributions fall below 6% of Salary

5.5.1 On a Contributor's Annual Review Day, if the Contributor has Abandoned Units and the annual cost to the Contributor for the units of pension for which contributions are payable by the Contributor is less than an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid:

- (a) where there are no additional units of pension as referred to in subrule 5.4.1, the Contributor shall take up the lesser of all of the Abandoned Units and the number of Abandoned Units for which the annual cost is equal to the shortfall; or

- (b) where there are additional units of pension as so referred to but the annual cost to the Contributor for the additional units is less than the shortfall, the Contributor shall take up the lesser of all of the Abandoned Units and the number of Abandoned Units for which the annual cost is equal to the balance of the shortfall.

5.5.2 Where, under this rule 5.5, a Contributor is required to take up an Abandoned Unit which the Contributor had on the Contributor's Annual Review Day in any half-year:

- (a) the Contributor shall commence to contribute for the unit as from the Contributor's Annual Adjustment Day in that half-year; and
- (b) the unit ceases to be an Abandoned Unit as from the Annual Adjustment Day.

5.6 Limitation on increase in contribution by certain Contributors

5.6.1 This rule 5.6 applies to a Contributor on an Annual Review Day of the Contributor if:

- (a) the Contributor's Entry Payment Day was before 1 July 1985;
- (b) the Contributor has any Abandoned Units; and
- (c) the number of units of pension for which contributions are payable by the Contributor on the Annual Review Day is less than the number for which the annual cost is equal to an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid on the net preceding Annual Review Day of the Contributor.

5.6.2 On an Annual Review Day on which this rule 5.6 applies to a Contributor, rules 5.4 and 5.5 shall be construed, in their application to the Contributor on that day, as if references in those sections to 6% were references to the minimum prescribed percentage referred to in subrule 5.6.3.

5.6.3 For the purpose of subrule 5.6.2, the *minimum prescribed percentage* in relation to a Contributor on an Annual Review Day is the lesser of:

- (a) the sum of:
 - (i) 1%; and
 - (ii) the percentage, on the next preceding Annual Review Day, of the annual Salary of the Contributor at the rate actually being paid at that preceding Annual Review Day that represents the amount that is equal to the annual cost to the Contributor for the units of pension for which contributions were payable by the Contributor on the Annual Adjustment Day of the Contributor next following that preceding Annual Review Day; and
- (b) 6%.

5.7 Increase of contributions: Exit Days

5.7.1 Subject to the Deed or Rules, where the number of units of pension that, pursuant to subrule 11.1.1, is appropriate for the Salary actually being paid to a Contributor on the Contributor's Exit Day is higher than the aggregate of:

- (a) the number of units of pension (if any) for which the Contributor is contributing at that time;
- (b) the number of units of pension (if any) for which the Contributor has completed contributing; and
- (c) the number of the Contributor's Abandoned Units (if any),

the former Contributor or the former Contributor's Spouse shall, within one month after the Contributor's Exit Day, or within such further period as the Trustee may, in special circumstances, allow, contribute to this Division in respect of the additional number of units of pension in accordance with these Rules.

5.7.2 On a Contributor's Exit Day:

- (a) if the annual cost to the Contributor for the units of pension for which contributions are payable by the Contributor is not less than an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid, the additional units of pension referred to in subrule 5.7.1 are optional units of pension; and
- (b) if:
 - (i) the annual cost to the Contributor for the units of pension for which contributions are payable by the Contributor is less than an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid; and
 - (ii) the number of additional units of pension referred to in subrule 5.7.1 is in excess of the number for which the annual cost is equal to the shortfall under subparagraph (i),

the excess additional units of pension are optional units of pension.

5.7.3 A Contributor may, within 1 month after the Contributor's Exit Day, elect to abandon any 1 or more of the optional units of pension in respect of which, but for the election, the Contributor would be required by this rule 5.7 to make a contribution to this Division.

5.7.4 Where a person entitled to make an election under subrule 5.7.3 dies without making such an election before the expiration of the period within which, but for the Contributor's death, the Contributor could have made the election, the person's Spouse may, before the expiration of that period, make the election.

5.7.5 This rule 5.7 does not apply to or in respect of a former Contributor unless:

- (a) the former Contributor or the former Contributor's Spouse is entitled to a pension under these Rules (other than a pension under rule 13.4) consequent on the former Contributor's ceasing to be an Employee; or

- (b) the former Contributor elects to take the Benefit of rule 13.16.

5.8 No contributions for more than appropriate number of units

- 5.8.1 Except in the circumstances specified in Part 6 and except in consequence of an approval under section 13A of the *Superannuation Act 1916* (as in force at any time before 13th January 1977), an Employee shall not contribute in respect of a number of units of pension that is greater than the number that, pursuant to subrule 11.1.1, is appropriate for his Salary.

5.9 Cessation of contributions

[replaced by Deed of Amendment No.[1] operative 27/4/98]

An Employee is not entitled to contribute to the Division and the Trustee is not to accept a contribution to the Division offered by an Employee after the Employee attains 70 years of age.

5.10 Exemptions from contributing

- 5.10.1 A person who was exempted from contributing to the State Superannuation Scheme on or before 30 June 1994 is exempted from contributing to this Division.

5.11 Consequences of exemption

- 5.11.1 Where a person is exempted under these Rules from contributing to this Division, neither he nor any other person claiming through him is entitled to any Benefit under these Rules, but the contributions (if any) paid by the person so exempted shall be refunded.

5.12 Other Contributions by Contributors

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- 5.12.1 A Contributor, who is not required by this Division to contribute to this Division merely because the Contributor is on authorised leave without pay as an employee, is entitled to remain a Contributor to the Division even though the Contributor is not contributing to the Division.

- 5.12.2 This section applies to a Contributor only if:

- (a) the leave is for the purposes of raising children of whom the Contributor is a parent, or for whom he or she has assumed the responsibilities of a parent, and
- (b) he or she has been on that leave for less than seven years consecutively, and
- (c) he or she has a statutory or contractual right to resume employment at the end of the leave.

- 5.12.3 Rules 11.3.1 and 11.3.2. apply to a Contributor, and to the period of leave of the Contributor, during any period during which this section applies to the Contributor.

- 5.12.4 In this division authorised leave means leave approved by the Contributor's employer, or leave authorised by an agreement certified, or an award made, by a tribunal or body having the authority to do so under a law of New South Wales or the Commonwealth.

6. DECREASES IN SALARY OR UNIT ENTITLEMENT**6.1 Decrease in Salary**

6.1.1 Where the Salary of a Contributor is reduced, the Contributor shall continue to contribute for any units of pension that are in excess of the number of units that is, pursuant to subrule 11.1.1, appropriate to the Contributor's Salary as reduced.

6.1.2 Where the Salary of a Contributor is reduced (whether before, on or after 13th January 1977) and the Salary as reduced is actually paid as from a date after 12th January 1977, the Contributor may, within 2 months after the date on which the reduced Salary is actually paid to the Contributor, elect not to contribute for one or more units of pension, not exceeding the difference between:

- (a) the number of units that is, pursuant to subrule 11.1.1, appropriate to the Contributor's Salary as reduced; and
- (b) the number of units that is, pursuant to subrule 11.1.1, appropriate to the Contributor's Salary as at the latest of whichever of the following days is applicable to the Contributor, namely:
 - (i) the Contributor's last Annual Review Day;
 - (ii) the day as from which the number of units of pension for which the Contributor was contributing was last reduced under this rule 6.1 or rule 6.3 or 6.4,

but so that the number of units in respect of which the Contributor contributes is not reduced to less than 6.

6.1.3 Where a Contributor elects not to contribute for a unit of pension under subrule 6.1.2, the Contributor's contributions under this Division in respect of the unit shall cease on and from the first day of the Contribution Period in which the Salary as reduced is actually paid and shall be refunded to the Contributor.

6.1.4 No person has any rights in this Division in respect of a unit of pension to which an election under subrule 6.1.1 relates.

6.1.5 No person has any rights in this Division in respect of an excess unit of pension referred to in subrule 6.1.1 and not the subject of an election under subrule 6.1.2, unless the Trustee is satisfied that the Contributor's Salary was reduced by reason of ill health or for some other reason which the Trustee, having regard to the circumstances of the case, considers warrants the retention of entitlement to Benefits under these Rules in respect of the unit.

6.1.6 Where no person has any rights in this Division in respect of a unit of pension, as referred to in subrule 6.1.5, and the Contributor ceases to be an Employee, any contributions made by the Contributor in respect of the unit shall be refunded to him.

6.1.7 Where a Contributor elects not to contribute for a unit of pension under subrule 6.1.2, and subsequently the Contributor's Salary is increased, these Rules apply in relation to the increase as if the Contributor had not been formerly entitled to the unit.

6.1.8 A unit of pension in respect of which a Contributor is contributing to this Division ceases to be an excess unit of pension, as referred to in subrule 6.1.1, if the Contributor's Salary is

increased and that unit is one of the number of units that, pursuant to subrule 11.1.1, is appropriate to the Contributor's Salary as increased.

6.2 Fluctuations in Salary

6.2.1 Where the number of units of pension that, pursuant to subrule 11.1.1, was appropriate to the Salary actually being paid to a Contributor at any time after 12 January 1976 was higher than the number of units that, pursuant to subrule 11.1.1, was or is appropriate to the Salary actually being paid to the Contributor at the Contributor's net review day after that time, the Trustee may determine that the Contributor's Salary as at the review day shall be treated as if it had been equal to the Contributor's Salary as at the earlier time.

6.2.2 A determination under this rule 6.2 shall not take effect unless the appropriate contributions in respect of the additional units of pension (being the contributions that would have been already or would be payable in accordance with these Rules had the greater Salary in fact been paid to the Contributor at the review day) have been or are paid to the Trustee within a period approved by the Trustee.

6.2.3 Where a determination under this rule 6.2 has effect, then, for all purposes of these Rules:

- (a) the Contributor's Salary shall be treated in accordance with the determination; and
- (b) the Contributor shall be deemed to have been contributing for the additional units of pension as from the commencement of the period to which the contributions referred to in subrule 6.2.2 relate.

6.2.4 In this rule:

Contributor includes former Contributor;

review day means Annual Review Day or Exit Day.

6.3 Decrease in unit entitlement on taking leave of absence

6.3.1 Where, on the commencement, or extension, by a Contributor of a period of leave of absence, or on the commencement of a period for which a deduction factor is applied under subrule 11.3.5, 11.4.1 or 11.5.4, the number of units of pension (if any) for which the Contributor has completed contributing and the number of units of pension (if any) for which, but for this rule 6.3, contributions would be payable by the Contributor is greater than the number of units of pension that, pursuant to subrule 11.1.1, is appropriate to the Salary actually being paid to the Contributor, the Contributor shall cease to contribute for the number of units of pension equal to the difference.

6.3.2 On the termination of a period of leave of absence by a Contributor in respect of which subrule 11.3.1 or 11.3.5 applies before the expiration of the period or of a period in respect of which subrule 11.4.1 or 11.5.4 applies:

- (a) the Contributor shall be deemed not to have ceased to contribute for the number of units of pension for which the Contributor ceased to contribute under subrule 6.3.1 but shall be deemed to have ceased to contribute for the number of units of pension (if any) equal to the difference between:
 - (i) the number of units of pension (if any) for which the Contributor has completed contributing and the number of units (if any) for which,

but for the application of subrule 6.3.1 on the commencement of the period and of this subrule 6.3.2 on the termination, contributions would be payable by the Contributor; and

- (ii) the number of units of pension that, pursuant to subrule 11.1.1, is appropriate to the Salary actually being paid to the Contributor;
 - (b) all contributions for units of pension which would have been payable, had the Contributor ceased to contribute for the number of units of pension equal to the difference on the commencement of the period, shall be deemed to have been payable by the Contributor; and
 - (c) any contributions for units of pension which have been refunded or applied in accordance with a direction by the Contributor as referred to in subrule 6.3.3 and which are payable as referred to in paragraph (b) shall be payable in respect of those units.
- 6.3.3 Where a Contributor ceases to contribute for a unit of pension under this rule 6.3, the Contributor's contributions to this Division in respect of the unit shall cease, on and from the first day of the Contribution Period in which the period concerned commences, and any contributions paid in respect of that unit shall, unless the Contributor directs the Trustee to apply them towards contributions payable in respect of other units of pension during the period, be refunded to the Contributor.
- 6.3.4 No person has any rights in this Division in respect of a unit of pension for which contributions have ceased under this rule 6.3 and have not again become payable.
- 6.3.5 Where a Contributor ceases to contribute for a unit of pension under this rule 6.3 and subsequently the Salary of the Contributor is increased, these Rules apply in relation to the increase as if the Contributor had not been formerly entitled to the unit.
- 6.4 Commencement of part-time employment etc.**
- 6.4.1 In this rule 6.4, a reference to a change in the employment status of a Contributor is a reference:
- (a) to a Contributor who is not a part-time Employee becoming a part-time Employee; and
 - (b) to a Contributor who is employed in a position as a part-time Employee becoming employed in another position as a part-time Employee, if the Salary ratio (as defined in subrule 11.5.1) in relation to the former position is more than that in relation to the other position.
- 6.4.2 On a change in the employment status of a Contributor, the Contributor shall cease to be a Contributor for the units of pension in respect of which contributions were payable by the Contributor, or for which the Contributor had completed contributing, before that change (other than any reserve units in respect of which contributions are payable under rule 11.7).
- 6.4.3 No person has any rights in this Division in respect of units of pension for which a person has ceased to be a Contributor pursuant to subrule 6.4.2.
- 6.4.4 Where a Contributor whose employment status changes ceases to be a Contributor for units of pension pursuant to subrule 6.4.2, the Contributor's contributions to this Division in respect of

those units of pension shall cease, as on and from the first day of the Contribution Period in which the change occurred.

- 6.4.5 Any contributions paid in respect of units of pension for which a person has ceased to be a Contributor on a change in employment status shall be allocated towards the purchase of the number of fully paid up units calculated in accordance with the following formula:

$$PUU = TU + IU + UC$$

where:

PUU is the number of units purchased;

TU is the highest whole number obtained from the calculation of the formula:

$$\frac{UHn - Cn}{Rn} \quad (\text{except where } \frac{Cn}{Rn} \text{ exceeds } UHn);$$

UHn is the number of units of pension for which contributions were payable by the Contributor immediately before the change occurred in accordance with the tables of contributions fixed by or under these Rules, but excluding:

(a) any such units of pension which are excess units of pension referred to in subrule 6.1.1 and in respect of which no person has any rights in this Division; and

(b) any such units of pension, being reserve units, for which contributions were being made under rule 11.7;

Cn is the amount of contributions due, for the Contribution Period preceding that in which the change occurred, in respect of that number of units of pension;

Rn is the relevant amount under subrule 6.4.6 in relation to the Contributor for an additional unit of pension;

IU is the highest whole number obtained from the calculation of the formula:

$$\frac{TCB}{RB}$$

TCB is the total amount paid in respect of instalments payable by the person on or before the time the change occurred for units of pension for which the Contributor contributed in accordance with Part 9 (but deducting therefrom any part of that amount allocated under these Rules to the purchase of fully paid up units);

RB is the amount specified in subrule 9.1.1 as the cost of a unit of pension in relation to the Contributor;

UC is the number of units (if any) purchased by the person and credited to the person as fully paid up units under this rule 6.4, or otherwise.

- 6.4.6 For the purposes of subrule 6.4.5, the relevant amount in relation to a Contributor whose employment status changes for an additional unit of pension is:

- (a) where the Contributor has attained the Prescribed Age on or before the last day of the Contribution Period preceding that in which the change occurred, the amount which, if the Contributor were required under Part 8 to commence to contribute for an additional unit of pension on that day, would be the amount payable in accordance with the tables of contributions fixed under rule 8.3 for that unit for a Contribution Period; or
- (b) where the Contributor has not attained the Prescribed Age on or before that day, the amount equal to the sum of:
- (i) the amount payable by the Contributor for any additional unit of pension for which the Contributor had been required to commence contributing on and from the Contributor's last Annual Adjustment Day before the change occurred for a Contribution Period or, as the case may be, the amount that would have been so payable if the Contributor had been so required; and
 - (ii) for each day of the period commencing on the day following that Annual Adjustment Day and ending on the last day of the Contribution Period preceding that in which the change occurred, the amount equal to 1/364th part of the difference between the amount referred to in subparagraph (i) and the amount which that amount would have been if, on that Annual Adjustment Day, the Contributor had been 1 year older than the age actually attained.

6.4.7 Where, in relation to a Contributor whose employment status has changed, the figure obtained pursuant to subrule 6.4.5 from the calculation of the formula:

$$\frac{UH_n - C_n}{R_n}$$

is or includes a fraction, there shall be paid to the Contributor, as a refund of contributions not allocated towards the purchase of fully paid up units, the amount calculated in accordance with the following formula:

$$Q1 = S \times \frac{F1}{P1}$$

where:

- Q1 is the amount to be paid;
- S is the amount of the contributions paid by the Contributor in respect of the units the number of which is attributed to the symbol UH_n pursuant to subrule 6.4.5;
- F1 is the fraction which is or is included in the figure obtained;
- P1 is the figure obtained.

6.4.8 Where, in relation to a Contributor whose employment status has changed, the figure obtained pursuant to subrule 6.4.5 from the calculation of the formula:

$$\frac{TCB}{RB}$$

is or includes a fraction, there shall be paid to the Contributor, as a refund of instalments not allocated towards the purchase of fully paid up units, the amount calculated in accordance with the following formula:

$$Q2 = \text{TCB} \times \frac{F2}{P2}$$

where:

Q2 is the amount to be paid;

TCB is the amount attributed to that symbol pursuant to subrule 6.4.5;

F2 is the fraction which is or is included in the figure obtained;

P2 is the figure obtained.

- 6.4.9 Where a person's contributions are allocated to the purchase of paid up units under this rule 6.4 on a change in employment status:
- (a) the person shall, on and from that change occurring, be deemed to be a Contributor for the number of units purchased and to have contributed for those units for a period of 2 years and 6 months but shall not be required to make further contributions in respect of those units; and
 - (b) the Employer in whose Service the person is employed will not be required to make, before the retirement of the person, any further contribution in respect of those units of pension.
- 6.4.10 Subject to the Deed or Rules, where the number of units of pension that, pursuant to subrule 11.1.1, is appropriate for the Salary certified by the Employer of a Contributor to be the Salary which would be paid to the Contributor if employed full-time in the position in which the Contributor is employed on a change in employment status is higher than the number of fully paid up units credited to the Contributor under this rule 6.4, the Contributor shall, as on and from the first day of the Contribution Period in which the change occurs, contribute under this Division in respect of the additional number of units of pension in accordance with these Rules.
- 6.4.11 On the day on which the employment status of a Contributor changes, if the number of additional units of pension referred to in subrule 6.4.10 is in excess of the number for which the annual cost to the Contributor is equal to an amount representing 6% of the annual Salary of the Contributor at the rate actually being paid, the excess units of pension are optional units of pension.
- 6.4.12 A Contributor may, within 2 months after the day on which the employment status of the Contributor changes, elect to abandon any one or more of the optional units of pension in respect of which, but for the election, the Contributor would be required by this rule 6.4 to commence contributing under this Division.
- 6.4.13 Where a Contributor elects not to contribute for a unit of pension under subrule 6.4.12, contributions under this Division in respect of the unit shall cease as on and from the first day of the Contribution Period in which the employment status of the Contributor changes and any contributions paid in respect of the unit shall be refunded to the Contributor.

- 6.4.14 No person has any rights in this Division in respect of a unit of pension to which an election under subrule 6.4.12 relates.
- 6.4.15 Where no person has any rights in this Division in respect of an excess unit of pension of a Contributor referred to in subrule 6.1.1 and the employment status of the Contributor changes, any contributions made by the Contributor in respect of the unit shall be refunded to the Contributor.
- 6.4.16 Where a person whose contributions are allocated to the purchase of fully paid up units under this rule 6.4 dies, retires under subrule 12.1.2 before attaining the age of 60 years, or is retired under rule 12.7 before attaining that age, the Trustee may, except where the contributions are refunded pursuant to rule 13.8 or 13.10, determine that a specified amount, being part of those contributions, be refunded to the person or, where the person is dead, to the person's legal personal representatives, and may act in accordance with its determination.
- 6.4.17 Where a Contributor whose employment status changes is a Contributor whose Entry Payment Day in the State Superannuation Scheme occurred before 1 July 1985 and, immediately before the change occurred:
- (a) the Contributor had any Abandoned Units; and
 - (b) the annual cost to the Contributor for the units of pension for which contributions were payable by the Contributor was an amount representing a percentage which was less than 6% of the annual Salary of the Contributor at the rate actually being paid on the Contributor's previous Annual Review Day, the number of those units being less than the number for which the annual cost was equal to an amount representing 6% of that annual Salary,

such of the additional units of pension (if any) referred to in subrule 6.4.10 as are in excess of the number for which the annual cost to the Contributor is equal to an amount representing that lesser percentage of the annual Salary at the rate actually being paid to the Contributor on the day the change occurred are optional units of pension for the purposes of subrule 6.4.12, notwithstanding anything to the contrary in subrule 6.4.11.

7. ABANDONED UNITS

7.1 No contributions or rights in respect of Abandoned Units

- 7.1.1 Notwithstanding anything in this Part 7, contributions are not payable under this Division in respect of an Abandoned Unit.
- 7.1.2 No person has any rights under this Division in respect of an Abandoned Unit, but nothing in this subrule 7.1.2 affects the refund of contributions made in respect of any such unit or the operation of Part 14 in relation to any such unit.

7.2 Elections to take up Abandoned Units at Annual Review Day

Where an Employee has an Abandoned Unit at the Employee's Annual Review Day in any half-year, the Employee may, within 2 months after that day, elect to take up that unit, and if the Employee so elects:

- (a) the Employee shall commence to contribute for the unit as from the Employee's Annual Adjustment Day in that half-year; and

- (b) the unit ceases to be an Abandoned Unit as from that Annual Adjustment Day.

7.3 Elections to take up Abandoned Units at Exit Day

- 7.3.1 Where an Employee has an Abandoned Unit at the Employee's Exit Day, the Employee may, before the expiration of one month after that day, elect to take up that unit.
- 7.3.2 Where an Employee entitled to make an election under subrule 7.3.1 dies without making such an election before the expiration of the period within which, but for the Employee's death, the Employee could have made the election, the Employee's Spouse may, before the expiration of that period, make the election.
- 7.3.3 Where an election has been made under this rule 7.3 to take up an Abandoned Unit:
 - (a) the contribution payable in respect of the unit shall be paid to the Trustee within one month after the Employee's Exit Day or within such further period as the Trustee may, in special circumstances, allow; and
 - (b) the unit ceases to be an Abandoned Unit, provided the contribution is paid.
- 7.3.4 This rule 7.3 does not apply to or in respect of an Abandoned Unit unless:
 - (a) pension is payable in respect of the unit; or
 - (b) the former Contributor elects to take the Benefit of rule 13.16.

7.4 Restrictions as to Abandoned Units

- 7.4.1 An Abandoned Unit may only be taken up under this Division by a person if the aggregate of:
 - (a) the number of units of pension (if any) for which the person is contributing;
 - (b) the number of units of pension (if any) for which the person has completed contributing; and
 - (c) the number of the person's Abandoned Units (including the firstmentioned Abandoned Unit),is equal to or less than the number of units that, pursuant to subrule 11.1.1, is appropriate for the rate of Salary actually being paid to the person at the person's Annual Review Day or the person's Exit Day, as the case may require.
- 7.4.2 Pension payable under rule 13.5 or by virtue of the death of a Contributor is not payable in respect of a unit of pension which a person has elected to take up under this Part 7 unless:
 - (a) contributions in respect of the unit were due, and have been paid, for at least 2 years and 6 months following the date from which the Contributor commenced contributing for the unit; or
 - (b) that person's Exit Day is on or after the last day of the Contribution Period preceding that in which the person attains the Maturity Age.
- 7.4.3 Where a Contributor's contributions in respect of a unit of pension cease on the first day of the Contribution Period in which the Contributor ceases to be an Employee or attains the

Maturity Age, the Contributor shall, for the purposes of subrule 7.4.2(a), be deemed to have paid contributions in respect of the unit for so much of that period as precedes the Contributor so ceasing to be an Employee or the Contributor attaining that age, as the case may be.

8. CONTRIBUTIONS BY EMPLOYEES FOR UNITS OF PENSION AT TABLE RATES

8.1 Contributions according to scale graduated by age etc.

Except where otherwise provided by these Rules:

- (a) the amount of Contribution to be paid by a Contributor shall be based upon the number of units of pension for which the Contributor contributes, upon the sex of the Contributor, and, in the case of a woman Contributor, upon whether she contributes for a pension payable at the age of 55 years or 60 years, and shall be in accordance with the tables of Contributions fixed by or under these Rules; and
- (b) the amount of Contributions to be paid by the Contributor in respect of:
 - (i) a unit for which the Contributor commenced to contribute as from the Contributor's Entry Payment Day shall be based upon the age of the Contributor at that date;
 - (ii) a unit for which the Contributor commenced or commences to contribute as from the Contributor's Annual Adjustment Day in any half-year shall be based upon the age of the Contributor at the Contributor's Annual Adjustment Day in that half-year; or
 - (iii) a unit for which the Contributor contributes as from the Contributor's Exit Day shall be based upon the age of the Contributor at the Contributor's Exit Day.

8.2 Units taken up after Prescribed Age

Subject to rule 8.5, an Employee may not commence contributing for a unit of pension under this Part 8 if the Employee attains or has attained the Prescribed Age at the Employee's Annual Adjustment Day.

8.3 Tables of contributions

8.3.1 The tables of Contributions, payable under this Part 8, for men and women according to the ages set out in subrule 8.3.5 shall be in force and apply in respect of additional units of pension for which Employees who were Contributors at 30th June 1963 to the State Superannuation Scheme commenced to contribute on or after 13th January 1977 to the State Superannuation Scheme or under this Division after the date of Transfer of that Contributor.

8.3.2 The tables of Contributions, payable under this Part 8, for men and women according to the ages set out in subrule 8.3.6 shall be in force and apply to Employees who became Contributors to the State Superannuation Scheme on or after 1st July 1963 and shall be paid in respect of all units of pension contributed for by those Employees.

8.3.3 ***

8.3.4 ***

8.3.5 Tables of Contributions for Employees who were Contributors to the State Superannuation Scheme at 30 June 1963.

TABLE A

MEN

Employee Contributions for Four Weeks

(Contribution at 30th June 1963)

Age Next Birthday	For Each Additional unit	Age Next Birthday	For Each Additional unit
	\$		\$
26	0.54	41	1.26
27	0.58	42	1.34
28	0.60	43	1.46
29	0.64	44	1.56
30	0.68	45	1.68
31	0.70	46	1.84
32	0.74	47	2.00
33	0.78	48	2.20
34	0.84	49	2.44
35	0.88	50	2.72
36	0.92	51	3.06
37	0.98	52	3.48
38	1.04	53	4.04
39	1.10	54	4.76
40	1.18	55	5.80
		56–60	396.90 ÷ n

NOTE n denotes the number of complete four-weekly contributions payable before attainment of age 60.

TABLE B

WOMEN

Employee Contributions for Four Weeks

(Contributors at 30th June 1963)

Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit	Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit
	\$	\$		\$	\$
26	0.72	0.52	41	2.02	1.24
27	0.76	0.54	42	2.22	1.34
28	0.80	0.58	43	2.44	1.44
29	0.86	0.60	44	2.72	1.56
30	0.92	0.64	45	3.04	1.68
31	0.98	0.68	46	3.42	1.84
32	1.04	0.70	47	3.92	2.00
33	1.12	0.76	48	4.54	2.20
34	1.20	0.80	49	5.38	2.44
35	1.28	0.84	50	6.54	2.72
36	1.38	0.90	51	450.90 ÷ n	3.08
37	1.48	0.96	52	450.90 ÷ n	3.50
38	1.58	1.02	53	450.90 ÷ n	4.06
39	1.72	1.08	54	450.90 ÷ n	4.80
40	1.86	1.16	55	450.90 ÷ n	5.84
			56–60	..	395.54 ÷ n

NOTE n denotes the number of complete four-weekly contributions payable before attainment of Maturity Age.

8.3.6 Tables of Contributions for Employees who become Contributors to the State Superannuation Scheme on or after 30 June 1963 or to this Division on or after the date of transfer of that transferred member.

TABLE A

MEN

Employee Contributions for Four Weeks

(Contributors after 30th June 1963)

Age Next Birthday	For First 2 Units	For Each Additional Unit	Age Next Birthday	For First 2 Units	For Each Additional Unit
	\$	\$		\$	\$
16	0.86	0.42	36	2.46	1.16
17	0.94	0.44	37	2.62	1.24
18	0.98	0.46	38	2.74	1.30
19	1.04	0.48	39	2.92	1.40
20	1.10	0.52	40	3.12	1.50
21	1.16	0.54	41	3.32	1.60
22	1.22	0.56	42	3.54	1.70
23	1.28	0.60	43	3.80	1.84
24	1.32	0.62	44	4.08	1.98
25	1.40	0.66	45	4.38	2.12
26	1.44	0.68	46	4.76	2.32
27	1.54	0.72	47	5.18	2.52
28	1.62	0.76	48	5.68	2.76
29	1.70	0.80	49	6.28	3.06
30	1.80	0.86	50	6.96	3.40
31	1.90	0.90	51	7.84	3.84
32	2.02	0.94	52	8.94	4.38
33	2.12	1.00	53	10.32	5.06
34	2.24	1.06	54	12.16	5.98
35	2.34	1.10	55	14.74	7.26
			56–60	999.36 ÷ n	493.28 ÷ n

NOTE n denotes the number of complete four-weekly contributions payable before attainment of age 60.

TABLE B**WOMEN****Employee Contributions for Four Weeks****(Contributors after 30th June 1963)**

Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit	Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit
	\$	\$		\$	\$
16	0.46	0.34	36	1.62	1.06
17	0.48	0.36	37	1.74	1.14
18	0.52	0.38	38	1.88	1.20
19	0.54	0.40	39	2.02	1.28
20	0.58	0.42	40	2.20	1.38
21	0.62	0.46	41	2.40	1.46
22	0.66	0.48	42	2.62	1.58
23	0.70	0.50	43	2.90	1.70
24	0.76	0.54	44	3.22	1.84
25	0.82	0.58	45	3.60	2.00
26	0.86	0.62	46	4.06	2.18
27	0.90	0.64	47	4.64	2.38
28	0.96	0.68	48	5.38	2.62
29	1.02	0.72	49	6.38	2.90
30	1.10	0.76	50	7.76	3.22
31	1.16	0.80	51	534.40 ÷ n	3.64
32	1.24	0.84	52	534.40 ÷ n	4.16
33	1.32	0.90	53	534.40 ÷ n	4.82
34	1.42	0.94	54	534.40 ÷ n	5.70
35	1.50	1.00	55	534.40 ÷ n	6.92

TABLE B**WOMEN****Employee Contributions for Four Weeks****(Contributors after 30th June 1963)**

Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit	Age Next Birthday	Retirement at age 55 For Each Unit	Retirement at age 60 For Each Unit
	\$	\$		\$	\$
			56-60		468.80 ÷ n

NOTE n denotes the number of complete four-weekly contributions payable before attainment of Maturity Age.

8.4 Cessation of Contributions

Subject to these Rules, contributions payable to this Division by a Contributor under this Part 8 in respect of any units of pension, other than those for which the Contributor contributes by instalments under rule 9.2, and those referred to in rule 8.5, shall cease to be payable in respect of those units on the first day of the Contribution Period in which the Contributor ceases to be an Employee or attains the Maturity Age, whichever first occurs.

8.5 Units taken up at Exit Day

8.5.1 The contribution of a former Contributor referred to in subrule 5.7.1 in respect of an additional unit of pension shall, if the former Contributor's Exit Day is before the Contribution Period in which the former Contributor would attain the Maturity Age, and whether or not the former Contributor has attained the Prescribed Age, be the contribution payable for one Contribution Period in accordance with the appropriate table of contributions.

8.5.2 Where:

- (a) an election by a former Employee or a former Employee's Spouse under rule 7.3 to take up an Abandoned Unit takes effect; and
- (b) the former Employee's Exit Day is before the Contribution Period in which the former Employee would attain the Maturity Age,

the contribution payable in respect of the unit shall, whether or not the former Employee has attained the Prescribed Age, be the contribution for one Contribution Period in accordance with the appropriate table of Contributions.

9. CONTRIBUTIONS BY EMPLOYEES FOR UNITS OF PENSION OTHERWISE THAN AT TABLE RATES

9.1 Cost of units of pension

9.1.1 For the purposes of this Part 9, and notwithstanding anything contained in the Deed or Rules, the cost of a unit of pension is, in relation to an Employee:

- (a) who was a Contributor to the State Superannuation Scheme at 30th June 1963 and has continued to be a Contributor since that date, and:
 - (i) who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 55 years, \$450.90;
 - (ii) who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 60 years, \$395.54; or
 - (iii) who is a male Contributor, \$396.90; or
- (b) who commenced to contribute to the State Superannuation Scheme after 30th June 1963 and:
 - (i) who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 55 years, \$534.40;
 - (ii) who, being a woman Contributor, elected to contribute at the rate prescribed for retirement at the age of 60 years, \$468.80; or
 - (iii) who is a male Contributor, \$499.68 in respect of each of the first 2 units, and \$493.28 in respect of each subsequent unit.

9.1.2 Notwithstanding subrule 9.1.1, where an Employee who, being a woman, elected to contribute at the rate prescribed for retirement at the age of 55 years has attained the age of 60 years on or before her Entry Payment Day, Annual Adjustment Day or Exit Day, the cost of a unit of pension for which she commences to contribute on or after that day shall, for the purposes of this Part 9, be the cost applicable had she elected to contribute at the rate prescribed for retirement at the age of 60 years.

9.2 Employees who have reached the Prescribed Age

9.2.1 Subject to rules 8.5 and 9.3, where an Employee who has reached the Prescribed Age on or before the Employee's Entry Payment Day or Annual Adjustment Day, as the case may require, is required or elects to commence contributing for a unit of pension, the Employee shall, subject to this rule 9.2, contribute the cost of the unit by 65 four-weekly instalments, each such instalment being equal to an amount determined by the Trustee, being an amount that is, or is not less by more than a fraction of a cent than, one sixty-fifth of that cost.

9.2.2 Where an Employee referred to in subrule 9.2.1 ceases to be employed by the Employer prior to completion of payment of instalments pursuant to subrule 9.2.1, the following provisions apply:

- (a) where the Employee retires after reaching the Maturity Age, the total amount of Contributions unpaid as at the date of retirement shall be paid within one month

after the date upon which the Employee ceases to be so employed, or within such further period as the Trustee may, in special circumstances, allow;

- (b) where the Employee is retired in accordance with rule 12.7, or elects to retire under subrule 13.1.2, or is Retrenched before reaching the Maturity Age, the total amount of contributions unpaid as at the last day of the Contribution Period preceding that in which the Employee ceases to be employed shall be paid within one month after the date upon which the Employee ceases to be so employed, or within such further period as the Trustee may, in special circumstances, allow;
- (c) where the Employee dies and is survived by a Spouse, the Spouse, if a pension is payable to the Spouse in accordance with rule 13.6, shall within 3 months after the death of the Employee, or within such further period as the Trustee may, in special circumstances, allow, pay the total amount of contributions unpaid as at the date of the Employee's death.

9.2.3 Where the total amount of contributions required to be paid by subrule 9.2.2(a), (b) or (c) is not paid within the time prescribed, or within such further period as the Trustee may, in special circumstances, allow, the Employee or the Spouse of the Employee, as the case may be, shall be refunded the amount of the instalments paid pursuant to subrule 9.2.1.

9.2.4 Where a refund is payable under subrule 9.2.3, no person has any rights under this Division in respect of the unit or units of pension to which the refund relates, but nothing in this subrule 9.2.4 affects the operation of Part 14 in relation to any such unit.

9.2.5 A reference in subrule 9.2.2 to the total amount of Contributions unpaid as at a particular date is:

- (a) in relation to an Employee who ceases to be employed by the Employee before attaining the Maturity Age and who commenced contributing for the unit of pension:
 - (i) before the Contribution Period in which the Employee would attain the Maturity Age, a reference to the total amount of Contributions that would have been payable up to and including that date had the tables of Contributions fixed by or under these Rules been applicable to the Employee in respect of the unit; or
 - (ii) after the Contribution Period in which the Employee would attain the Maturity Age, a reference to the cost of the unit; or
- (b) in relation to an Employee who ceases to be employed by the Employer on or after attaining the Maturity Age, a reference to the cost of the unit, less the amount of instalments paid pursuant to subrule 9.2.1.

9.2.6 Where, but for this subrule 9.2.6, the 65 instalments payable in respect of a unit of pension pursuant to subrule 9.2.1 would be less than the cost of the unit, the 65th instalment shall, notwithstanding that subrule, be increased by the difference.

9.3 Units taken up at Exit Day

9.3.1 The contribution of a Contributor referred to in subrule 5.7.1 in respect of an additional unit of pension shall, if the Contributor's Exit Day is on or after the first day of the Contribution

Period in which the Contributor would attain or has attained the Maturity Age, be the cost of the unit.

9.3.2 Where:

- (a) an election by a former Employee or a former Employee's Spouse under rule 7.3 to take up an Abandoned Unit takes effect; and
- (b) the former Employee's Exit Day is on or after the first day of the Contribution Period in which the former Employee would attain or has attained the Maturity Age,

the contribution payable in respect of the unit shall be the cost of the unit.

10. CONTRIBUTIONS BY EMPLOYERS

10.1 Contributions to be made by an Employer

10.1.1 An Employer must pay under this Division in respect of each Contributor that the Employer employs an amount equal to a specified multiple or percentage of the contributions payable to this Division by that Contributor.

[amended by Deed of Amendment No.18 operative 5/2/03]

10.1.2 The specified multiple or percentage referred to in subrule 10.1.1 is a multiple or percentage that the Trustee periodically fixes in respect of the Employer concerned.

[amended by Deed of Amendment No.18 operative 5/2/03]

10.1.3 In determining the contributions payable by an Employer, the Trustee is to have regard to the amount required to meet the full costs of the liabilities under these Rules.

10.1.4 The Trustee may require an Employer to pay under this Division additional contributions for a specified period if it appears to the Trustee that there is insufficient money in the relevant Employers' reserves for Employers to meet the Employers' liabilities under these Rules.

10.2 Calculation of contributions and time for payment

10.2.1 Contributions under this Part 10 shall be calculated on the basis of Contribution Periods.

10.2.2 An Employer must pay to the Trustee the contributions payable by the Employer in respect of a Contribution Period at such times as the Trustee may require.

10.3 Employer may be required to make further payments in certain cases

10.3.1 Whenever it appears to the Trustee that there is insufficient money in an Employer Reserve:

- (a) to pay the Employer-financed portion of a Benefit that is due to or in respect of a Contributor or former Contributor under these Rules; or
- (b) to pay any other amounts that are payable from that reserve,

the Trustee may require the Contributor's Employer or former Employer, by notice in writing, to pay under this Division an amount equal to the amount of the insufficiency.

- 10.3.2 If an Employer fails to pay an amount required to be paid under subrule 10.3.1 within 14 days after being notified of the requirement, the amount becomes an amount owing under this Division and the Trustee may recover that amount accordingly.

10.4 Power of the Trustee to adjust Employer Reserves

Whenever it appears to the Trustee that, because of a change of circumstances, it would be appropriate to adjust the amount that is currently standing to the credit or debit of an Employer Reserve so as to reflect the change of circumstances, the Trustee may adjust that reserve by crediting or debiting that reserve with a specified amount of money and correspondingly debiting or crediting one or more other Employer Reserves.

10.5 Transfer of credits between Employers of transferred Contributors

Whenever:

- (a) a Contributor ceases to be employed by an Employer and becomes employed by another Employer; and
- (b) the Contributor continues to be a Contributor under these Rules,

the Trustee must, as soon as practicable after the Contributor begins the later employment:

- (c) debit the Employer Reserve of the former Employer with the actuarially calculated transfer value referable to the Contributor; and
- (d) credit the Employer Reserve of the new Employer with that value.

11. ANCILLARY PROVISIONS

11.1 Contributions to be related to units of pension

- 11.1.1 Subject to these Rules, the Contributions of an Employee under this Part 11 shall be made in respect of units of pension as provided by rule 13.1 and the number of those units, on any particular day, shall be calculated in accordance with the following formula:

$$UE = \frac{S}{260} + (9 \times CF)$$

where:

UE is the number of units of pension;

S is the annual rate of Salary;

CF is 1 or $\frac{a}{b}$, whichever is the greater;

- (a) is the index number appearing in the Consumer Price Index (All Groups Index) for Sydney last published before that day by the Australian Statistician under the Census and Statistics Act 1905 of the Commonwealth;

- (b) is:

- (i) the number 114.6; or
- (ii) if, after 3 May 1991, the Australian Statistician changes the reference base for the Consumer Price Index (All Groups Index) for Sydney, a number determined by the Trustee, on actuarial advice, to represent what that index would have been for the June quarter 1982 if the change in the reference base had applied at that date.

11.1.2 Where the number of units of pension calculated in accordance with subrule 11.1.1 includes a fraction of a unit, the number of units shall be deemed to be the next highest whole number.

11.1.3 Any Index number published by the Australian Statistician at any time (and whether before or after the commencement of this subrule 11.1.3) in respect of a particular quarter in substitution for an Index number previously published in respect of that quarter is to be disregarded for the purpose of ascertaining the value of the expression "a" in the formula in subrule 11.1.1, unless the Trustee otherwise determines.

11.1.4 In this rule, *Index number* and *quarter* have the same meanings as in Part 21.

11.2 Alteration of unit entitlement in certain cases

11.2.1 Except as provided by subrule 11.2.2, a reference (however expressed) in any other provision of these Rules to the number of units of pension that, pursuant to rule 11.1 1, is appropriate to the Salary being paid to a Contributor on any particular day shall, if 1 or more deduction factors are required to be applied under this rule 11.2 by the Trustee in relation to the Contributor on that day, be construed as a reference to the number of units calculated in accordance with the following formula:

$$U = NU \times \frac{PFS - DT}{PFS}$$

where:

U is the number of units to be calculated;

NU is the number of units that, but for this rule 11.2, would be appropriate to that Salary;

PFS is the sum of:

- (a) the number of years, if any, (including any fractional part of a year calculated on a daily basis) of the period that commenced when the Contributor last became a Contributor and ended on that day (but excluding any part of that period during which the person had been on leave of absence pursuant to rule 15.1); and
- (b) the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which that day precedes:
 - (i) the date on which the person attains the Maturity Age; or
 - (ii) where any employment which, on that day, the Contributor is entitled to count as Service for the purposes of rule 12.1 is, in

total, for less than a period of 10 years, the expiration of the balance of that period of 10 years,

whichever is the later;

DT is the total of all deduction factors required to be applied by the Trustee in relation to the Contributor on that day.

11.2.2 Where the number of units of pension calculated in accordance with the formula specified in subrule 11.2.1 is or includes a fraction of a unit:

- (a) if the fraction is less than one-half, the fraction shall be disregarded; or,
- (b) if the fraction is not less than one-half, the fraction shall be deemed to be a whole unit.

11.3 Deduction factors in relation to certain periods of leave of absence

11.3.1 Except as provided by subrule 11.3.2, on and from the commencement of a period of leave of absence without pay by a Contributor, the Trustee shall apply under rule 11.2, in relation to the Contributor, in addition to such other deduction factors (if any) as the Trustee is required to apply in relation to the Contributor, a deduction factor equal to the length of so much of that period as exceeds 3 months (expressed in terms of years, if any, and including any fractional part of a year calculated on a daily basis).

11.3.2 Subrule 11.3.1 does not apply in relation to a period of leave of absence by a Contributor where:

- (a) the leave is a prescribed form of leave or is leave with respect to which subrule 11.8.2, 11.8.3 or 11.8.6 applies;
- (b) the period commences before 1 July 1985 or is not more than 3 months; or
- (c) before the commencement of that period, the Contributor elects to have subrule 11.3.1 not apply in relation to that period.

11.3.3 The reference to a prescribed form of leave in subrule 11.3.2(a) includes (but is not limited to) a reference to maternity leave and is to be taken to have included such a reference from and including 1 July 1985.

11.3.4 Where a period of leave of absence to which subrule 11.3.1 applies terminates (whether by reason of death of the Contributor or otherwise), on or before the expiration of 3 months of the period, the Trustee shall, on and from that termination, cease to apply under rule 11.2 in relation to the Contributor the deduction factor required under subrule 11.3.1 to be applied on and from the commencement of that period.

11.3.5 The Trustee must apply under section 11.2, in relation to a Contributor who takes a single period of leave without pay that is sick leave or maternity leave, a deduction factor equal to the length of that part of the period of leave that exceeds 2 years.

11.3.6 The deduction factor applied under subrule 11.3.5 is to be expressed in terms of years and include any fractional part of a year calculated on a daily basis.

11.3.7 The deduction factor applied under subrule 11.3.5 is to be applied on and from the end of 2 years after the commencement of the single period of leave and is in addition to any other deduction factor that the Trustee is required to apply in relation to the Contributor.

11.3.8 Where a period of leave of absence to which subrule 11.3.1 applies terminates (whether by reason of death of the Contributor or otherwise) before the expiration of the whole, but after the expiration of 3 months, of the period or a period of leave of absence is extended after the commencement of the period and the period, as extended, is a period of leave of absence to which subrule 11.3.1 applies, the Trustee shall, on and from that termination or extension, apply under rule 11.2 in relation to the Contributor:

- (a) instead of the deduction factor (if any) required under subrule 11.3.1 to be applied on and from the commencement of that period; and
- (b) in addition to such other deduction factors (if any) as the Trustee is required to apply in relation to the Contributor,

a deduction factor equal to the length of so much of the period of leave actually taken or the length of so much of the period of leave, as extended, as exceeds 3 months (expressed in terms of years, if any, and including any fractional part of a year calculated on a daily basis).

11.4 Deduction factors for periods determined by the Trustee

11.4.1 Despite any other provision of these Rules, the Trustee may apply under rule 11.2, in relation to a Contributor specified by the Trustee, a deduction factor equal to the length of the period for which the Trustee determines that the deduction factor is to apply.

11.4.2 The deduction factor is to be expressed in terms of years and include any fractional part of a year calculated on a daily basis.

11.4.3 The Trustee may only make such a determination if it is of the opinion that it is necessary to do so for the purposes of a provision of Superannuation Law restricting the acceptance of contributions by a superannuation fund.

11.4.4 The deduction factor is to be applied on and from the commencement of the period specified by the Trustee and is in addition to any other deduction factor that the Trustee is required to apply in relation to the Contributor.

11.5 Deduction factors in relation to part-time employment

11.5.1 In this rule 11.5, a reference to the salary ratio in relation to a position in which a person is employed as a part-time Employee is a reference to the ratio of the Salary of the person as a part-time Employee to the Salary certified by the Employer of the person to be the Salary which would be paid to the person if employed full-time in that position.

11.5.2 Where a Contributor who is not a part-time Employee becomes employed in a position as a part-time Employee or a Contributor who is a part-time Employee becomes employed as a part-time Employee in a position in relation to which the salary ratio is different from that of the former position, the Trustee shall, on and from the day on which the Contributor becomes so employed, apply under rule 11.2, in relation to the Contributor, in addition to such other deduction factors (if any) as the Trustee is required to apply in relation to the Contributor, a deduction factor equal to the figure calculated in accordance with the following formula:

$$D = PA \times (1 - SR)$$

where:

D is the deduction factor;

PA is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the day precedes:

(a) the date on which the Contributor attains the Maturity Age; or

(b) where any employment which, on that day, the Contributor is entitled to count as Service for the purposes of rule 12.1 is, in total, for less than a period of 10 years, the expiration of the balance of that period of 10 years,

whichever is the later;

SR is the salary ratio (expressed as a fraction) in relation to the position.

11.5.3 Where a Contributor who is employed in a position as a part-time Employee ceases to be employed as a part-time Employee or becomes employed in another position in relation to which the salary ratio is different from that of the former position, the Trustee shall, on and from the day on which the Contributor becomes employed in the other position, apply under rule 11.2 in relation to the Contributor:

(a) instead of the deduction factor required under subrule 11.5.2 to be applied on and from the day on which the Contributor became employed in a position having the salary ratio of the former position; and

(b) in addition to such other deduction factors (if any) as the Trustee is required to apply in relation to the Contributor,

a deduction factor equal to the figure which would have been calculated in accordance with subrule 11.5.2 if the figure attributed to the symbol "PA" were the number of years, if any, (including any fractional part of a year calculated on a daily basis) of the period during which the Contributor was employed in a position having the salary ratio of the former position.

11.5.4 The Trustee must apply under section 11.2, in relation to a Contributor who is employed for less than 10 hours a week for a single period of more than 2 years, a deduction factor equal to the length of that part of the period that the Contributor is so employed that exceeds 2 years and ends on the date on which the Contributor attains the Maturity Age.

11.5.5 The deduction factor applied under subrule 11.5.4 is to be expressed in terms of years and include any fractional part of a year calculated on a daily basis.

11.5.6 The deduction factor applied under subrule 11.5.4 is to be applied on and from the end of 2 years after the commencement of the period of employment and is in addition to any other deduction factor that the Trustee is required to apply in relation to the Contributor.

11.5.7 Subrules 11.5.1 to 11.5.3 do not apply in respect of a Contributor during any period in which the Trustee is required to apply a deduction factor under subrule 11.5.4.

11.5.8 However, subrule 11.5.3 applies to a Contributor who, at the end of the period, commences to be employed for more than 10 hours a week in the same way as it applies to any other Employee whose salary ratio changes.

11.6 Continuation of certain contributions

- 11.6.1 Where a Contributor completes payment of the 65 instalments under rule 9.2, in respect of a unit of pension, or, pursuant to rule 8.4, contributions cease to be payable in respect of a unit of pension by a Contributor who attains the Maturity Age, contributions shall, until the Contributor's next Annual Adjustment Day or Exit Day (whichever first occurs), continue to be made at the rate at which the Contributor was contributing for that unit.
- 11.6.2 Any continued contributions made by a Contributor by virtue of subrule 11.6.1 shall be credited, in such manner as the Trustee thinks fit, to units of pension in respect of which the Contributor is contributing or may, on the Contributor's next Annual Adjustment Day or Exit Day, be required to contribute by instalments under rule 9.2.
- 11.6.3 Subrule 11.6.1 ceases to apply to a Contributor if the Trustee so approves on application made by the Contributor before his Exit Day.
- 11.6.4 Without affecting the operation of this rule 11.6, a Contributor to whom this rule 11.6 applies shall be deemed, for the purposes of these Rules, to have ceased contributing for the unit of pension referred to in subrule 11.6.1.

11.7 Reserve units

- 11.7.1 There shall be a reserve units of pension account (in this rule referred to as the *reserve account*) which shall form part of this Division and into which shall be paid all contributions made by Contributors under this rule 11.7.
- 11.7.2 A Contributor who is contributing for not less than the number of units of pension corresponding to the salary-group within which the Contributor's Salary falls may, by notice in writing to the Trustee in the form prescribed, elect to contribute for reserve units of pension (hereinafter referred to as *reserve units*) in accordance with the provisions of this rule 11.7.
- 11.7.3 An election under subrule 11.7.2 may only be made by a Contributor within 2 months after the Contributor's Annual Review Day in any half-year.
- 11.7.4 The number of reserve units for which a Contributor shall be entitled to contribute shall not exceed 8.
- 11.7.5 Contributions in respect of a reserve unit:
- (a) shall take effect as from the Contributor's Annual Adjustment Day in the half-year in which the election is made; and
 - (b) shall be made as if the reserve unit were a Contributory Unit, contributions for which are payable as from the Annual Adjustment Day.
- 11.7.6
- (a) Where a Contributor who has contributed for at least ten years for any reserve units, or contributed for at least one year for any reserve units and has attained the age of 50 years, becomes eligible to or is required to contribute for one or more additional units of pension in pursuance of the provisions of these Rules, the Contributor may elect by notice in writing to the Trustee in the form prescribed to appropriate to the contribution account the contributions paid by the Contributor

to the reserve account in respect of a number of reserve units not exceeding the number of those additional units of pension.

- (b) Where a Contributor so elects, no further contributions shall be paid into the reserve account in respect of the reserve units to which the election applies and the contributions payable by the Contributor in respect of so many of the additional units of pension as is equal to the number of those reserve units shall be at the same rate as the contributions paid into the reserve account in respect of those reserve units.

11.7.7 The Trustee must pay to a Contributor who, in accordance with section 15A(6) of the *Superannuation Act 1916* elected to discontinue the payment of contributions for reserve units the amount paid in respect of those units, together with any interest payable under subrule 11.7.11.

11.7.8 If a Contributor who is contributing for reserve units ceases to be an Employee, the Trustee must pay to the Contributor or, as the case may be, to the Contributor's legal personal representatives the amount of the Contributor's contributions paid in respect of those units, together with any interest payable under subrule 11.7.10.

11.7.9 In subrule 11.7.8, the reference to legal personal representatives includes a reference to a person referred to in the Trust Deed.

11.7.10 A Contributor is entitled to interest on contributions for reserve units paid for by the Contributor, compounded annually, at the rate fixed by the Trustee in accordance with rule 24.5 and payable from the respective dates of payment.

11.7.11 Payments under subrules 11.7.7 and 11.7.8 are to be made from the appropriate reserve.

11.7.12 For the purposes of subrules 11.7.7 to 11.7.11, a reference to the specified rate is:

- (a) if the rate relates to a period before 20 March 1989, 6.5% per annum or, where another rate has been specified for the purposes of subsection (6)(c) of the *Superannuation Act 1916* (as in force before 20 March 1989), that other rate; or
- (b) if the rate relates to a period after 20 March 1989 such rate as the Trustee fixes from time to time under rule 24.5 for the purposes of this rule 11.7.

11.7.13 A Contributor who made an election under subsection 15A(6) of the *Superannuation Act 1916* in respect of any reserve unit or units shall not again be eligible to elect to contribute for any reserve unit or units.

11.7.14 A Contributor who has made an election under subrule 11.7.6 may elect to contribute for reserve units but so that the number of reserve units for which the Contributor becomes a Contributor by virtue of the operation of this subrule 11.7.14, together with the reserve units, if any, for which the Contributor was contributing immediately before electing under this subrule 11.7.14 and any reserve units which may already have been appropriated by the Contributions under subrule 11.7.6 shall not exceed 8.

11.8 Employees on leave of absence

11.8.1 In respect of any Contributor who is on leave of absence, whether without pay or not, that Contributor's contributions shall be paid during such leave of absence as for a period of

Service and shall become due on or before the last day of each month or four-weekly Contribution Period.

11.8.2 For the purposes of these Rules, where a Contributor is on leave without pay from the Service of an Employer and is on secondment to the Service of another Employer, that Contributor's Salary shall, notwithstanding subrule 11.8.1, be that paid or payable by that other Employer.

11.8.3 For the purposes of these Rules, where a Contributor:

- (a) is on approved leave from the Service of an Employer;
- (b) is not on secondment to the Service of another Employer; and
- (c) is not a Contributor to and in respect of whom subrule 11.8.7 is declared pursuant to subrule 11.8.6 to apply,

and the Trustee is of the opinion that the Contributor's Salary would have been varied had the Contributor not been on that leave, the Contributor shall, unless the Trustee otherwise determines, be deemed to have been paid by the Contributor's Employer Salary at the rates to which and at the times at which it would have been varied.

11.8.4 For the purposes of subrule 11.8.3, a person is on approved leave if the person is on leave without pay from the Service of the person's Employer:

- (a) by reason of:
 - (i) ill health;
 - (ii) secondment to the Service of a public authority constituted by or under an Act;
 - (iii) secondment to the Service of the Government of the Commonwealth or another State or to the Service of a public authority constituted by or under an Act of the Parliament of the Commonwealth or another State; or
 - (iv) Service with the naval, military or air forces of the Commonwealth; or
- (b) in circumstances approved by the Employer under subrule 11.8.5.

11.8.5 For the purposes of subrule 11.8.4(b), the Employer may, if it thinks fit, by notice in writing to the Trustee, approve of circumstances in which a person is on leave without pay from the Service of his Employer, if that Employer certifies to the Trustee that that person is, during the period of leave, acting in the interests of the Employer or the State.

11.8.6 An Employer may determine, either unconditionally or subject to conditions, that subrule 11.8.7 or 11.8.8 applies, or both apply:

- (a) to and in respect of a Contributor specified in the instrument who is on leave of absence from the service of his Employer and is on secondment but not to the Service of another Employer; and

- (b) generally during the period of that secondment or during such period as is specified in the instrument, being, in either case, a period commencing before or after the commencement of this subrule 11.8.6 or the date of the declaration.

11.8.7 During the period in which this subrule 11.8.7 is declared pursuant to subrule 11.8.6 to apply to and in respect of a Contributor who is on secondment, the Contributor's Salary shall, for the purposes of these Rules, be that paid or payable in respect of the Service to which he is seconded.

11.8.8 During the period in which this subrule 11.8.8 is declared pursuant to subrule 11.8.6 to apply to and in respect of a Contributor who is on secondment, the Employer specified in the declaration as the Employer for the purposes of these Rules shall, for the purposes of these Rules, be deemed to be the Employer from whose Service the Contributor is on leave of absence.

11.9 Deferment of payment of contributions

The Trustee may, in special circumstances, defer the payment of any contribution by a Contributor but, where the Trustee so defers a payment, no Benefit is payable to or in respect of the Contributor until the outstanding contribution and, where appropriate, interest thereon, have been paid or arrangements satisfactory to the Trustee have been made for their payment.

11.10 Manner of payment deduction from wages or salaries

11.10.1 Whenever salaries or wages are paid to Contributors, their Employer must deduct from those salaries or wages the contributions that those Contributors are required to make to this Division.

11.10.2 An Employer who has deducted contributions in accordance with subrule 11.10.1 must pay those contributions to the Trustee, without deduction, within the period specified by the Trustee.

11.10.3 The Trustee may enter into an arrangement with a Contributor, or may require a Contributor to enter into an arrangement with the Trustee, for the payment of arrears of contributions to this Division that have been incurred, or are expected to be incurred, by the Contributor.

11.10.4 Where a Contributor:

- (a) fails to comply with a requirement under subrule 11.10.3 to enter into an arrangement referred to in that subrule; or
- (b) having entered into such an arrangement, fails to comply with its terms,

the Trustee may direct that any period in respect of which any such arrears are outstanding is not a period of Service by the Contributor, and the direction shall have effect according to its tenor.

11.10.5 Arrears in Employers' contributions (including arrears arising as a consequence of Contributors commencing to contribute to this Division after the date on which they were required to contribute) shall be payable, and shall be deemed always to have been payable, at such time or times as the Trustee may determine.

11.11 Contributor eligible for membership or a member of Division E

11.11.1 When a Contributor becomes eligible to become a member of Division E, the Contributor must:

- (a) elect to continue to contribute to this Division; or
- (b) elect to make provision for a Benefit provided by Part 16.

11.11.2 If a Contributor fails to make an election under subrule 11.11.1 within 2 months of being required to make that election, the Contributor is, for the purposes of this rule 11.11, to be taken to have elected to continue to contribute to this Division.

11.11.3 Nothing in these Rules prevents a Contributor who elects to continue to contribute to this Division from also contributing to Division E or another superannuation fund and such a Contributor is entitled to Benefits in accordance with these Rules despite being a member of that other fund.

11.11.4 If a Contributor elects to continue to contribute to this Division, the Contributor may, at any time thereafter while being eligible to become or being a member of Division E, elect to make provision for a Benefit provided by Part 16.

11.11.5 A Contributor who elects, under this rule 11.11, to make provision for a Benefit provided by Part 16:

- (a) may elect to make provision for the Benefit even though he or she has not completed 3 years' continuous Contributory Service;
- (b) is not entitled to a Benefit payable under any other provision of these Rules;
- (c) is not entitled to elect to take the Benefit provided by rule 16.11;
- (d) may elect at any time before the benefit is paid to have the benefit paid to the credit of the Contributor in Division E if the Contributor is a member or is eligible to become a member of that Division.

11.11.6 If a Contributor makes an election under subrule 11.11.5(d):

- (a) the Contributor is entitled to be paid the Benefit provided by Part 16, but only in accordance with subrule 11.11.5(d), this subrule 11.11.6 and subrule 11.11.7;
- (b) the Trustee must, as soon as practicable thereafter, pay to Pool A the amount of Benefit to which the Contributor is entitled; and
- (c) the Trustee must credit the amount to the account established or to be established for the person in Division E.

11.11.7 For the purposes of subrule 11.11.6(a), the Benefit to which the Contributor is entitled is an amount equal to the actuarially calculated lump sum value of the Benefit provided by Part 16 on ceasing to be a Contributor.

11.11.8 If a Contributor makes an election under subrule 11.11.1 (b) or 11.11.4 within 12 months after being:

- (a) appointed as a Chief Executive Officer or Senior Executive Officer; or
- (b) nominated as an officeholder for the purposes of section 11A of the *Statutory and Other Offices Remuneration Act 1975*,

the Salary of the Contributor, for the purpose of determining the amount of the Benefit to which the election relates, is to be taken to be his or her Salary immediately before that appointment or nomination took effect.

11.12 Transferred members – PSESS Election

[inserted by Deed of Amendment No. [1] operative 27/4/98]

11.12.1 A person:

- (a) who is a member of Division E; and
- (b) who had a benefit transferred under regulation 7(b) of the Transfer Regulation; and
- (c) is employed by an Employer

is entitled to elect at any time to make provision for Benefits provided for by rule 16.

11.12.2 If the person makes an election under this rule, then subrule 11.11.6 applies.

12. PENSIONS AND BENEFITS

12.1 Retirement on pension

12.1.1 A Contributor (being, in the case of a woman, a Contributor at the rate prescribed for retirement at age 60) who has served for at least ten years with any one or more Employers shall be entitled to elect to retire on pension from the Service of the Contributor's Employer upon or after reaching the age of 60 years; and every woman Contributor at the rate prescribed for retirement at age 55 who has so served shall be entitled to so retire upon or after reaching the age of 55 years.

12.1.2 A Contributor (being, in the case of a woman, a Contributor at the rate prescribed for retirement at age 60) shall be entitled to elect to retire from the Service of the Contributor's Employer on pension on or after reaching the age of 55 years if the Contributor has continuously been a Contributor during the next preceding period of ten years.

12.1.3 A person who, before becoming a Contributor, was:

- (a) employed on terms requiring the Contributor to give the whole of his or her time to that employment; and
- (b) paid at an hourly, daily, weekly or fortnightly rate, or at piecework rates,

is entitled to have that employment treated as Service as an Employee for the purposes of this rule 12.1.

12.1.4 Whenever:

- (a) a period of employment that a Contributor has had with an Employer; and
- (b) a later period of Service that the Contributor has had as an Employee with an Employer are continuous,

the Trustee may, if satisfied that, having regard to the nature of the work performed by the Contributor during that period of employment, it is proper to do so, treat, for the purposes of this rule 12.1, that period of employment as a period of Service as an Employee with that Employer.

- 12.1.5 A reference in subrule 12.1.4 to a period of Service as an Employee with an Employer includes a reference to a period treated under subrule 12.1.3 or 12.1.4 as a period of Service as an Employee.

12.2 Commuting of pension

[deleted by Deed of Amendment No.4 operative 1/1/00]

12.3 Limitations on elections under rule 12.2

[deleted by Deed of Amendment No.4 operative 1/1/00]

12.4 Commuting of pension

[heading amended by Deed of Amendment No.4 operative 1/1/00]

- 12.4.1 A person who is entitled or becomes entitled to a pension under these Rules may commute the whole or part of that pension (subject to this rule 12.4 and rule 26A).

[replaced by Deed of Amendment No.4 operative 1/1/00]

- 12.4.2 A person may not commute the whole or any part of a pension under subrule 12.4.1 before attaining the age of 55 years.

[replaced by Deed of Amendment No4 operative 1/1/00]

- 12.4.3 This rule does not authorise the commutation of a pension payable in respect of Children.

- 12.4.4 Subject to rule 12.5, any person desiring to commute pension pursuant to this section may elect to do so at any time after attaining the age of 54 years and 6 months.

[replaced by Deed of Amendment No4 operative 1/1/00]

- 12.4.5 An election under this rule 12.4 may be made in respect of 2 different amounts and as from 2 different dates and the election shall have effect as to the different amounts as from the respective dates from which the different amounts are commuted.

- 12.4.6 Where:

- (a) a person making an election under this rule 13.5 in respect of one amount dies before the election takes effect, the election shall be deemed to be revoked; and
- (b) a person making an election under this rule 12.4 in respect of different amounts as from different dates dies before the commutation as to one or both of those

amounts takes effect, the commutation as to that or those amounts, as the case may be, shall not be effective.

12.4.7 Where an election under this rule 12.4 takes effect and the person who made the election dies before any lump sum payable pursuant to the election has been paid to the person, the Trustee shall pay the lump sum to the person's legal personal representatives.

12.4.8 Upon an election under this rule 12.4 taking effect as to an amount of pension, there shall be paid from this Division to the person who made the election or, as the case may require, to the legal personal representatives of the person, a lump sum calculated by multiplying the fortnightly amount of pension commuted by the prescribed commutation factor in relation to the person subject to rule 13.7A.3 and 13.8.3.

[amended by Deed of Amendment No4 operative 30/6/99]

12.4.9 In subrule 12.4.8:

prescribed commutation factor means:

(a) in relation to a person whose election under this rule 12.4 took effect as to an amount of pension before the person attained the age of 60 years, the figure (rounded to 2 decimal places) calculated in accordance with the following formula:

$$F = 285 - (A - 55) \times 7$$

where:

F is the prescribed commutation factor;

A is the age of the person in years (including any fractional part of a year calculated on a daily basis) on the date the election by the person to commute took effect as to that amount of pension; and

(b) in relation to a person whose election under this rule 12.4 took effect as to an amount of pension on or after the person attained the age of 60 years:

(i) 250, where no prescribed period has elapsed in relation to the person; or

(ii) where a prescribed period has elapsed in relation to the person, a figure lower than 250 determined by the Trustee having regard to the length of the prescribed period;

prescribed period, in relation to a person whose election under this rule 12.4 took effect as to an amount of pension on or after the person attained the age of 60 years, means:

(a) in the case of such a person who became entitled to the amount of pension to which the election relates on or before attaining the age of 65 years, the period (if any) between:

(i) the attainment by the person of the age of 60 years or the day on which the person became entitled to that amount of pension, whichever was the later; and

- (ii) the day on which the election took effect as to that amount of pension; or
 - (b) in the case of such a person who became entitled to the amount of pension to which the election relates after attaining the age of 65 years, the period (if any) between:
 - (i) the attainment by the person of the age of 65 years; and
 - (ii) the day on which the election took effect as to that amount of pension.
- 12.4.10 Subject to rule 12.5, a person may, with the approval of the Trustee, make more than one election under this rule 12.4, but only one such election shall take effect.
- 12.4.11 Where a person makes an election under rule 12.10 to take up additional units, nothing in subrule 12.4.10 applies to an election made under this rule 12.4 in respect only of any of the pension payable in respect of those additional units, but:
- (a) a person may not, without the approval of the Trustee, make more than one such election under this rule 12.4 in respect of that pension; and
 - (b) only one such election made by the person under this rule 12.4 in respect of that pension shall take effect.
- 12.4.12 Subrules 12.4.10 and 12.4.11 apply to and in respect of an election under this rule 12.4 whether or not the election has been amended or revoked.
- 12.4.13 The approval of the Trustee may only be given for the purposes of subrule 12.4.10 and 12.4.11 in special circumstances.
- 12.4.14 An election made under this rule 12.4 by an Employee before the day on which the Employee attained the age of 55 years shall be deemed to be revoked if the Employee has not retired before the expiration of 12 months after attaining that age.
- 12.4.15 An election made under this rule 12.4 by an Employee on or after the day on which the Employee attained the age of 55 years shall be deemed to be revoked if the Employee has not retired before the expiration of 12 months after making the election.
- 12.4.16 These Rules apply to and in respect of a person who is entitled to a pension and who commutes the whole of that pension in accordance with this rule 12.4 in the same way as it applies to and in respect of a pensioner under these Rules.
- 12.4.17 On the death of a person who has, pursuant to this rule 12.4, commuted the whole or part of any pension payable to the person, the pension payable to the Spouse of the person pursuant to the provisions of these Rules shall be determined in accordance with the pension that would have been payable to the person at the time of death had the person not so commuted that pension.
- 12.4.18 Nothing in these Rules shall be construed as requiring the Trustee to make inquiries as to whether any pension is payable under these Rules as a consequence of the death of a person who has commuted the whole of a pension in accordance with this rule 12.4.

12.5 Limitations on elections under rule 12.4

12.5.1 Subject to Rule 12.5, a person may not make an election under rule 12.4 relating to a pension under these Rules after the expiration of 6 months after:

[replaced by Deed of Amendment No4 operative 1/1/00]

- (a) the day on which the person attained the age of 55 years, or
 - (b) the day on which the person became entitled to that pension,
- whichever is the later day.

12.5.2 Subject to rule 12.5, if a person makes an election under rule 12.10 to take up additional units, the person may not make an election under rule 12.4 in respect only of the pension payable in respect of those additional units after the expiration of 6 months after:

[replaced by Deed of Amendment No4 operative 1/1/00]

- (a) the day on which the person attained the age of 55 years, or
 - (b) the day on which the person made the election under rule 12.10,
- whichever is the later day.

12.5.3 Where:

- (a) an election under rule 12.4 was not made within the time prescribed in respect thereof by the provisions of subrules 12.5.1 and 12.5.2;
- (b) it is proved to the satisfaction of the Trustee that the election was not made within that time because:
 - (i) the person entitled to make the election did not know of the right to make the election; or
 - (ii) circumstances substantially beyond the control of the person prevented the making of the election; and
- (c) the Trustee is satisfied that, in the circumstances of the case, it is desirable that the election should be accepted,

the Trustee may, subject to such terms and conditions as it may impose, accept the election and deal with it as if that time had been indefinitely extended.

12.5.4 Where:

- (a) a pension became payable to a person before the person attained the age of 60 years;
- (b) the person has attained the age of 59 years and 6 months; and
- (c) the person, although entitled to do so, has not previously made an election under rule 12.4 (being an election which has taken effect) to commute the whole or any part of that pension,

the person may make an election under rule 12.4 in relation to that pension before the expiration of the period of 6 months after the day on which the person attains or attained the age of 60 years.

12.6 Interest to be paid on commuted amounts

Whenever a lump sum is payable under rule 12.4, interest at the rate currently fixed under rule 24.5 for the purposes of this rule 12.6 (less any deduction for money due to this Division) is payable under this Division in respect of the period beginning with the date on which the lump sum becomes payable and ending with the date when it is authorised to be paid.

[amended by Deed of Amendment No.4 operative 1/1/00]

12.7 Breakdown retirement

12.7.1 Any Contributor may be retired from the Service of his Employer on the ground of invalidity or physical or mental incapacity to perform his duties.

12.7.2 The question whether the Contributor is an invalid, or is physically or mentally incapable of performing his or her duties, shall be determined by the Trustee, having regard to medical advice furnished by any one or more medical practitioners nominated by the Trustee.

12.8 Retrenchment and Discharge

12.8.1 For the purposes of these Rules, a Contributor shall be taken to be Retrenched when the Contributor's Service with an Employer is terminated and where the Service is expressed by the Employer to be:

- (a) compulsorily terminated by the Employer on the ground that:
 - (i) the Employer no longer requires the Contributor's Services and, on termination of the Contributor's Service, does not propose to fill the Contributor's position;
 - (ii) the work which the Contributor was engaged to perform has been completed; or
 - (iii) the amount of work that the Employer requires to be performed has diminished and, because of that fact, it has become necessary to reduce the number of Employees employed by the Employer; or
- (b) terminated as a result of the acceptance by the Contributor of an offer by the Employer of terms of retrenchment made on a ground specified in paragraph (a).

12.8.2 For the purposes of these Rules, a Contributor shall be taken to be Discharged on the cessation of the Contributor's employment with an Employer expressed by the Employer to be on the ground that the period, or successive periods, for which the Contributor was employed has or have ended.

12.9 Date of retirement, Contributions payable etc.

12.9.1 For the purpose of determining the rights of an Employee under these Rules, the date of his retirement shall be the date on which in the opinion of the Trustee he ceases to be employed by his Employer.

12.9.2 Except as provided by rule 12.10, a person is not entitled to elect to contribute, or required to contribute, in respect of an additional unit or units of pension by reason of a Salary increase not actually paid before the date of his retirement, determined as provided by subrule 12.9.1, or the date of his death, whichever first occurs.

12.9.3 Notwithstanding anything contained in these Rules, rules 13.3 and 13.5 excepted, pension shall be payable, in the case of the death of an Employee from the day following the date of death of the Employee, and in the case of the retirement of an Employee the date of whose retirement is determined by the Trustee in accordance with this rule 12.9 from the day following such date.

12.10 Retrospective Salary increases

12.10.1 Notwithstanding subrule 12.9.2, where:

- (a) a Contributor retires or dies; or
- (b) where a pensioner dies,

and an amount in respect of an increase in the Contributor's or pensioner's Salary that took effect from a day earlier than the day of the Contributor's or pensioner's retirement or death and payable up to the day of the Contributor's or pensioner's retirement or death has been paid to the Contributor or pensioner, or is payable to the Contributor's or pensioner's estate,

- (c) the Contributor or pensioner, or
- (d) in the case of the Contributor's or pensioner's death, the Contributor's or pensioner's Spouse,

may make an election to take up any or all of the additional units to which such increase would have entitled the Contributor or pensioner had the Contributor or pensioner continued to be a Contributor.

12.10.2 Pension in respect of the additional units in respect of which an election is made under this rule 12.10 shall be payable from the day following the date of retirement or death of the Contributor or pensioner, as the case may be.

12.10.3 The contributions payable consequent on an election under this rule 12.10 in respect of a unit of pension shall be the contributions that would have been payable had the unit been a unit in respect of which the Contributor was required by subrule 5.7.1 to contribute under this Division.

12.10.4 Nothing in this rule 12.10 authorises a person to elect to take up Abandoned Units.

12.10.5 An election under this rule 12.10 shall:

- (a) in the case of a person who retires after 1 January 1971 be made by the Contributor or pensioner within three months after the increase is actually paid to the Contributor or pensioner and, in the event of the person's death before the expiration of the said three months and the person's not having made such election, be made by the person's Spouse within three months after the person's death;

- (b) in the case of a person who retires after 1 January 1971 and dies before the increase is paid, be made by the person's Spouse within three months after the increase is paid;
- (c) in the case of a Contributor who dies before the increase is paid be made, by the person's Spouse within three months after the increase is paid,

but the Trustee may in special circumstances allow an election to be made under this rule 12.10 after the expiration of the periods above prescribed.

12.11 Dismissal

For the purposes of these Rules, a Contributor shall be taken to be Dismissed when the Employer compulsorily terminates (however expressed) the Contributor's Service otherwise than:

- (a) by compulsorily retiring the Contributor on a pension payable under these Rules;
or
- (b) by Retrenching or Discharging the Contributor.

12.12 Resignation

12.12.1 For the purposes of these Rules, a Contributor shall be taken to have Resigned from the Service of an Employer when the Contributor terminates (however expressed) that Service without:

- (a) being entitled to retire from that Service on a pension payable under these Rules;
or
- (b) being Retrenched.

12.12.2 Notwithstanding Rule 12.12.1, a Contributor shall be taken to have Resigned from the Service of an Employer when the Contributor terminates that Service and elects to take the Benefit of Rule 13.19.

[inserted by Deed of Amendment No10 operative 30/6/99]

12.12.3 Where a Contributor elects to take the Benefit of Rule 13.19 then no other Benefit will be payable under these Rules.

[inserted by Deed of Amendment No10 operative 30/6/99]

13. GRANT OF PENSIONS AND BENEFITS

13.1 Amount of pension payable on retirement

13.1.1 A Contributor who retires is entitled to be paid a pension of \$5.50 per fortnight for each unit for which the Contributor was contributing at the time of retirement.

13.1.2 Subrule 13.1.1 does not apply to a Contributor in respect of whom special provision for the payment of a pension or other retirement Benefit is made under another provision of these Rules.

13.1.3 If the Trustee has made a determination under rule 23.1 in respect of a pension payable under this rule 13.1, the amount of the pension is reduced by the amount specified in the Trustee's determination.

13.2 Pension of woman retiring before 60

On the retirement at or after the age of 55 years of a woman who has contributed for a pension payable on reaching that age, the full pension for which she has so contributed shall be payable.

13.3 Pension on retirement before reaching 60 years of age

13.3.1 This rule 13.3 applies to a Contributor who retires in accordance with subrule 12.1.2 and who is not entitled to a pension under rule 13.4.

13.3.2 A Contributor to whom this rule 13.3 applies is entitled on retirement to a pension determined according to the number of units for which the Contributor has, at the time of retirement, contributed for not less than 2 years and 6 months.

13.3.3 Subject to this rule 13.3, the value of each unit of pension referred to in subrule 13.3.2 is as follows:

- (a) if the age of the Contributor at the Contributor's last birthday before retirement was 55 years, \$3.27 per fortnight;
- (b) if the age of the Contributor at the Contributor's last birthday before retirement was 56 years, \$3.55 per fortnight;
- (c) if the age of the Contributor at the Contributor's last birthday before retirement was 57 years, \$3.91 per fortnight;
- (d) if the age of the Contributor at the Contributor's last birthday before retirement was 58 years, \$4.35 per fortnight;
- (e) if the age of the Contributor at the Contributor's last birthday before retirement was 59 years, \$4.88 per fortnight.

13.3.4 In addition to the value of a unit of pension specified in subrule 13.3.3, a Contributor is entitled to receive in respect of the unit an amount per fortnight calculated in accordance with the following formula:

$$\frac{(A - B) \times C}{364}$$

where:

A represents the value that the unit would have had if the Contributor had in fact retired on the Contributor's next birthday after that retirement; and

B represents the value of the unit at the Contributor's last birthday before retirement; and

- C represents the number of days during the period beginning with the day after the Contributor's last birthday before retirement and ending with the day before payment of the pension is due to begin.
- 13.3.5 If a Contributor to whom this rule 13.3 applies has contributed for one or more units of pension for less than 2 years and 6 months, the Contributor is entitled to be paid on retirement a lump sum equal to the amount of contributions that the Contributor has paid in respect of the unit or units.
- 13.3.6 A pension under this rule 13.3 becomes payable on and from the day following the Contributor's Exit Day, except as provided by subrule 13.3.7.
- 13.3.7 A pension under this rule 13.3 payable to a Contributor who is Retrenched becomes payable on and from the day after the day on which the Contributor actually leaves the Service of the Contributor's Employer, whether at the Contributor's Exit Day any period of untaken leave was due to the Contributor or not.
- 13.3.8 A Contributor whose pension is determined in accordance with this rule 13.3 ceases to be liable to pay contributions to this Division on the first day of the month or four-weekly period, as the case may be, in which the pension becomes payable in accordance with subrule 13.3.6 or 13.3.7.
- 13.3.9 If the Trustee has made a determination under rule 23.1 in respect of a pension payable under this rule 13.3, the amount of the pension is reduced by the amount specified in the Trustee's determination.

13.4 Pension on retirement before age 60 – component pension

- 13.4.1 On the retirement of a Contributor under subrule 12.1.2, except as provided by subrule 13.4.2, the pension to which the Contributor is entitled is a pension under this rule 13.4.
- 13.4.2 A Contributor is entitled to the pension under rule 13.3 and not the pension under this rule 13.4 if the sum of:
- (a) the amount which would be payable to the Contributor on the commutation of the whole of the pension payable to the Contributor under rule 13.3; and
 - (b) the amount of any lump sum which would be payable to the Contributor under subrule 13.3.5,
- is greater than the amount which would be payable to the Contributor on the commutation of the whole of the pension payable to the Contributor under this rule 13.4.
- 13.4.3 The pension to which a Contributor is entitled under this rule 13.4 is a pension of an amount per fortnight equivalent to the sum of the employee-contributed pension component, and the employer-financed pension component, in relation to the Contributor.
- 13.4.4 For the purposes of subrule 13.4.3, the employee-contributed pension component, in relation to a Contributor, shall be calculated in accordance with the following formula:

$$P1 = 2.20 \times EPU \times (1 - .07 \times TM)$$

where:

- P1 is the employee-contributed pension component;
- EPU is the sum of the following:
- (a) $\frac{UHn - Cn}{Rn}$ (except where $\frac{Cn}{Rn}$ exceeds UHn);
 - (b) $\frac{TCB}{RB}$; and
 - (c) uc;
- UHn is the number of units of pension for which Contributions were payable by the Contributor on the Contributor's Exit Day in accordance with the tables of contributions fixed by or under these Rules, but excluding:
- (a) any such units of pension which are excess units of pension referred to in subrule 6.1.1 and in respect of which no person has any rights under this Division; and
 - (b) any such units of pension, being reserve units, for which Contributions were being made under rule 11.7;
- Cn is the amount of Contributions due for the last Contribution Period for which Contributions were payable by the Contributor before the Contributor's Exit Day, in respect of that number of units of pension;
- Rn is the amount which, if the Contributor were required under Part 8 to commence to contribute for an additional unit of pension on the Contributor's Exit Day, would be the amount payable in accordance with the tables of Contributions fixed under rule 8.3 for that unit for a Contribution Period;
- TCB is the total amount paid in respect of instalments payable by the Contributor on or before the Contributor's Exit Day for units of pension for which the Contributor contributed in accordance with Part 9 (but deducting therefrom any part of that amount allocated under these Rules to the purchase of fully paid up units);
- RB is the amount specified in subrule 9.1.1 as the cost of a unit of pension in relation to the Contributor;
- UC is the number of units (if any) purchased by the Contributor and credited to the Contributor as fully paid up units;
- TM is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the day from which the pension under this rule 13.4 commences to be payable precedes the date on which the Contributor attains the age of 60 years.

13.4.5 For the purposes of subrule 13.4.3, the employer-financed pension component, in relation to a Contributor, shall be calculated in accordance with the following formula:

$$P2 = 3.30 \times UE \times \frac{S}{S + TM} \times (1 - .04 \times TM)$$

where:

- P2 is the employer-financed pension component;
- UE is the number of units of pension that, pursuant to subrule 11.1.1, is appropriate to the Salary payable to the Contributor on the Contributor's Exit Day plus, in a case to which rule 6.1 applies, the number of any excess units of pension referred to in subrule 6.1.1 and in respect of which the Trustee considers, in accordance with subrule 6.1.5, that the retention of entitlement to Benefits under these Rules is warranted;
- S is the number of years (including any fractional part of a year calculated on a daily basis) of continuous Contributory Service by the Contributor with any one or more Employers;
- TM is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the day from which the pension under this rule 13.4 commences to be payable precedes the date on which the Contributor attains the age of 60 years.

13.4.6 If the Trustee has made a determination under rule 23.1 in respect of a pension payable under subrule 13.4.3, the amount of that pension is reduced by the amount specified in the Trustee's determination.

13.4.7 For the purposes of subrule 13.4.5, the period of continuous Contributory Service by a person on the person's Exit Day is the period that commenced when the person last became a Contributor and ended on that day (but excluding any part of that period during which the person is treated by rule 15.1 as being on leave of absence without pay).

13.4.8 Except as provided by subrule 13.4.9, a pension payable under this rule 13.4 shall commence and be payable as from the day following the Contributor's Exit Day.

13.4.9 A pension payable under this rule 13.4 to a Contributor who is Retrenched shall be payable as from and including the day after the date on which the Contributor actually leaves the Service of the Employer, whether or not at the Contributor's Exit Day any period of untaken leave was due to the Contributor.

13.4.10 Contributions payable by and in respect of a Contributor whose pension is payable under this rule 13.4 shall cease to be paid on the first day of the Contribution Period preceding that in which the pension commences to be payable in accordance with subrule 13.4.8 or 13.4.9.

13.5 Breakdown pensions

13.5.1 Except as provided by subrules 13.5.2, 13.5.4 and 13.5.6, if a Contributor is retired on the ground of invalidity or physical or mental incapacity to perform the Contributor's duties, the Contributor shall, subject to subrule 7.4.2, be entitled to the full pension for which the Contributor was contributing as at the Contributor's Exit Day.

13.5.2 If a Contributor:

- (a) being a person who became a Contributor to the State Superannuation Scheme on or after 13th January 1978; or
- (b) being a person who, immediately before 13th January 1978, was:

- (i) a Contributor accepted or treated as a Contributor for limited Benefits under the State Superannuation Scheme as then in force; or
- (ii) a Contributor accepted or treated as a Contributor in the provisional category under the State Superannuation Scheme as then in force,

is retired on the ground of invalidity or physical or mental incapacity to perform the Contributor's duties and the number of years (disregarding any fraction of a year) comprising the period from the date when the Contributor last became a Contributor and the Contributor's Exit Day, after having subtracted from that period any period of retirement pursuant to rule 12.7 in respect of which the Contributor received a pension under the *Superannuation Act 1916*, is less than 10, the Contributor shall be entitled to a pension, the amount of which shall be calculated in accordance with the formula:

$$P = x \frac{A}{100} x (80 + \frac{20B}{C})$$

where, in relation to the Contributor:

- P is the amount of the pension per fortnight;
- A is the amount of pension per fortnight that would have been payable to the Contributor under subrule 13.5.1 had the Contributor been a person to whom that subrule 13.5.1 applies;
- B is the number of years (disregarding any fraction of a year) comprising the period from the date when the Contributor last became a Contributor to the Contributor's Exit Day, after having subtracted from that period any period of retirement pursuant to rule 12.7 in respect of which the Contributor received a pension under the State Superannuation Scheme; and
- C is:
 - (a) the number of years (disregarding any fraction of a year) comprising the period from the date when the Contributor last became a Contributor to the last day of the Contribution Period preceding that in which the Contributor would attain the Maturity Age; or
 - (b) 10,
 whichever is the lesser.

13.5.3 If the Trustee has made a determination under rule 23.1 in respect of a pension payable under subrule 13.5.2, the amount of the pension is reduced by the amount specified in the Trustee's determination.

13.5.4 If:

- (a) a person becomes a Contributor within the period of one year ending on and including the last day of the Contribution Period preceding that in which the Contributor would attain the Maturity Age;
- (b) the Contributor is retired on the ground of invalidity or physical or mental incapacity to perform the Contributor's duties; and

- (c) the Contributor's Exit Day precedes the last day of the Contribution Period referred to in paragraph (a),

then:

- (d) subrule 13.5.2 does not apply to that person; and
- (e) the Contributor shall be entitled to a pension equal to 80% of the amount of pension that would have been payable to the Contributor under subrule 13.5.1 had the Contributor been a person to whom subrule 13.5.1 applies.

13.5.5 Subrule 13.5.2 does not apply to a Contributor whose Exit Day is on or after the last day of the Contribution Period preceding that in which the Contributor attains or would attain the Maturity Age.

13.5.6 If, in respect of a Contributor referred to in subrule 13.5.2(b) (other than a Contributor referred to in subrule 13.5.2(b)(ii)), the amount of pension to which the Contributor would have been entitled, had the *Superannuation Act 1916* not been amended by the *Superannuation (Amendment) Act 1977*, is greater than the amount to which the Contributor would otherwise be entitled under subrule 13.5.2, the Contributor shall, notwithstanding subrule 13.5.2, be entitled to a pension of the greater amount.

13.5.7 A Contributor to whom this rule 13.5 applies shall be granted payment of pension only for such period at a time as the Trustee determines and a fresh application shall, unless the Trustee from time to time otherwise determines, be necessary before any further payment is made.

13.5.8 The period determined by the Trustee as referred to in subrule 13.5.7 for the payment of pension to a person who:

- (a) has not attained the Maturity Age, shall be such period (not exceeding 5 years) as the Trustee thinks fit, having regard to the state of health of the person; and
- (b) has attained the Maturity Age, may be for the remainder of the person's life.

13.5.9 [deleted by Deed of Amendment No.7 operative 1/7/99]

13.5.10 Contributions payable by or in respect of a Contributor to whom this rule 13.5 applies cease to be payable on the first day of the Contribution Period during which the pension becomes payable.

[amended by Deed of Amendment No. 7 operative 1/7/99]

13.6 Pensions to Spouse on death of Contributor

13.6.1 On the death of a male Contributor, pension is, subject to rule 13.31, payable to his Spouse, at the rate of two-thirds of the pension that would have been payable to the Contributor had he, where he was aged not less than 60 years, retired or been retired immediately before his death or, where he died before reaching the age of 60 years, had he been retired immediately before his death.

13.6.2 On the death of a woman Contributor, pension is, subject to rule 13.31, payable to her Spouse, at the rate of two-thirds of the pension that would have been payable to the Contributor had she, where she was aged not less than the Maturity Age, retired or been retired immediately

before her death or, where she died before reaching the Maturity Age, had she been retired immediately before her death.

13.7 Pension to Spouse on death of pensioner

- 13.7.1 On the death of a male pensioner, pension is, subject to rule 13.31 and 13.33, payable to his Spouse, at the rate of two-thirds of the pension payable to the pensioner at the time of his death.
- 13.7.2 On the death of a woman pensioner, pension is, subject to rule 13.31 and 13.33, payable to her Spouse, at the rate of two-thirds of the pension payable to the pensioner at the time of her death.
- 13.7.3 Notwithstanding the foregoing provisions of this rule 13.7, but subject to rule 13.33, where a pensioner referred to in subrule 13.7.1 or 13.7.2 had contributed for not more than 4 units of pension in the State Superannuation Scheme and had received a pension increase in terms of section 2 of the *Superannuation (Amendment) Act 1970*, the pension payable to the pensioner's Spouse shall not exceed \$20 per fortnight, but nothing in this subrule affects the operation of Part 21.
- 13.7.4 A reference in subrule 13.7.1 or 13.7.2 to a pensioner does not include a person who is entitled to receive only a pension under this rule or rule 13.6.

13.7A Minimum Benefit payable in respect of a pensioner who dies

[13.7A inserted by Deed of Amendment No.4 operative 30/6/99]

- 13.7A.1 If a pensioner dies without leaving a Spouse to whom pension is payable under these Rules, nor a Child in respect of whom pension is payable under these Rules, there is payable to the personal representatives of the pensioner an amount calculated by deducting from the minimum Benefit payable in respect of the pensioner the total of all Benefits paid to the pensioner under these Rules.
- 13.7A.2 If a pensioner dies, leaving a surviving Spouse, and the surviving Spouse dies, and there is no Child of the pensioner or Spouse in respect of whom pension is payable under these Rules, there is payable to the personal representatives of the pensioner an amount calculated by deducting from the minimum Benefit payable in respect of the pensioner the total of:
- (a) all Benefits paid to the pensioner under these Rules;
 - (b) all Benefits paid as a consequence of the death of the pensioner to the spouse or any other person under these Rules.
- 13.7A.3 If a pensioner dies leaving a surviving Spouse to whom pension is payable under these Rules, and no Child of the pensioner or spouse in respect of whom pension is payable under these Rules, and the surviving Spouse elects to commute the whole of that pension under rule 12.4, there is payable to the Spouse, on that election taking effect, whichever is the greater of the following amounts:
- (a) the amount that would be payable under rule 12.4 (but for this rule 13.7A), or
 - (b) the amount calculated by deducting from the minimum Benefit payable in respect of the pensioner the total of:

- (i) all Benefits paid to the pensioner under these Rules; and
- (ii) all Benefits paid as a consequence of the death of the pensioner to the Spouse or any other person under these Rules.

13.7A.4 If subrule 13.7A.1, 13.7A.2 or 13.7A.3 would apply in respect of a pensioner, but for the pensioner leaving a Child or Children in respect of whom pension is payable under these Rules (or would, but for this rule 13.7A, be so payable), the Trustee may, if it considers it to be in the best interests of the Child or Children, apply this rule 13.7A as if there were no such Child or Children, in which case pension or pensions are not payable under these Rules in respect of the Child or Children.

13.7A.5 If a pensioner has no personal representatives, an amount payable to the pensioner's personal representatives is to be paid to such person or persons as the Trustee may determine.

13.7A.6 For the purposes of this rule 13.7A, if a pensioner dies and his or her Spouse died at the same moment or in circumstances rendering it uncertain which of them survived the other, and the Spouse died before a pension became payable to him or her under these Rules because of the pensioner's death, the pensioner is taken not to have a surviving Spouse.

13.7A.7 For the purposes of this Rule 13.7A, the minimum Benefit payable in respect of a pensioner is the amount to which the pensioner would have been entitled under Rule 13.19 if the pensioner had, on the day determined by the Trustee as being the last day on which he or she was an Employee, resigned from the service of his or her employer and elected to take the benefit of that rule.

13.7A.8 In this rule 13.7A:

Benefits includes instalments of pension.

pensioner means a person to whom a pension is payable under these Rules because the person was a former Contributor, and includes a person who became entitled to a pension under these Rules because the person was a former Contributor and who commuted that pension in accordance with these Rules.

13.8 Death of Employee before retirement

13.8.1 Where an Employee dies before retirement without leaving a Spouse in respect of whom pension is payable under these Rules, the Employee shall, unless the Employee leaves a Child or Children in respect of whom pension is payable under these Rules or would, but for this rule 13.8, be so payable, be deemed to have Resigned, immediately before dying, from the Service of the Employee's Employer and to have elected under 13.20 to take the benefit of 13.19.

13.8.2 The amount payable under rule 13.19 by reason of the death of an Employee in the circumstances referred to in subrule 13.8.1 shall be paid by the Trustee to the Employee's legal personal representatives or, where the Employee has no legal personal representatives, to such persons as the Trustee may determine.

13.8.3 Where an Employee referred to in subrule 13.8.1 leaves a Child or Children in respect of whom pension is payable under these Rules or would, but for this rule 13.8.3, be so payable, the Trustee may:

- (a) make a payment referred to in subrule 13.8.2 as if the Employee had not left such a Child or Children, in which case a pension or pensions shall not be payable under these Rules in respect of the Child or Children; or
- (b) pay a pension or pensions in respect of the Child or Children as if this rule 13.8 did not exist and pay to the legal personal representatives of the Employee or, if there are no legal personal representatives, to such persons as the Trustee may determine, an amount equal to the total of the contributions paid by the Employee to this Division,

whichever the Trustee considers to be in the best interests of the Child or Children.

13.8.4 If an Employee dies before retirement leaving a surviving Spouse in respect of whom pension is payable under these Rules, and no Child in respect of whom pension is payable under these Rules, and the surviving Spouse elects to commute the whole of that pension under rule 12.4, there is payable to the Spouse, on that election taking effect, whichever is the greater of the following amounts:

[inserted by Deed of Amendment No.4 operative 30/6/99]

- (a) the amount that would be payable under rule 12.4 (but for this rule 13.8); or
- (b) the amount that would have been payable if the Employee had resigned, immediately before dying, from the Service of the Employee's Employer and elected under rule 13.20 to take the benefit of Rule 13.19, less the total of any Benefits paid as a consequence of the death of the Employee to the Spouse or any other person under these Rules (including any instalments of pension).

13.8.5 If subrule 13.8.4 would apply in respect of an Employee, but for the Employee leaving a Child or Children in respect of whom pension is payable under these Rules (or would, but for this rule 13.8, be so payable), the Trustee may, if it considers it to be in the best interests of the child or children, apply subrule 13.8.4 as if there were no such Child or Children, in which case pension or pensions are not payable under these Rules in respect of the Child or Children.

[inserted by Deed of Amendment No.4 operative 30/6/99]

13.9 Extension of rule 13.8 to certain cases where Spouses die contemporaneously

Where:

- (a) an Employee died before the Employee's retirement, whether before, on or after the commencement of this rule 13.9;
- (b) the Employee's Spouse died at the same moment or after the Employee died or in circumstances rendering it uncertain which of them survived the other; and
- (c) the Spouse died before a pension became payable to the Spouse under these Rules consequent on the Employee's death,

the Employee shall, for the purposes of rule 13.8 or section 32A of the *Superannuation Act 1916* or section as in force at any time, be deemed not to have had a Spouse at the time of the Employee's death.

13.10 *[deleted by Deed of Amendment No. 7 operative 1/7/99]*

13.11 Refund in certain cases where Spouse dies leaving Children

13.11.1 Where:

- (a) an Employee dies before retirement leaving a Spouse;
- (b) the Spouse dies; and
- (c) there are Children of the Employee or of the Spouse in respect of whom pension becomes payable in accordance with rule 13.13,

there shall be paid to the Employee's legal personal representatives or, where the Employee has no legal personal representatives, to such persons as the Trustee may determine a sum equal to the contributions paid by the Employee to this Division less:

- (d) the total amount of pension paid to the Spouse under rule 13.6 otherwise than in respect of a Child; and
- (e) any lump sum paid to the Spouse under rule 12.4 in respect of such a pension.

[amended by Deed of Amendment No.4 operative 1/1/00]

13.12 Children's pensions at rule 22.2 rates

13.12.1 A pension of the appropriate amount per fortnight under rule 22.2 is payable on the death of a Contributor or pensioner in respect of a Child if the conditions set out in subrules 13.12.2 and 13.12.3 are satisfied.

13.12.2 The Child must be a Child of the Contributor or pensioner or a Child of a surviving Spouse of the Contributor or pensioner who is not eligible to receive a pension under rule 13.13.

13.12.3 If the Child is not a Child of the Contributor or pensioner, the Child:

- (a) must have been born or adopted before the death of the Contributor or pensioner; and
- (b) must have been ordinarily part of the Contributor's or pensioner's household at the time of the death of the Contributor or pensioner.

13.12.4 A pension under this rule 13.12 ceases to be payable in respect of a Child if the surviving parent dies.

13.12.5 A pension under this rule 13.12 continues to be payable notwithstanding that the surviving parent marries or remarries.

13.12.6 Nothing in this rule affects the operation of rule 13.33.

13.12.7 In this rule:

pensioner means a person who received a pension because the person was a former Contributor.

13.13 Children's pensions at rule 22.3 rates

13.13.1 A pension of the appropriate amount per fortnight under rule 22.3 is payable on the death of a Contributor or pensioner in respect of a Child if the conditions set out in subrules 13.13.2 – 13.13.4 are satisfied.

13.13.2 The Child must be a Child of the Contributor or pensioner or a Child of a Spouse of the Contributor or pensioner.

13.13.3 The other parent of the Child or the Spouse of the Contributor or pensioner who was a parent of the Child:

- (a) must have died before the Contributor's or pensioner's death;
- (b) must have been divorced from the Contributor or pensioner; or
- (c) must have been in a De Facto Relationship with the Contributor or pensioner that ended before the Contributor's or pensioner's death.

13.13.4 If the Child is not a Child of the Contributor or pensioner:

- (a) in a case where the Spouse who is the parent of the Child is divorced from or the former De Facto Spouse of the pensioner or Contributor, the Child must have been born or adopted before the divorce or end of the De Facto Relationship; and
- (b) in any case, the Child must have been ordinarily part of the Contributor's or pensioner's household at the time of the death of the Spouse, divorce or end of the De Facto Relationship.

13.13.5 In this rule 13.13:

pensioner means a person who received a pension because the person was a former Contributor;

Spouse includes a person previously married to the Contributor or pensioner or a former De Facto Spouse.

13.13.6 Where a pension ceases to be payable under rule 13.12 in respect of a Child because the surviving parent dies, a pension of the appropriate amount per fortnight under rule 22.3 is payable in respect of the Child.

13.13.7 Nothing in this rule 13.13 affects the operation of rule 13.33.

13.14 The Trustee may determine to pay Children's pensions in other cases

The Trustee may, if it considers it appropriate, determine that a pension is payable under a provision of these Rules to a Child even though the Child is not eligible under that provision to receive a pension.

13.15 The Trustee to apportion Benefit between the Contributors' Reserve and the appropriate Employer Reserve

13.15.1 Whenever:

- (a) a Benefit under these Rules becomes payable to a Contributor (other than a Benefit under Part 16);
- (b) a Contributor elects to take the Benefit of Part 16; or
- (c) if a Contributor has died without having received a Benefit under these Rules the Benefit becomes payable to another person in consequence of that death,

the Trustee must ascertain the portion of the Benefit that is payable from the Contributors' Reserve and the portion that is payable from the appropriate Employer Reserve.

13.15.2 For the purposes of subrule 13.15.1:

- (a) the portion of the Benefit payable to or in respect of a Contributor from the Contributors' Reserve is an amount equal to the lesser of the amount calculated according to subrule 13.15.4 and the relevant amount; and
- (b) the portion of the Benefit payable to or in respect of the Contributor from the appropriate Employer Reserve is equal to the relevant amount, less the amount ascertained under paragraph (a).

13.15.3 For the purposes of subrule 13.15.2, the relevant amount is:

- (a) if a lump sum Benefit (other than a commutation of pension) is to be paid to or in respect of the Contributor, the amount of the Benefit payable to or in respect of the Contributor; or
- (b) if a pension or a commutation of a pension is to be paid to or in respect of the Contributor, the amount calculated by the Trustee as the capitalised value of the Benefits payable to or in respect of the Contributor.

13.15.4 For the purposes of subrule 13.15.2, the amount to be calculated is:

- (a) the amount that would have been payable if the Contributor had elected to take the Benefit of rule 13.18; and
- (b) interest:
 - (i) compounded on 30 June in each year in respect of the period beginning with the day on which the Contributor first became liable to make contributions under these Rules and ending with the day on which the Contributor ceased to be employed by an Employer; and
 - (ii) calculated at the prescribed rate on the amount ascertained by applying the formula set out in subrule 13.15.5.

13.15.5 For the purposes of subrule 13.15.4(b), the formula is as follows:

$$\frac{A + B}{2}$$

where:

- A represents the total amount of Contributions (excluding Contributions refundable under subrule 11.7.7 or 11.7.8) that the Contributor had paid to this Division from the beginning of the Contributor's Contributory Service to the beginning of the period in respect of which the calculation is to be made, together with interest if any) at the prescribed rate calculated at 30 June immediately preceding that period;
- B represents the total amount of those Contributions from the beginning of the Contributor's Contributory Service to the end of the period in respect of which the calculation is to be made, together with interest (if any) at the prescribed rate calculated as at 30 June immediately preceding that period.

13.15.6 For the purposes of this rule 13.15, *prescribed rate* means:

- (a) in respect of any relevant period ending before 1 July 1972, 3.5% per year; and
- (b) in respect of any relevant period beginning on or after 1 July 1972, the rate as fixed by the Trustee from time to time, having regard to the earnings of this Division and such other matters as the Trustee considers relevant.

13.16 Retrenchment Benefits payable to an Employee who is Retrenched after completing 10 years' Service

13.16.1 This rule 13.16 does not apply to an Employee who is Retrenched before having completed 10 years' Service with any one or more Employers.

13.16.2 In the case of the retrenchment of an Employee who was a Contributor to the State Superannuation Scheme at 30th June 1963, the Contributor is, subject to rule 13.20, entitled to either:

- (a) a lump sum payment equal to three and one-half times the sum of:
- (i) the contributions that the Contributor paid to the State Superannuation Scheme (but without interest) before 13th January 1952; and
- (ii) ten-elevenths of the contributions that the Contributor has paid to the State Superannuation Scheme (but without interest) on or after 13th January 1952 and to this Division (but without interest),
- in determination of all rights given by these Rules (subrule 13.16.4 excepted); or
- (b) such pension as is determined by the Trustee to be the equivalent of the Contributor's rights in this Division.

13.16.3 In the case of the Retrenchment of an Employee who became a Contributor to the State Superannuation Scheme on or after 1st July 1963, the Contributor is, subject to rule 13.20, entitled to either:

- (a) a lump sum payment equal to two and one-half times the contributions that the Contributor has paid to the State Superannuation Scheme and this Division (but without interest), in determination of all rights given by these Rules (subrule 13.16.4 excepted); or

- (b) such pension as is determined by the Trustee to be the equivalent of the Contributor's rights in this Division.

13.16.4 An Employee entitled to:

- (a) a lump sum payment under subrule 13.16.2(a) is also entitled to a lump sum payment equal to two and one-half times an amount equal to ten-elevenths of the contributions; or
- (b) a lump sum payment under subrule 13.16.3(a) is also entitled to a lump sum payment equal to one and one-half times an amount equal to the contributions,

that would have been payable by him under these Rules in respect of each of the Reduced Value Units allocated to him, had each such Reduced Value Unit been held by him as a Contributory Unit as from the earliest of the times that he is deemed by subrule 14.1.7 to have held the Reduced Value Unit.

13.16.5 If the Trustee has made a determination under rule 23.1 in respect of a Benefit payable under this rule 13.16, the amount of the Benefit is reduced by the amount specified in the Trustee's determination.

13.16.6 Where an Employee who has been Retrenched and is in receipt of a pension thereafter enters the Service of an Employer:

- (a) the pension shall not cease to be payable;
- (b) the Employee shall contribute as provided in Parts 4–11; and
- (c) the Employee shall not be entitled to count the Employee's Service prior to retrenchment as Service for the purpose of any other pension or Benefit under these Rules.

13.16.7 Where an Employee who has been Retrenched and has received a lump sum under this rule 13.16 thereafter enters the Service of an Employer, the Employee is not entitled to claim any further Benefit in respect of the Employee's previous Service unless he complies with rule 13.21.

13.16.8 A person who, before becoming a Contributor, was:

- (a) employed on terms requiring the Contributor to give the whole of his or her time to that employment; and
- (b) was paid at an hourly, daily, weekly or fortnightly rate, or at piecework rates,

is entitled to have that employment treated as Service as an Employee for the purposes of this rule 13.16.

13.16.9 Whenever:

- (a) a period of employment that a Contributor has had with an Employer; and
- (b) a later period of Service that the Contributor has had as an Employee with an Employer,

are continuous the Trustee may, if satisfied that, having regard to the nature of the work performed by the Contributor during that period of employment, it is proper to do so, treat, for the purposes of this rule 13.16, that period of employment as a period of Service as an Employee with that Employer.

13.16.10 A reference in subrule 13.16.9 to a period of Service as an Employee with an Employer includes a reference to a period treated under subrule 13.16.8 or 13.16.9 as a period of Service as an Employee.

13.17 Retrenchment Benefits payable to Contributors having not less than 3 years' Contributory Service

13.17.1 This rule 13.17 applies to a Contributor who is Retrenched from the Service of an Employer on or after 13 February 1987 and who, at the time of retrenchment, has completed 3 years' continuous Contributory Service.

13.17.2 For the purpose of subrule 13.17.1, a Contributor who is Retrenched shall be taken to have completed 3 years' continuous Contributory Service when:

- (a) the Contributor has, for a continuous period of 3 years or more immediately preceding the retrenchment, been employed in the Service of an Employer or Employers; and
- (b) during the continuous period of 3 years immediately preceding the retrenchment, the Contributor has been a Contributor under these Rules or has been a Contributor under these Rules and a Contributor to the Public Authorities Superannuation Scheme.

13.17.3 For the purposes of subrule 13.17.1, the period of continuous Contributory Service by a Contributor at the Contributor's Exit Day is:

- (a) subject to paragraph (b), the period that commenced when the Contributor last became a Contributor to the State Superannuation Scheme and ended on that Exit Day; or
- (b) if immediately before becoming a Contributor to the State Superannuation Scheme the Contributor was a Contributor to the Public Authorities Superannuation Fund, the period that commenced when the Contributor last became a Contributor to the Public Authorities Superannuation Fund and ended on that Exit Day,

but excluding in either case any part of that period during which the Contributor is treated by rule 15.1 as being on leave of absence without pay.

13.17.4 A Contributor to whom this rule 13.17 applies is, subject to rule 13.20, entitled to either:

- (a) a lump sum Benefit calculated in accordance with the formula set out in subrule 13.17.5; or
- (b) such pension as is determined by the Trustee to be the equivalent of the Contributor's rights in this Division.

13.17.5 The formula referred to in subrule 13.17.4(a) is as follows:

$$B = C + E$$

where:

B represents the Benefit to be determined;

C is equal to:

(a) $P1 \times (0.96 M - A) \times F$; or

[amended by Deed of Amendment No.4 operative 30/6/99]

(b) the contributions paid by the Contributor,

whichever is the greater; and

E is equal to $P2 \times (0.98 M - A) \times F$.

13.17.6 For the purposes of subrule 13.17.5:

A represents the Contributor's age in years and any fractional part of a year (that part to be calculated on a daily basis) on the Contributor's Exit Day;

F is equal to:

(a) if M is 60 or more, 285; and

(b) if M is less than 60, $320 - (M - 55) \times 7$;

M represents the greater of the following:

(a) the Contributor's Maturity Age;

(b) the Contributor's age in years and any fractional part of a year (that part to be calculated on a daily basis) at the date on which the Contributor last became a member of the State Superannuation Scheme + 10;

P1 is the employee-contributed pension component calculated in accordance with subrule 13.17.7(a); and

P2 is the employer-financed pension component calculated in accordance with subrule 13.17.7(b).

13.17.7 In subrule 13.17.6:

(a) $P1 = 2.20 \times EPU$

where EPU is the sum of:

(i) $\frac{UHn - Cn}{Rn}$ (except where $\frac{Cn}{Rn}$ exceeds $\frac{UHn}{Rn}$)

(ii) $\frac{TCB}{RB}$; and

(iii) UC; and

(b)
$$P2 = 3.30 \times UE \times \frac{S}{S + T}$$

where:

UE is the number of units of pension that, pursuant to subrule 11.1.1, is appropriate to the Salary payable to the Contributor on the Contributor's Exit Day plus, in a case to which rule 6.1 applies, the number of any excess units of pension referred to in subrule 6.1.1 and in respect of which the Trustee considers, in accordance with subrule 6.1.5, that the retention of entitlement to Benefits under these Rules is warranted;

S is the number of years (including any fractional part of a year calculated on a daily basis) of continuous Contributory Service by the Contributor with any one or more Employers;

T is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the Contributor's Exit Day precedes:

(a) the date on which the Contributor attains the Maturity Age; or

(b) where any employment which, on the Contributor's Exit Day, the Contributor is entitled to count as Service for the purposes of rule 12.1 is, in total, for less than a period of 10 years, the expiration of the balance of that period of 10 years,

whichever is the later.

13.17.8 For the purposes of subrule 13.17.7(a):

UHn is the number of units of pension for which Contributions were payable by the Contributor on the Contributor's Exit Day in accordance with the tables of Contributions fixed by or under these Rules, but excluding:

(a) any such units of pension which are excess units of pension referred to in subrule 6.1.1 and in respect of which no person has any rights in this Division; and

(b) any such units of pension, being reserve units, for which Contributions were being made under rule 11.7;

Cn is the amount of Contributions due for the last Contribution Period for which Contributions were payable by the Contributor before the Contributor's Exit Day, in respect of that number of units of pension;

Rn is the relevant amount under subrule 13.17.9 in relation to the Contributor for an additional unit of pension on the Contributor's Exit Day;

- TCB is the total amount paid in respect of instalments payable by the Contributor on or before the Contributor's Exit Day for units of pension for which the Contributor contributed in accordance with Part 9 (but deducting from that amount any part allocated under these Rules to the purchase of fully paid up units);
- RB is the amount specified in subrule 9.1.1 as the cost of a unit of pension in relation to the Contributor; and
- UC is the number of units (if any) purchased by the Contributor and credited to the Contributor as fully paid up units.

13.17.9 For the purposes of subrule 13.17.8, the relevant amount in relation to a Contributor for an additional unit of pension on the Contributor's Exit Day is:

- (a) where the Contributor has attained the Prescribed Age on or before that day, the amount which, if the Contributor were required under Part 8 to commence to contribute for an additional unit of pension on that day, would be the amount payable in accordance with the tables of Contributions fixed under rule 8.3 for that unit for a Contribution Period; or
- (b) where the Contributor has not attained the Prescribed Age on or before that day, the amount equal to the sum of:
- (i) the amount payable by the Contributor for any additional unit of pension for which the Contributor had been required to commence contributing on and from the Contributor's last Annual Adjustment Day for a Contribution Period or, as the case may be, the amount that would have been so payable if the Contributor had been so required; and
- (ii) for each day of the period commencing on the day following that Annual Adjustment Day and ending on the Contributor's Exit Day, the amount equal to 1/364th part of the difference between the amount referred to in subparagraph (i) and the amount that that amount would have been if, on the Contributor's last Annual Review Day before the Contributor's Exit Day, the Contributor had been 1 year older than the age actually attained.

13.17.10 For the purposes of subrule 13.17.7(b), the period of continuous Contributory Service by a Contributor on the Contributor's Exit Day is the period that commenced when the Contributor last became a Contributor and ended on that day, but excluding any part of that period during which the Contributor is treated by rule 15.1 as being on leave of absence without pay.

13.17.11 If the Trustee has made a determination under rule 23.1 in respect of a Benefit payable under this rule 13.17, the amount of the Benefit is reduced by the amount specified in the Trustee's determination.

13.17.12 If a former Employee who:

- (a) has been Retrenched; and
- (b) has received a retrenchment Benefit under this rule 13.17,

subsequently enters the Service of the same or another Employer, the former Employee is not entitled to claim any further Benefit in respect of previous Service with an Employer unless the former Employee has complied with 13.21.

13.18 Refund of contributions

13.18.1 If a Contributor:

- (a) is Retrenched from the Service of an Employer; or
- (b) Resigns or is Dismissed or Discharged from the Service of an Employer,

the Contributor is, subject to rule 13.20, entitled to be paid a lump sum (without interest) equal to the Contributions (other than Contributions refundable under subrule 11.7.8) paid by the Contributor under these Rules, irrespective of the cause of the retrenchment, resignation, dismissal or discharge.

13.18.2 Whenever a lump sum is paid under subrule 13.18.1, there shall, subject to subrule 13.18.3, be deducted from that sum any amount received by the Contributor as a pension before the Contributor's retrenchment, resignation, dismissal or discharge.

13.18.3 A deduction under subrule 13.18.2 must not reduce the amount paid to a Contributor under this rule 13.18 to an amount below the contributions paid by the Contributor since the Contributor last received any amount as pension.

13.18.4 If a former Employee who:

- (a) has been Retrenched, Dismissed or Discharged, or has Resigned; and
- (b) has received a Benefit under this rule 13.18 or rule 13.19,

subsequently enters the Service of the same or another Employer, the former Employee is not entitled to claim any further Benefit in respect of previous Service unless the former Employee has complied with rule 13.21.

13.19 Withdrawal Benefit

13.19.1 In this rule 13.19:

Contributory Service, in relation to a Contributor who is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer, is the next preceding period that:

- (a) began:
 - (i) when the Contributor last became a Contributor; or
 - (ii) if, since last becoming a Contributor, the Contributor had been held to be on leave of absence without pay as provided by rule 15.1, when an Employer re-employed the Contributor after that leave of absence; and
- (b) ended when the Contributor's employment with the Employer ceased;

prescribed rate means:

- (a) in respect of any relevant period ending before 1 July 1972, 3.5% per year; and
- (b) in respect of any relevant period beginning on or after 1 July 1972 – the rate as fixed by the Trustee from time to time, having regard to the earnings of the Fund or a fund that was a Former Fund and such other matters as the Trustee considers relevant.

[replaced by Deed of Amendment No.4 operative 30/6/99]

(c) [deleted by Deed of Amendment No.4 operative 30/6/99]

- (d) in respect of any relevant period beginning on or after the date of transfer of the Contributor the rates as fixed by the Trustee from time to time having regard to such matters as the Trustee considers relevant.

13.19.2 If a Contributor who has not completed 5 years' Contributory Service is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer, the Contributor is, subject to rule 13.20, entitled to receive from this Division the amount that would have been payable if the Contributor had elected to take the Benefit of rule 13.18.

13.19.3 If a Contributor who has completed 5 years' but less than 10 years' Contributory Service is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer, the Contributor is, subject to rule 13.20, entitled to receive from this Division an amount equal to the sum of:

- (a) the amount that would have been payable if the Contributor had elected to take the Benefit of rule 13.18; and
- (b) interest:
 - (i) compounded on 30 June each year in respect of the period beginning with the day on which the Contributor first became liable to make contributions under these Rules and ending with the day on which the Contributor ceased to be employed by that Employer; and
 - (ii) calculated at the prescribed rate on the amount ascertained by applying the formula set out in subrule 13.19.5.

13.19.4 If a Contributor who has 10 years' Contributory Service or more is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer, the Contributor is, subject to rule 13.20, entitled to receive from this Division an amount equal to the sum of:

- (a) the amount that would have been payable if the Contributor had elected to take the Benefit of rule 13.18; and
- (b) interest:
 - (i) compounded on 30 June each year in respect of the period beginning with the day on which the Contributor first became liable to make contributions under these Rules and ending with the day on which the Contributor ceased to be employed by that Employer; and
 - (ii) calculated at the prescribed rate on the amount ascertained by applying the formula set out in subrule 13.19.5; and

- (c) a further amount calculated in accordance with the following formula:

$$\frac{T \times P}{40}$$

where:

T represents the sum of the amounts referred to in paragraphs (a) and (b); and

[replaced by Deed of Amendment No.4 operative 30/6/99]

P represents the period of the Contributor's Contributory Service, expressed in years with any fractional part of a year being calculated on a daily basis.

13.19.5 For the purposes of subrules 13.19.3(b) and 13.19.4(b), the formula is as follows:

$$\frac{A + B}{2}$$

where:

A represents the total amount of Contributions (excluding Contributions refundable under subrule 11.7.8) that the Contributor had paid to this Division from the beginning of the Contributor's Contributory Service to the beginning of the period in respect of which the calculation is to be made, together with interest (if any) at the prescribed rate calculated at 30 June immediately preceding that period; and

B represents the total amount of those Contributions from the beginning of the Contributor's Contributory Service to the end of the period in respect of which the calculation is to be made, together with interest (if any) at the prescribed rate calculated at 30 June immediately preceding that period.

13.19.5A Despite subrules 13.19.2, 13.19.3, and 13.19.4, the maximum amount that a Contributor is entitled to receive from the Fund under this rule is:

[13.19.5A inserted by Deed of Amendment No.4 operative 30/6/99]

(a) in the case of a Contributor who has not attained the age of 55 years – the amount calculated by the Trustee, on the basis of actuarial advice, as the capitalised value of the pension that would have been payable to the Contributor had he or she been 55 years of age and elected to retire on pension, or

(b) in the case of a Contributor who has attained the age of 55 years – the amount calculated by the Trustee as the capitalised value of the pension that would have been payable to the Contributor if the Contributor had elected to retire on pension at his or her current age.

13.19.5B If the Trustee calculates that the maximum amount that a Contributor is entitled to receive from the Fund under Rule 13.19.5A is less than the amount the Contributor would receive under Rule 13.19 if the terms applying immediately prior to the amendments that took effect on 30 June 1999 are applied to calculate the benefit, then the Contributor is entitled to receive that greater amount.

The 'Prescribed Rate' as it stood immediately prior to that amendment, being as follows:

Prescribed rate

- (a) in respect of any relevant period ending before 1 July 1972, 3.5% per year; and
- (b) in respect of any relevant period beginning on or after 1 July 1972 and ending before 1 July 1990, 4.5% per year; and
- (c) in respect of any relevant period beginning on or after 1 July 1990 and ending before the date of transfer of the Contributor, the rate as fixed by the SAS Trustee Corporation under the Superannuation Act 1916 from time to time, having regard to the earnings or such other matters as the Trustee considers relevant; and
- (d) in respect of any relevant period beginning on or after the date of transfer of the Contributor, the rate as fixed by the Trustee from time to time having regard to such matters as the Trustee considers relevant.

'T' in rule 13.19.4 as it stood immediately prior to that amendment, being as follows:

- T** represents the amount referred to in paragraph (a), together with such amount as would have been the amount of interest calculated for the purpose of paragraph (b) if:
- (i) for any relevant period beginning on or after 1 July 1972, the prescribed rate had been 4.5% per year; and
 - (ii) for any relevant period before that date the prescribed rate had been 3.5% per year; and

[13.19.5B inserted by Deed of Amendment No. 27 operative 15/10/09]

13.19.6 If the Trustee has made a determination under rule 23.1 in respect of a Benefit payable under this rule 13.19, the amount of the Benefit is reduced by the amount specified in the Trustee's determination.

13.20 Contributor who is Retrenched, Resigns or is Dismissed or Discharged to be entitled to the greatest available Benefit

13.20.1 A Contributor who is Retrenched from the Service of an Employer and who, at the date when the retrenchment takes effect, is not entitled to elect to retire on a pension under rule 13.1, 13.2, 13.3 or 13.4 may, at any time before the end of 3 months after that date, elect between taking:

- (a) a lump sum Benefit payable under a provision of Parts 12–24 to any such Contributor who is Retrenched;
- (b) if such a provision also confers an entitlement to a pension, a pension; or
- (c) subject to subrule 13.20.7, the benefit of Part 16.

13.20.2 A Contributor who Resigns or is Dismissed or Discharged from the Service of an Employer may, at any time before the end of 3 months after the date when the Resignation, Dismissal or Discharge takes effect, elect between taking:

- (a) a lump sum Benefit payable under a provision of Parts 12–24 to a Contributor who has Resigned or is Dismissed or Discharged; or
- (b) subject to subrule 13.20.7 the benefit of Part 16.

13.20.3 If a Contributor is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer, the Employer must take all practicable steps to obtain from the Contributor an election under subrule 13.20.1 or 13.20.2 and, after obtaining such an election, must forward it immediately to the Trustee.

13.20.4 If a Contributor who is entitled to make an election under subrule 13.20.1 or 13.20.2 to take a particular kind of Benefit does not make such an election before the end of the prescribed period, the Contributor shall be taken to have elected to take the kind of Benefit that the Trustee decides to be the most appropriate in the circumstances of the case.

13.20.5 If a Contributor elects under this rule 13.20 to take a particular kind of Benefit under subrule 13.20.1 and would, but for subrule 13.20.6, be entitled to a Benefit of that kind under 2 or more provisions of Parts 12–24, the Trustee must calculate which of the Benefits under those provisions would be the greater or greatest.

13.20.6 A Contributor referred to in subrule 13.20.5 is entitled to receive only the greater or greatest of the Benefits calculated under that subrule.

13.20.7 A Contributor who is Retrenched, Resigns or is Dismissed or Discharged from the Service of an Employer is not entitled to elect under subrule 13.20.1 or 13.20.2 to take the Benefit of Part 16 unless the Contributor has completed 3 years' continuous Contributory Service.

13.20.8 For the purposes of subrule 13.20.7, a Contributor to whom that subrule applies shall be taken to have completed 3 years' Contributory Service when:

- (a) a Contributor has, for a continuous period of 3 years or more immediately preceding the retrenchment, been employed in the Service of one or more Employers; and
- (b) during the period of 3 years immediately preceding the retrenchment, the Contributor has been a Contributor under these Rules or has been a Contributor under these Rules and a Contributor to the Public Authorities Superannuation Fund.

13.20.9 For the purposes of subrule 13.20.7, the period of continuous Contributory Service by a Contributor at the Contributor's Exit Day is:

- (a) subject to paragraph (b), the period that commenced when the Contributor last became a Contributor to this Division and ended on that Exit Day; or
- (b) if immediately before becoming a Contributor to The State Superannuation Scheme the Contributor was a Contributor to the Public Authorities Superannuation Fund, the period that commenced when the Contributor last became a Contributor to the Public Authorities Superannuation Fund and ended on that Exit Day,

but excluding in either case any part of that period during which the Contributor is treated by rule 15.1 as being on leave of absence without pay.

13.21 Break in Service may be cured on certain conditions

13.21.1 In this rule 13.21, a reference to the *prescribed rate* is a reference to the rate of interest for the time being fixed by the Trustee under rule 24.5 for the purposes of this rule 13.21.

13.21.2 Where a person who ceases to be employed by an Employer (otherwise than by retirement or Retrenchment on pension under these Rules) enters the Service of the same or a different Employer within the next succeeding period of three months and, within that same period of three months, would (but for rule 1.4) be required to contribute to this Division, the person may, subject to subrule 13.21.8, elect to resume payment of Contributions as if the person had not ceased to be employed if the person elects within three months after the person would (but for rule 1.4) be required to contribute to this Division to comply, and upon the election taking effect does comply, with this rule 13.21.

13.21.3 A person referred to in subrule 13.21.2 complies with this rule 13.21 if:

- (a) the person pays to this Division any lump sum received by the person, or authorises the retention in this Division of any lump sum payable to the person, under rule 13.16, 13.17, 13.18 or 13.19 in consequence of the cessation of the person's employment together with, where the person has received any such amount, interest thereon at the prescribed rate from the date the amount was paid to the person to the date of receipt in the office of the Trustee of the amount payable pursuant to this paragraph;
- (b) the person pays to this Division the amount referred to in subrule 13.21.4; and
- (c) the person resumes payment to this Division of the Contributions that would, had the person continued in the employment of the person's previous Employer,

have been payable by the person on and from the beginning of the four-weekly Contribution Period in which the person ceased to be employed.

13.21.4 The amount required to be paid under subrule 13.21.3(b) by a person who makes an election under this rule 13.21 is an amount equal to the sum of:

- (a) all the Contributions that would have been payable:
 - (i) by the person from the day following the day to which the person's Contributions were paid before cessation of the person's former employment; and
 - (ii) by the person's Employer from the beginning of the four-weekly Contribution Period in which the person ceased to be employed,

had the person continued in the employment of the person's former Employer, at the same Salary as that which the person was receiving immediately before cessation of the Contributions the person was required to make by reason of the person's former employment, until the beginning of the first Contribution Period in which the person's employment resumes; and

- (b) interest at the prescribed rate on the amount of each Contribution referred to in paragraph (a) from the termination of the four-weekly Contribution Period in respect of which it is required to be paid to the date of receipt of the Contribution in the office of the Trustee.

13.21.5 The Trustee may, in special circumstances and in a particular case:

- (a) waive payment of interest under this rule 13.21 or any part thereof; or
- (b) permit payment over an extended period of any amount required to be paid pursuant to subrule 13.21.3(a) or (b).

13.21.6 Where a person who makes an election under this rule 13.21 was, immediately before cessation of the person's employment, contributing for reserve units of pension under rule 11.7, the person may, when making an election under this rule 13.21, make an election under section 15(6) of the *Superannuation Act 1916* and, where the person so elects under that section, contributions in respect of the reserve units to which the election under that section relates shall not be taken into account when calculating any amount payable by that person under this rule 13.21.

13.21.7 Parts 4–11 apply to and in respect of a person who makes an election under this rule 13.21 and does not comply with this rule 13.21, and so applies as if the person had not made the election.

13.21.8 Rule 3.1 does not apply to a person who makes an election under this rule 13.20, unless the Trustee directs that that rule shall apply to the person.

13.21.9 A person who ceases to be an Employee and elects under rule 13.21 to take the benefit of Part 16 may not, upon entering the Service of an Employer within the next succeeding period of 3 months, make an election under this rule 13.21 if, during that period, the person received any Benefit under that Part 16.

13.21.10 Where a person who is deemed under subrule 13.21.11 not to have ceased to be an Employee had, upon ceasing to be an Employee, elected under rule 13.20 to take the benefit of Part 16:

- (a) the person shall be deemed not to have elected to take the benefit of Part 16; and
- (b) no person has any rights in this Division in relation to the employee-contributed pension component, or the employer-financed pension component, calculated in relation to the person.

13.21.11 A person who makes an election under, and complies with, this rule 13.21 shall, for the purposes of these Rules, but subject to subrule 13.21.8, be deemed not to have ceased to be an Employee or a Contributor by reason of the cessation of employment that gave rise to the election.

13.22 *[deleted by Deed of Amendment No.4 operative 30/6/99]*

13.23 *[deleted by Deed of Amendment No.4 operative 30/6/99]*

13.24 *[deleted by Deed of Amendment No.4 operative 30/6/99]*

13.25 Incapacity or absence of pensioner

13.25.1 Subject to Superannuation Law if because of a pensioner's incapacity from any cause or because a pensioner cannot be found the Trustee is of opinion that payment of a pension or other Benefit under these Rules should be made to a person other than the pensioner or other beneficiary, and is satisfied that such payment will be used for the maintenance, care and support of the pensioner or beneficiary, or a person who is wholly or partly dependent on the

pensioner or beneficiary, the Trustee may make payment of the pension or part thereof to such other person during the period of absence or incapacity.

[amended by Deed of Amendment No.4 operative 30/6/99]

13.25.2 Any amount payable pursuant to subrule 13.25.1 shall be deducted from any pension or Benefit payable to the pensioner or beneficiary.

13.25.3 Any payment made by the Trustee under the authority of this rule 13.25 shall be as valid as if made by way of pension or Benefit to the pensioner or beneficiary, as the case may be.

13.26 Payments in respect of Children

13.26.1 A pension payable under these Rules in respect of a Child shall be paid to the Child's mother, if living, or, if she is not living, to the Child's father, if living.

13.26.2 Notwithstanding anything elsewhere contained in these Rules, any money payable out of this Division under these Rules in respect of a Child may, at the discretion of the Trustee, be paid to the Child's guardian or expended by the Trustee for the Benefit of the Child.

13.26.3 Not more than one pension may be paid in respect of the one Child during any one period and where, but for this subrule 13.26.3, pensions would be payable, in respect of the Child, of the appropriate amount per fortnight under both rule 22.2 and 22.3, the pension payable shall be that of the appropriate amount per fortnight under rule 22.3.

13.27 Pensions in respect of students

13.27.1 The provisions of this rule 13.27 shall have effect notwithstanding anything contained elsewhere in these Rules.

13.27.2 In this section *student* means a person who, though having attained the age of 18 years, is under the age of 25 years and is receiving full time education from a school, college or university approved by the Trustee.

13.27.3 A pension under this rule 13.27:

- (a) shall be payable in respect of a student if a pension would be payable in respect of such student were the student under the age of 18 years; and
- (b) shall be payable to such persons as the Trustee determines a pension would have been payable were such student under the age of 18 years or shall be expended by the Trustee towards the support or education of such student.

13.27.4 The amount of pension payable under this rule 13.27 shall be:

- (a) in the case of a student in respect of whom a pension would be payable under rule 13.12 were the student under the age of 18 years, the appropriate amount per fortnight under rule 22.3; or
- (b) in any other case, the appropriate amount per fortnight under rule 22.2.

13.27.5 A pension payable under this rule 13.27 shall be paid until the student attains the age of 25 years or ceases to be a student or dies whichever first occurs.

13.27.6 A pension shall not be paid to any person in respect of a student unless the Trustee is satisfied that such pension is being used for or towards, or such person contributes towards, the support or education of such student.

13.27.7 For the purposes of this rule 13.27 the Trustee may at any time require evidence of the age of the student, the education being received by the student, or the support or education of the student for or towards which the pension is being used, or being contributed to by any person to whom a pension under this rule 13.27 is payable.

In default of the provision of such evidence or if in the opinion of the Trustee the evidence provided is not satisfactory, the Trustee may refuse to pay such pension.

13.28 Pensions payable for a life

13.28.1 Except where otherwise specifically provided, a pension shall be payable during the life of the person entitled to it.

13.28.2 Pensions in respect of Children shall be payable until they reach the age of 18 years or die under that age.

13.29 Pensions payable fortnightly

Pensions shall be payable by equal fortnightly instalments.

13.30 Reduction of Spouses' pensions

Except where otherwise specifically provided, in any case where in these Rules provision is made for the pension of any person to be determined by the Trustee, any pension under these Rules to the person's Spouse in respect of the Spouse's own life shall be two-thirds of the amount so determined, but not less than one unit.

13.31 Miscellaneous provisions as to Spouses' pensions

13.31.1 In this rule 13.31, *Spouse's pension* means a pension under rule 13.6 or 13.7.

13.31.2 Where, but for this subrule 13.31.2, a person would be entitled to more than one Spouse's pension, the person shall be entitled to only one of those pensions, being (where they are not equal) the greater or greatest of them.

13.31.3 A reference in:

- (a) subrule 13.6.1 to the pension that would have been payable to a male Contributor on his retirement;
- (b) subrule 13.6.2 to the pension that would have been payable to a woman Contributor on her retirement;
- (c) subrule 13.7.1 to the pension payable to a Spouse at the time of his death; or
- (d) subrule 13.7.2 to the pension payable to a Spouse at the time of her death,

does not include a reference to a Spouse's pension.

13.32 Competing claims for Spouses' pensions

[deleted by Deed of Amendment No.9 operative 27/6/01]

13.33 No pension for Spouse or Spouse's Children in certain circumstances

Pension shall not, upon the death of a pensioner, be payable to a person who is the Spouse of the deceased or in respect of any Children of the Spouse who are not Children of the pensioner unless:

- (a) in the case of the Spouse of a pensioner receiving a pension under rule 13.5, the person was the pensioner's Spouse:
 - (i) before becoming entitled to that pension; or
 - (ii) before the pensioner attained the Maturity Age and more than 3 years before the death of the pensioner; or
- (b) in any other case, the person was the pensioner's Spouse before becoming entitled to a pension under these Rules,

and unless the person remained the pensioner's Spouse until the date of death.

13.34 Employer subsidy not to be of greater Benefit if Service not continuous

13.34.1 In this rule 13.34 *withdrawal Benefit* means:

- (a) a Benefit payable in accordance with subrule 13.19.3 or 13.19.4; or
- (b) any other Benefit payable to or in respect of a person on cessation of the person's employment otherwise than by reason of the person's death, where the Benefit is wholly or partly payable pursuant to or from a retirement scheme, fund or arrangement to or in respect of which an Employer or a public or local authority constituted by an Act makes, or is liable to make, a payment in respect of a person employed by the Employer or authority.

13.34.2 Where a withdrawal Benefit is paid, or is or will become payable, to a person and he subsequently contributes to this Division without complying with rule 13.21, any Benefit (other than a Benefit payable pursuant to rule 13.18 or a Benefit referred to in paragraph (a) of subrule 13.34.1) payable in respect of that person shall be reduced in a manner determined by the Trustee having regard to the amount of any withdrawal Benefit previously paid to him.

13.35 Payment of Benefits on Death

[inserted by Deed of Amendment No.8 operative 1/7/97; deleted by Deed of Amendment No. 9 operative 27/6/01]

14. REDUCED VALUE UNITS**14.1 Allocation of Reduced Value Units**

14.1.1 Where:

- (a) a Contributor or a Contributor's Spouse is entitled to a pension under these Rules consequent on the Contributor's ceasing to be a Contributor; or

(b) a Contributor elects to take the Benefit of rule 13.16,

and the Contributor has a number of Abandoned Units at the Contributor's Exit Day, the Trustee shall (whether or not the Contributor has died) allocate to the Contributor one (and one only) Reduced Value Unit in substitution for each of the number of Abandoned Units that the Contributor has at the Contributor's Exit Day.

14.1.2 This rule 14.1 does not apply to:

- (a) a person who is entitled to a pension under rule 13.4 or to a pension under Part 16; or
- (b) a person who is Retrenched from the Service of an Employer and who is to receive or is receiving a pension under rule 13.17.

14.1.3 The Reduced Value Units allocated to a Contributor under this rule 14.1 shall be deemed to have been held by the Contributor at the Contributor's Exit Day.

14.1.4 Where:

- (a) a person referred to in subrule 14.1.1 has made an election to take up an Abandoned Unit under rule 7.2 or 7.3;
- (b) the unit has not been held as a Contributory Unit for at least 2 years and 6 months; and
- (c) the Contributor's Exit Day is before the last day of the Contribution Period preceding that in which he would attain the Maturity Age,

the Trustee may treat the unit as not having been taken up as a Contributory Unit, and, if the Trustee does so, the Contributions paid to this Division by the Contributor concerned or the Contributor's Spouse in respect of the unit shall be refunded.

14.1.5 For the purposes of this rule 14.1, where an election is made under rule 5.7 to abandon a unit of pension, the unit shall be deemed to be an Abandoned Unit that the Contributor concerned had at the Contributor's Exit Day.

14.1.6 For the purposes of this rule 14.1, where an election is made under rule 12.10 in respect of one or more additional units of pension, the unit or units shall be deemed to have been held by the Contributor concerned at the Contributor's Exit Day.

14.1.7 For the purposes of subrules 13.16.4 and 14.2.3, a Contributor to whom Reduced Value Units are allocated under this rule 14.1 shall, as at the Contributor's Exit Day, be deemed to have held at any time one (and one only) Reduced Value Unit for each of the number of Abandoned Units that the Contributor had at that time, but so that:

- (a) the number of Reduced Value Units that the Contributor would, but for this paragraph, be so deemed to have held before that time does not exceed the number that the Contributor is so deemed to have held at that time; and
- (b) the number of Reduced Value Units that the Contributor would, but for this paragraph, be so deemed to have held at that time does not exceed the number that the Contributor is allocated at the Contributor's Exit Day.

14.1.8 Where the number of Reduced Value Units to be allocated to a Contributor is smaller than the number of Abandoned Units that the Contributor has at the Contributor's Exit Day, the Trustee shall, for the purposes of subrule 14.1.4, have regard to such of those Abandoned Units as the Contributor has had the longest.

14.1.9 This rule 14.1 does not apply to a person to the extent to which the person or the person's Spouse satisfies the Trustee that the allocation of Reduced Value Units would prejudicially affect the person or the person's Spouse's interests.

14.2 Benefits payable in respect of Reduced Value Units

14.2.1 Subject to this rule 14.2, pensions are payable in respect of Reduced Value Units as if they were Contributory Units.

14.2.2 Notwithstanding anything in these Rules or any Act, but subject to this rule 14.2, the sum of \$3.30 per fortnight shall, in respect of Reduced Value Units, be the unit of pension.

14.2.3 Where a pension becomes payable under rule 13.3 to a Contributor:

(a) the fortnightly pension, payable to the Contributor in respect of a Reduced Value Unit that is allocated to the Contributor and that the Contributor is deemed by subrule 14.1.7 to have held for not less than 2 years and 6 months, shall be the amount that bears to \$3.30 the same proportion as the fortnightly pension that would be payable in respect of that unit had it been a Contributory Unit bears to \$5.50; and

(b) pension is not payable to the Contributor in respect of a Reduced Value Unit that is allocated to the Contributor and that the Contributor is deemed by subrule 14.1.7 to have held for less than 2 years and 6 months.

14.2.4 Where a pension becomes payable under subrule 13.5 in respect of Contributory Units for which a Contributor has contributed, the fortnightly pension payable in respect of each of the Contributor's Reduced Value Units shall be the amount that bears to \$3.30 the same proportion as the fortnightly pension payable in respect of each of those Contributory Units bears to \$5.50.

14.2.5 [deleted by Deed of Amendment No.4 operative 1/1/00]

14.2.6 [deleted by Deed of Amendment No.4 operative 1/1/00].

14.2.7 The pension payable in respect of Reduced Value Units is subject to automatic adjustment in accordance with Part 21.

14.2.8 If the Trustee has made a determination under rule 23.1 in relation to a pension payable in respect of Reduced Value Units, the amount of the pension is reduced by the amount specified in the Trustee's determination.

14.3 No Employee contributions payable

No Contributions to this Division are payable by a Contributor in respect of a Reduced Value Unit.

15. SPECIAL PROVISIONS RE BREAKDOWN PENSIONERS**15.1 Breakdown pensioner held to be on leave**

Any pensioner who is in receipt of a breakdown pension, shall for the purposes of these Rules be held to be on leave of absence without pay, but shall not be required to contribute in respect of the period of such leave. Notwithstanding the fact that the pensioner is held to be on leave of absence, the pensioner's office or position shall be held to be vacant, and may be filled by the appointment thereto of some other person.

15.2 Continuity of Service

The period of such leave without pay in the case of a breakdown pensioner shall not count as Service; but it shall not, except for the purposes of rules 13.4, 13.17, 13.19 and 16.1, in the event of the pensioner's re-employment under any Employer, be held to constitute a break in the continuity of the pensioner's Service.

15.3 Employee retired through infirmity may be called up for medical examination

Any such pensioner shall submit to a medical examination by a medical practitioner nominated by the Trustee as and when required by the Trustee, and if the pensioner does not comply with that requirement, pension shall cease to be payable to the pensioner until the pensioner complies with the requirement.

15.4 Employee restored to health may be recalled to Service

15.4.1 If, in the opinion of the Trustee, the health of any pensioner retired as aforesaid has become so restored as to enable the pensioner to perform duties which, having regard to the duties performed by the pensioner immediately prior to the pensioner's retirement, are in the opinion of the Trustee suitable to be performed by such pensioner, the Trustee may communicate with the Employer from whose Service the pensioner was retired, or any other Employer under these Rules, and, if suitable employment be found for such pensioner, at a Salary not less than two-thirds of the Salary of a person who is employed in a position which is, in the opinion of the Trustee, a corresponding position to that in which the pensioner was employed immediately before the pensioner's retirement, or at such Salary as may be agreed upon between the pensioner and the pensioner's Employer, may cancel the pension; thereupon the pension shall cease to be payable.

15.4.2 In the event of the subsequent retirement on grounds of invalidity or physical or mental incapacity to perform the person's duties or of the death of a person who has been recalled to the Service in accordance with subrule 15.4.1:

- (a) pension shall, where such retirement or death occurred five years or more after the recall of such person, be paid as provided in these Rules but such pension shall not be less than the amount of pension at which the person was previously retired;
- (b) pension shall not, where such retirement or death occurred less than five years after the recall of such person, be paid in respect of the number of units of pension in excess of the number for which the person was contributing at the time when the person was previously retired but in such case pension shall not be less than the amount of pension at which the person was previously retired and a lump sum, equal to the contribution paid by the person in respect of the number of units

of pension in excess of the number in respect of which pension is payable as aforesaid, shall be payable.

15.4.3 Notwithstanding anything in these Rules:

- (a) where a person is retired under rule 12.7 within five years of again becoming a Contributor following a previous retirement under section 22 of the *Superannuation Act 1916* or under rule 12.7, then, as on and from the date (being not earlier than the commencement date of subsection 51(3) of the *Superannuation Act 1916*) on which pension thereafter first becomes payable to the person, the rate at which it is payable shall be that at which it would have been payable to the person had the person continued in the person's last retirement (disregarding any retirement of that person to which subrule 15.4.2(b) applied) instead of again becoming a Contributor and had the provisions referred to in the definition of *suspended part of a pension* in subrule 21.1.1 did not apply; and
- (b) where a Contributor dies within five years of having again become a Contributor following a previous retirement under section 22 of the *Superannuation Act 1916* or under rule 12.7 of these Rules, then, as on and from the date being not earlier than the commencement date of subsection 51(3) of the *Superannuation Act 1916*) on which pension thereafter first becomes payable to the Contributor's Spouse, the rate at which it is payable shall be that at which it would have been payable to the Contributor's Spouse had the Contributor:
- (i) where the Contributor has been retired under rule 12.7 once only continued in that retirement instead of the Contributor's again becoming a Contributor; or
- (ii) where the Contributor has been so retired more than once continued in the Contributor's last retirement (disregarding any retirement of the Contributor's to which subrule 15.4.2 (b) applied) instead of again becoming a Contributor,

and as if the provisions referred to in the definition of *suspended part of a pension* in subrule 21.1.1 did not apply.

16. DEFERRED BENEFITS

16.1 Calculation of deferred pension components

16.1.1 Where a person who is Retrenched or Resigns or is Dismissed or Discharged from the Service of an Employer elects to take the benefit of this Division, there shall be calculated, as at the person's Exit Day, the employee-Contributed pension component, and the employer-financed pension component, in relation to the person.

16.1.2 For the purposes of subrule 16.1.1, the employee-contributed pension component in relation to a person shall be calculated in accordance with the following formula:

$$P1 = 2.20 \times \text{EPU}$$

where:

P1 is the employee-contributed pension component;

- EPU is the sum of the following:
- (a) $\frac{UHn - Cn}{Rn}$ (except where Cn exceeds UHn);
 - (b) $\frac{TCB}{RB}$;
 - (c) UC;
- UHn is the number of units of pension for which Contributions were payable by the person on the person's Exit Day in accordance with the tables of Contributions fixed by or under these Rules, but excluding:
- (a) any such units of pension which are excess units of pension referred to in subrule 6.1.1 and in respect of which no person has any rights in this Division; and
 - (b) any such units of pension, being reserve units, for which Contributions were being made under rule 11.7;
- Cn is the amount of Contributions due for the last Contribution Period for which Contributions were payable by the person before the person's Exit Day, in respect of that number of units of pension;
- Rn is the relevant amount under subrule 16.1.4 in relation to the person for an additional unit of pension on the person's Exit Day;
- TCB is the total amount paid in respect of instalments payable by the person on or before the person's Exit Day for units of pension for which the person contributed in accordance with Part 9 (but deducting therefrom any part of that amount allocated under these Rules to the purchase of fully paid up units);
- RB is the amount specified in subrule 9.1.1 as the cost of a unit of pension in relation to the person;
- UC is the number of units (if any) purchased by the person and credited to the person as fully paid up units.

16.1.3 For the purposes of subrule 16.1.1, the Employer-financed pension component in relation to a person shall be calculated in accordance with the following formula:

$$P2 = 3.30 \times UE \times \frac{S}{S+T}$$

where:

- P2 is the employer-financed pension component;
- UE is the number of units of pension that, pursuant to rule 11.1.1, is appropriate to the Salary payable to the person on the person's Exit Day plus, in a case to which rule 6.1 applies, the number of any excess units of pension referred to in subrule 6.1.1 and in respect of which the Trustee considers, in accordance with subrule 6.1.5, that the retention of entitlement to Benefits under these Rules is warranted;

S is the number of years (including any fractional part of a year calculated on a daily basis) of continuous Contributory Service by the person with any one or more Employers;

T is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the person's Exit Day precedes:

- (a) the date on which the person attains the Maturity Age; or
- (b) where any employment which, on the person's Exit Day, the person is Entitled to count as Service for the purposes of rule 12.1 is, in total, for less than a period of 10 years the expiration of the balance of that period of 10 years,

whichever is the later.

16.1.4 For the purposes of subrule 16.1.2, the relevant amount in relation to a person for an additional unit of pension on the person's Exit Day is:

- (a) where the person has attained the Prescribed Age on or before that day, the amount which, if the person were required under Part 8 to commence to contribute for an additional unit of pension on that day, would be the amount payable in accordance with the tables of Contributions fixed under rule 8.3 for that unit for a Contribution Period; or
- (b) where the person has not attained the Prescribed Age on or before that day, the amount equal to the sum of:
 - (i) the amount payable by the person for any additional unit of pension for which the person had been required to commence contributing on and from the person's last Annual Adjustment Day for a Contribution Period or, as the case may be, the amount that would have been so payable if the person had been so required; and
 - (ii) for each day of the period commencing on the day following that Annual Adjustment Day and ending on the person's Exit Day, the amount equal to 1/364th part of the difference between the amount referred to in subparagraph (i) and the amount which that amount would have been if, on that Annual Adjustment Day, the person had been 1 year older than the age actually attained.

16.1.5 For the purposes of subrule 16.1.3, the period of continuous Contributory Service by a person on the person's Exit Day is the period that commenced when the person last became a Contributor and ended on that day (but excluding any part of that period during which the person is treated by rule 15.1 as being on leave of absence without pay).

16.1.6 If the Trustee has made a determination under rule 23.1 in respect of a pension payable under this Division, the amount of the pension is reduced by the amount specified in the Trustee's determination.

16.2 Adjustment of pension components

16.2.1 Expressions used in this rule 16.2 have the same meanings as they have in Part 21.

16.2.2 Where:

- (a) the employer-financed pension component in relation to a person is calculated under this Part 16 as at the person's Exit Day;
- (b) pensions are adjusted under Part 21 by a percentage for a year commencing after the Exit Day; and
- (c) no Benefit became payable under this Part 16 during that year to, or by virtue of the death of, the person,

the component, as so calculated and as previously adjusted under this rule 16.2, is, as from the adjustment date for that year, adjusted by that percentage.

16.2.3 Where:

- (a) the employer-financed pension component in relation to a person is calculated under this Part 16 as at the person's Exit Day;
- (b) pensions are adjusted under Part 21 by a percentage for a year commencing on or before the Exit Day and ending after the Exit Day; and
- (c) no Benefit became payable under this Part 16 during that year to, or by virtue of the death of, the person,

the component, as so calculated, is, as from the adjustment date for that year, adjusted by the percentage calculated in accordance with the following formula:

$$A = P \times \frac{Q}{4}$$

where:

- A is the percentage by which the component is to be adjusted;
- P is the percentage for the year by which pensions are adjusted;
- Q is the number of whole quarters of the year, being the whole quarters after the Exit Day.

16.2.4 Where:

- (a) a pension under this Part 16, or a pension that is calculated by reference to a pension that is payable under this Part 16, has become payable to or in respect of a person referred to in rule 16.1; and
- (b) pensions are adjusted under Part 21 by a percentage for a year beginning before and ending after the date on which that pension became so payable,

the pension, as from the adjustment date for that year, is, in addition to any adjustment of the pension under Part 21, adjusted by the amount calculated in accordance with the following formula:

$$A = \frac{C2 \times P \times Q}{4}$$

where:

A represents the amount of the pension as adjusted;

C2 represents:

- (a) in the case of a pension payable under rule 16.3 or 16.5 to a person, the amount of the employer-financed pension component calculated in relation to the person and as adjusted by the operation (if any) of this rule 16.2 before the pension became payable; or
- (b) in the case of a pension payable under rule 16.4 to a person, the amount obtained in relation to the person from the calculation, under that rule 16.4, of the formula $P2 (1 - 0.04 \times TM)$; or
- (c) in the case of a pension payable under this Part 16 to the Spouse of a person referred to in subrule 16.1.1, an amount equal to two-thirds of the amount of the employer-financed pension component calculated in relation to that person and as adjusted by the operation (if any) of this rule 16.2 before the pension became payable; or
- (d) in the case of a pension of a Spouse that is calculated by reference to a pension that was payable to a person under this Part 16, an amount equal to two-thirds of the amount referred to in paragraph (a) or (b), as the case may be, in relation to that person;

P represents the percentage for the year by which pensions are adjusted;

Q represents the number derived by adding together the following:

- (a) except when paragraph (b) applies – "1" (representing the quarter of the year during which the pension became payable);
- (b) if the pension became payable on the first day of a quarter, "0";
- (c) the smaller of:
 - (i) the number of whole quarters in that year that have occurred before the day on which the pension became payable; and
 - (ii) the number of whole quarters that have occurred since the Exit Day of the person to or in respect of whom the pension is payable and before the day on which the pension became payable.

16.3 Pensions at retirement age

16.3.1 A person referred to in subrule 16.1.1 who has not received any other Benefit under this Part 16 and who applies to the Trustee to receive a pension under this rule 16.3 is entitled to receive that pension:

- (a) on the person's attaining the Maturity Age;
 - (b) where any employment which, on the person's ceasing to be a Contributor, the person was entitled to count as Service for the purposes of rule 12.1 was, in total, for less than a period of 10 years, on the expiration of such time after the person ceased to be a Contributor as is equivalent to the balance of that period; or
 - (c) on receipt by the Trustee of the application,
- whichever is the latest.

16.3.2 The pension which a person is entitled to receive under this rule 16.3 is a pension of an amount per fortnight equivalent to the sum of:

- (a) the Employee-contributed pension component calculated in relation to the person; and
- (b) the Employer-financed pension component calculated in relation to the person and as adjusted by the operation (if any) of rule 16.2.

16.3.3 These Rules apply to and in respect of a person who is entitled to a pension under this rule 16.3 in the same way as it applies to and in respect of a Contributor who is entitled to a pension under rule 13.1 and so applies as if the pension payable under this rule 16.3 were a pension payable under that rule 13.1.

16.3.4 The pension provided by this rule 16.3 is not payable under subrule 16.3.1 to a person who elected to provide for the Benefit under rule 11.11 when the requirements of subrule 11.11.5(d) are satisfied.

16.4 Pensions at early retirement age

16.4.1 A person referred to in subrule 16.1.1 who has not received any other Benefit under this Part 16 and who applies to the Trustee to receive a pension under this rule 16.4 is entitled to receive that pension:

- (a) on the person's attaining the age of 55 years;
- (b) on the expiration of the period of ten years after the person last became a Contributor; or
- (c) on receipt by the Trustee of the application,

whichever is the latest.

16.4.2 The pension provided by this rule 16.4 is not payable under subrule 16.4.2 to a person who elected to provide for the benefit under rule 11.11 unless the requirements of subrule 11.11.5(d) are satisfied.

16.4.3 The pension which a person is entitled to receive under this rule 16.4 is a pension of an amount per fortnight calculated in accordance with the following formula:

$$TP = P1 (1 - .07 \times TM) + P2 (1 - .04 \times TM)$$

where:

- TP is the amount of the pension;
- P1 is the Employee-contributed pension component calculated in relation to the person;
- P2 is the Employer-financed pension component calculated in relation to the person and as adjusted by the operation (if any) of rule 16.2;
- TM is the number of years, if any, (including any fractional part of a year calculated on a daily basis) by which the day from which the pension commences to be payable precedes the date on which the person attains the age of 60 years.

16.4.4 These Rules apply to and in respect of a person who is entitled to a pension under this rule 16.4 in the same way as it applies to and in respect of a Contributor who is entitled to a pension under rule 13.3 and so applies as if the pension payable under this rule 16.4 were a pension payable under that rule 13.3.

16.5 Disability pension

16.5.1 A person referred to in subrule 16.1.1 who has not received any other Benefit under this Part 16 and who applies to the Trustee to receive a pension under this rule 16.5 is entitled to receive that pension:

- (a) on receipt by the Trustee of the application; or
- (b) on the Trustee's being satisfied, after taking into account any medical opinion that it considers to be relevant, that the person is physically or mentally incapable of performing the duties of any employment that, in the opinion of the Trustee, it would be reasonable for the person to undertake,

whichever is the later.

16.5.2 The pension which a person is entitled to receive under this rule 16.5 is a pension of an amount per fortnight equivalent to the sum of:

- (a) the employee-contributed pension component calculated in relation to the person; and
- (b) the employer-financed pension component calculated in relation to the person and as adjusted by the operation (if any) of rule 16.2.

16.5.3 A person to whom this rule 16.5 applies shall be granted payment of pension only for such period at a time as the Trustee determines and a fresh application shall, unless the Trustee from time to time otherwise determines, be necessary before any further payment is made.

16.5.4 The period determined by the Trustee as referred to in subrule 16.5.3 for the payment of pension to a person:

- (a) if the person has not attained the Maturity Age, shall be such period (not exceeding 5 years) as the Trustee thinks fit, having regard to the state of health of the person; and
- (b) if the person has attained the Maturity Age may be for the remainder of the person's life.

- 16.5.5 A person receiving a pension under this rule 16.5 shall submit to a medical examination as and when required by the Trustee and, if the person defaults in complying with any such requirement, pension shall cease to be payable to the person during the default.
- 16.5.6 A pension payable under this rule 16.5 shall cease to be payable to a person on the Trustee's ceasing to be satisfied as referred to in subrule 16.5.1(b) in relation to the person.
- 16.5.7 Where a pension under this rule 16.5 ceases to be payable to a person, the person shall, for the purposes of this Part 16, be deemed not to have received a Benefit under this Part 16.
- 16.5.8 Except as provided by this rule 16.5, these Rules apply to and in respect of a person who is entitled to a pension under this rule 16.5 in the same way as it applies to and in respect of a person entitled to a pension under rule 13.5 and so applies as if the pension payable under this rule 16.5 were a pension payable under that rule.

16.6 Interim pension

- 16.6.1 The Trustee may grant an interim pension to a person who has attained the age of 55 years and who, on application, would be entitled to a pension under rule 16.4, pending the determination of an application under rule 16.5.
- 16.6.2 The pension which the Trustee may grant is a pension equal to the early retirement pension to which the person would be entitled on application under rule 16.4.
- 16.6.3 These Rules apply to and in respect of a person granted a pension under this rule 16.6 in the same way as it applies to a person entitled to a pension under rule 13.3 and so applies as if a pension payable under this rule 16.6 were a pension payable under that rule 13.3.
- 16.6.4 If an interim pension is granted, the amount of any pension payable to a person under rule 16.5 is to be reduced by the amount of any interim pension paid.
- 16.6.5 Despite subrule 16.5.1, the grant of an interim pension under this rule 16.6 does not make a person ineligible for a pension under rule 16.5 or affect any other right of a person granted a pension under that rule 16.5.
- 16.6.6 However, a person who commutes an interim pension before the determination of an application under rule 16.5 is not entitled to a pension under rule 16.5.

16.7 Pensions for Spouses

- 16.7.1 Where a person referred to in subrule 16.1.1 who has not received a Benefit under this Part 16 dies, the Spouse of the person is entitled to receive a pension under this rule 16.7 on receipt by the Trustee of an application by the Spouse for that pension.
- 16.7.2 The pension which a Spouse of a person is entitled to receive under this rule 16.7 is a pension at the rate of two-thirds of the pension that would have been payable to the person had the person been entitled to pension under subrule 16.5 immediately before dying.
- 16.7.3 These Rules apply to and in respect of a Spouse who is entitled to receive a pension under this rule 16.7 in the same way as it applies to and in respect of a Spouse of a Contributor, being a Spouse to whom pension is payable under these Rules, and so applies as if the pension payable under this rule 16.7 were a pension payable under rule 13.6 by virtue of the death of a Contributor.

16.8 Children's pensions at rule 22.2 rates

- 16.8.1 A pension of the appropriate amount per fortnight under rule 22.2 is payable in respect of a Child on the death of a person referred to in subrule 16.1.1 (*the former Employee*) who has not received a Benefit under this Part 16 if the conditions set out in subrules 16.8.2 and 16.8.3 are satisfied.
- 16.8.2 The Child must be a Child of the former Employee or a Child of a surviving Spouse of the former Employee who is not eligible to receive a pension under rule 16.9.
- 16.8.3 If the Child is not a Child of the former Employee, the Child:
- (a) must have been born or adopted before the death of the former Employee; and
 - (b) must have been ordinarily part of the former Employee's household at the time of the death of the former Employee.
- 16.8.4 A pension under this rule 16.8 ceases to be payable in respect of a Child if the surviving parent dies, but continues to be payable even though the surviving parent marries or remarries.
- 16.8.5 These Rules apply to and in respect of a Child in respect of whom a pension is payable under this rule 16.8 in the same way as it applies to and in respect of a Child in respect of whom a pension is payable under Part 13, and so applies as if the pension payable under this rule 16.8 were a pension payable under Part 13 by virtue of the death of a Contributor.

16.9 Children's pensions

- 16.9.1 A pension of the appropriate amount per fortnight under rule 22.3 is payable in respect of a Child on the death of a person referred to in subrule 16.1.1 (*the former Employee*) who has not received a Benefit under this rule 16.9 if the conditions set out in subrules 16.9.2 to 16.9.4 are satisfied.
- 16.9.2 The Child must be a Child of the former Employee or a Child of a Spouse of the former Employee.
- 16.9.3 The other parent of the Child or the Spouse of the former Employee who was a parent of the Child:
- (a) must have died before the former Employee's death; or
 - (b) must have been divorced from the former Employee; or
 - (c) must have been in a De Facto Relationship with the former Employee that ended before the former Employee's death.
- 16.9.4 If the Child is not a Child of the former Employee:
- (a) in a case where the Spouse who is the parent of the Child is divorced from or the former De Facto Spouse of the former Employee, the Child must have been born or adopted before the divorce or end of the De Facto Relationship; and

- (b) in any case, the Child must have been ordinarily part of the former Employee's household at the time of the death of the Spouse, divorce or end of the De Facto Relationship.

16.9.5 Where a pension ceases to be payable under rule 16.8 in respect of a Child because the surviving parent dies, a pension of the appropriate amount per fortnight under rule 22.3 is payable in respect of the Child.

16.9.6 These Rules apply to and in respect of a Child in respect of whom a pension is payable under this rule 16.9 in the same way as it applies to and in respect of a Child in respect of whom a pension is payable under Part 13, and so applies as if the pension payable under this rule 16.9 were a pension payable under Part 13 by virtue of the death of a Contributor.

16.9.7 In this rule 16.9:

Spouse includes a person previously married to the former Employee or a former De Facto Spouse.

16.10 Students' pensions

16.10.1 In this rule 16.10, *student* has the same meaning as it has in rule 13.27.

16.10.2 Where a person referred to in subrule 16.1.1 who has not received a Benefit under this Part 16 dies, a pension under this subrule 16.10:

- (a) is payable in respect of a student if a pension would be payable in respect of the student were the person a Contributor and the student under the age of 18 years, on receipt by the Trustee of an application for that pension; and
- (b) is payable to such persons as the Trustee determines a pension would have been payable were the student under the age of 18 years or shall be expended by the Trustee towards the support or education of the student.

16.10.3 The amount of pension payable under this rule 16.10 shall be:

- (a) in the case of a student in respect of whom the pension referred to in subrule 16.10.2(a) is a pension payable under rule 13.13, the appropriate amount per fortnight under rule 22.3; or
- (b) in any other case, the appropriate amount per fortnight under rule 22.2.

16.10.4 For the purposes of subrules 13.27.1, 13.27.5, 13.27.6 and 13.27.7, a pension payable under this rule 16.10 shall be deemed to be a pension payable under rule 13.27.

16.10.5 These Rules apply to and in respect of a student in respect of whom a pension is payable under this rule 16.10 in the same way as it applies to and in respect of a student in respect of whom a pension is payable under rule 13.27, and so applies as if the pension payable under this rule 16.10 were a pension payable under that rule 13.27 by virtue of the death of a Contributor.

16.11 Cash termination Benefit

16.11.1 A person referred to in subrule 16.1.1 who has not received any other Benefit under this Part 16 may, at any time, apply to the Trustee for a cash termination Benefit under this rule 16.11.

16.11.2 On receipt by the Trustee of an application made by a person in accordance with subrule 16.11.1, there shall be payable to the person:

- (a) if the person was Retrenched from the Service of an Employer the lump sum payment to which the person would have been entitled under rule 13.20 in consequence of the Retrenchment if the person had elected under that rule 13.20 to take a lump sum Benefit; or
- (b) if the person Resigned or was Dismissed or Discharged from the Service of an Employer the lump sum payment to which the person would have been entitled under rule 13.19 in consequence of the Resignation, Dismissal or Discharge.

16.11.3 The Trustee is to adjust the amount of a Benefit payable under this rule 16.11, having regard to any adjustment of a Contributor's account under rule 2.5.

16.11.4 An application made in accordance with subrule 16.11.1 shall be deemed to be revoked if the person dies before payment of the cash termination Benefit applied for, leaving a Spouse to whom, but for the payment of that Benefit, a pension would, on application, be payable under these Rules.

16.11.5 Where a person referred to in subrule 16.1.1 dies without having received a Benefit under this Part 16 and without leaving a Spouse (or leaving a Spouse who dies without having received a Benefit under this Part 16), the person shall, unless the person leaves a Child or Children in respect of whom pension is payable under these Rules or would, but for this rule 16.11, be so payable, if application is made to the Trustee for a Benefit under this rule 16.11, be deemed to have applied for a cash termination Benefit under subrule 16.11.1 immediately before the death, and the money payable under subrule 16.11.2 shall be paid by the Trustee to the person's legal personal representatives or, where the person has no legal personal representatives, to such persons as the Trustee may determine.

16.11.6 Where a person referred to in subrule 16.1.1 dies without having received a Benefit under this Part 16 leaving a Child or Children in respect of whom pension is, on application, payable under these Rules or would, but for this rule 16.11, be so payable, the Trustee may, on receipt by it of an application for a Benefit under this rule 16.11, or rule 16.8 or 16.9:

- (a) pay the cash termination Benefit under this rule 16.11 as if the person had not died leaving the Child or Children, in which case a pension or pensions shall not be payable under these Rules in respect of the Child or Children; or
- (b) pay a pension or pensions in respect of the Child or Children as if this rule 16.11 did not apply,

whichever the Trustee considers to be in the best interests of the Child or Children.

16.12 Effect of Contributor becoming a Contributor to another scheme while employed by the same Employer

A Contributor (other than a Contributor who is eligible to become or who is a member under Division E) who becomes a Contributor to another superannuation fund while employed by the same Employer:

- (a) is required to make provision for a Benefit provided by this Part 16 (rule 16.11 excepted) despite anything to the contrary in this Part 16;

- (b) shall be regarded as having elected to make provision for that Benefit on becoming a Contributor to that other superannuation fund; and
- (c) is not entitled to elect to take the Benefit provided by rule 16.11 while employed by that same Employer.

17. DEFERRAL OF BENEFIT FOR CONTRIBUTORS IN CERTAIN CIRCUMSTANCES

[heading amended by Deed of Amendment No.2 operative 20/10/00; Deed of Amendment No.4 operative 1/7/99]

17.1 Eligible Contributors

17.1.1 This rule applies to a Contributor:

[replaced by Deed of Amendment No2 operative 20/10/00]

- (a) who, as a result of a single reduction of Salary, has undergone a reduction of 20% or more in Attributed Salary; and
- (b) whose Employer certifies the matter referred to in paragraph (a).

17.1.2 The fact that a person undergoes more than one Salary reduction of 20% or more does not mean that the person ceases to be a person to whom this Division applies.

17.2 Exit Day

In this Division, ***Exit Day***, in relation to an Employee to whom this Part 17 applies, means the day immediately preceding the day of the reduction in Salary in relation to which the Employee makes an election under rule 17.3.

17.3 Election to a Benefit

17.3.1 A person to whom this Part 17 applies may elect:

- (a) if the person would have been entitled to be paid a Benefit under subrule 12.1.1 or 12.1.2 had he or she ceased employment on his or her Exit Day to defer that Benefit (in this Part 17 termed ***a deferred Benefit***) in accordance with this Part 17; or
- (b) in any other case to defer a Benefit provided for by Part 16 which Benefit is to be dealt with in accordance with that Part 16.

17.3.2 When a person has made a valid election under subrule 17.3.1(b), a Benefit is not payable to, or in respect of, that person:

- (a) under any other provision of these Rules; and
- (b) unless that person has ceased employment or has died.

17.3.3 An Employee may make only one election under this rule 17.3 but the election may relate to any single reduction in Salary of 20% or more (not just the first reduction that occurs).

[amended by Deed of Amendment No.2 operative 20/10/00]

17.4 Date of deferral of Benefit

A Benefit referred to in this Part 17 is deferred from the Exit Day.

17.5 Calculation of value of deferred Benefit

[replaced by Deed of Amendment No.2 operative 20/10/00]

The initial value of a deferred Benefit is to be calculated:

- (a) if the person is aged 55 years and over, in accordance with Part 13 as if the person had retired and may be adjusted or reduced in the same way as any other Benefit payable to a person on retirement; or
- (b) if the person is aged less than 55 years, in accordance with Part 16.

17.6 Election to commute deferred Benefit

17.6.1 A person who has made a valid election under subrule 17.3.1(a) may elect to commute the whole or part of his or her pension Benefit in accordance with rules 12.4 and 12.5, except that:

- (a) subrules 12.4.5 and 12.4.6 and 12.5.4 do not apply with respect to such an election; and
- (b) the election must be made by the person within 3 months after his or her Exit Day.

17.6.2 A person may not amend or withdraw an election to commute, in whole or in part, a deferred Benefit made under this Part 17.

17.7 Adjustment of deferred Benefit

[replaced by Deed of Amendment No.2 operative 20/10/00]

17.7.1 If a person is aged 55 years or over at the time of making an election pursuant to rule 17.3, the deferred Benefit is to be adjusted:

- (a) as to the pension component of the Benefit, in accordance with Part 21; and
- (b) as to the commuted component of the Benefit, in accordance with rule 2.5.

17.7.2 If a person is aged less than 55 years at the time of making an election pursuant to rule 17.3, the deferred Benefit is to be adjusted;

- (a) as to the pension component of the Benefit, in accordance with Part 16; and
- (b) as to the commuted component of the Benefit, in accordance with rule 2.5.

17.8 When deferred Benefit is payable

A deferred Benefit is to be paid on the happening of any of the following:

- (a) the person in respect of whom a Benefit is payable applying for payment of the Benefit following Resignation, Retirement or any other cessation of employment;

- (b) the death of the person in respect of whom a Benefit is payable.

17.9 Payment of deferred Benefit

17.9.1 A deferred Benefit is to be paid in accordance with this rule 17.9.

17.9.2 In a case other than death of the person to whom this Part 17 applies, payment is to be made to the person of the deferred pension, if any, and the deferred commuted component, if any, adjusted in accordance with this Part 17.

17.9.3 If the person to whom this Part 17 applies dies and is survived by a Spouse, payment is to be made to the Spouse of:

- (a) a fortnightly pension at the rate of two-thirds of the pension, as adjusted, which would have been payable to the person, on the day immediately preceding the day of the person's death, if no election to commute any part of the person's Benefit had been made; and
- (b) where applicable, the deferred commuted component, as adjusted, which would have been payable to the person had the person retired on the day immediately preceding the day of the person's death; and
- (c) amounts in accordance with these Rules in respect of any eligible Children.

17.9.4 If the person to whom this Part 17 applies dies and is not survived by a Spouse, payment is to be made:

- (a) to the estate of the deceased of:
- (i) where applicable, the deferred commuted amount, as adjusted; or
- (ii) an amount calculated in accordance with rule 13.19 which would have been payable to the person on the day immediately preceding the day of the person's death,
- whichever is the greater; and
- (b) of amounts in accordance with these Rules in respect of any eligible Children.

17.10 The Trustee to apportion Benefit

When a Benefit is deferred in accordance with this Part 17, rule 13.15 applies.

17.11 Break in Service

When a Benefit is deferred in accordance with this Part 17, rule 13.21 does not apply.

18. AGE TERMINATION BENEFITS

18.1 Benefit on attaining compulsory payment age

[heading amended by Deed of Amendment No.4 operative 30/6/99]

18.1.1 [deleted by Deed of Amendment No.[26] operative 01/07/07]

18.1.2 *[deleted by Deed of Amendment No.[1] operative 27/4/98].*

18.1.3 An Employee may elect at any time on or after attaining 65 years to be paid any pension to which the Employee is entitled at the time but:

[amended by Deed of Amendment No.[1] operative 27/4/98; by Deed of Amendment No.4 operative 30/6/99; amended by Deed of Amendment No.[26] operative 01/07/07]

- (a) may elect under rule 12.4 to commute to a lump sum all or part of the pension; and
- (b) subject to subrule 18.2.2, if such an election is made, may also elect to preserve the whole of the lump sum in this Division, even though the Employee is not retired.

18.1.4 The Trustee is to adjust the amount of a Benefit payable under this rule 18.1, having regard to any adjustment of a Contributor's account under rule 2.5.

18.1.5 A Benefit provided under subrule 18.1.1 (b) is to be paid out by the Trustee on application by the person to whom it is payable under subrule 18.1.6.

18.1.6 A Benefit under subrule 18.1.1(b) is payable:

- (a) if the former Contributor has not died, to the former Contributor; or
- (b) if the former Contributor has died, in accordance with clause 14.17A.

[replaced by Deed of Amendment No.[24] operative 24/10/05]

(c) [deleted by Deed of Amendment No.[24] operative 24/10/05]

18.1.7 A person entitled or who has elected to be paid to a Benefit under this rule 18.1 is not entitled to any other Benefit under these Rules.

[amended by Deed of Amendment No. [1] operative 27/4/98]

18.2 Compulsory payment of deferred or other Benefit

18.2.1 This rule 18.2 applies to a person who is entitled to, but has not been paid, a Benefit under Part 16, Part 17 or this Part 18.

18.2.2 The Trustee is, as soon as practicable, to pay the Benefit to which a person to whom this rule 18.2 applies is entitled if:

(a) [deleted by Deed of Amendment No.[26] operative 01/07/07]

(b) [deleted by Deed of Amendment No. [26] operative 01/07/07]

- (c) the person is at least 65 years of age and has requested the Trustee to pay the Benefit; or
- (d) the Trustee is satisfied that the person has retired from the work force and has at least reached the preservation age.

[amended by Deed of Amendment No.[26] operative 01/07/07]

19. COMPULSORY PRESERVATION OF BENEFITS

[Rule 19 replaced by Deed of Amendment No.4 operative 1/7/99]

19.1 Compulsory preservation of benefits on or after 1 July 1999

19.1.1 The Trustee must, when a pension or lump sum becomes payable under these Rules (including a benefit provided under rule 16 or 17) preserve all or so much of the pension or lump sum as is required to be preserved so as to be consistent with Superannuation Law.

19.1.2 For the purpose of preserving a Benefit under this section, the Trustee must convert to a lump sum so much of a pension as is required to be preserved. The remainder of the pension is to be dealt with as otherwise required or permitted by or under these Rules.

19.1.3 The amount of the Benefit to be preserved in respect of a Contributor or former Contributor for the purpose of this rule 19.1 is as determined by the Trustee, after obtaining actuarial advice.

19.1.4 The amount of a benefit that must be preserved for the purposes of subrule 19.1.1 is to be preserved in the Fund and is to be adjusted, having regard to any adjustment of the appropriate reserve under rule 2.5 or is to be preserved under rule 19.3.

19.2 Payment of compulsorily preserved Benefit

19.2.1 The whole or part of a benefit preserved under rule 19.1 is payable by the Trustee in the circumstances in which a Benefit is payable under Superannuation Law.

19.2.2 The whole or part of a benefit preserved under rule 19.1 must be paid by the Trustee, if it is required to be paid under Superannuation Law.

19.2.3 The benefit is payable:

- (a) unless the former Contributor has died—to the former Contributor, or
- (b) if the former Contributor has died, in accordance with clause 14.17A.

[replaced by Deed of Amendment No.[24] operative 24/10/05]

(c) [deleted by Deed of Amendment No.[24] operative 24/10/05]

19.3 Preserved Benefits

19.3.1 Any amounts preserved by the Trustee under section 19.1 may be preserved in such funds, accounts or reserves as the Trustee determines, administered by the Trustee.

19.3.2 Any such preserved amounts payable by the Trustee under rule 19.2 are to be paid from the appropriate fund, account or reserve referred to in this rule.

20. RIGHTS UNDER VARIOUS ACTS

20.1 Insurance policies may be continued or discontinued at option of Contributor

It shall not be necessary for any Contributor under these Rules to insure the Contributor's life, or to continue in force any policy of insurance on the Contributor's life already taken out at the date of transfer of the transferred member.

20.2 Surrender of policies

20.2.1 Any Employee whose life is insured at the date of transfer of the transferred member, may surrender the Employee's policy of insurance or may transfer such policy (if unencumbered) to the Trustee or to a person approved by the Trustee and request the Trustee to continue the payment of the premiums under the said policy. The Trustee shall thereupon cause such premiums to be duly paid, and on the maturity of the policy shall hand over to the Employee or to the Employee's legal personal representatives to be administered as part of the Employee's estate any sums received on the policy, less the amount of the premiums, with compound interest thereon at the prescribed rate from the respective dates of payment.

However, the Trustee or the person approved by the Trustee pursuant to this rule 20.2 may at any time prior to the maturity of any policy transferred to the Trustee or such person, upon repayment of all moneys paid by the Trustee for premiums thereunder with compound interest thereon at the prescribed rate from the respective dates of payment, release such policy to the Employee.

20.2.2 In this rule 20.2, a reference to the *prescribed rate* is a reference to the rate of interest for the time being fixed by the Trustee under rule 24.5 for the purposes of this rule 20.2.

20.2.3 The right of an Employee under subrule 20.2.1:

- (a) to pay the Trustee the surrender value of an insurance policy; or
- (b) to transfer an insurance policy to the Trustee,

ceased on 21 April 1983.

20.3 Surrender of policies generally

20.3.1 Any Employee or pensioner whose life, or the life of whose Spouse, is insured under a policy of assurance which has been in force for not less than five years and which is at the time of transfer an endowment policy unencumbered and upon which all premiums due have been paid may request the Trustee to accept a transfer of such policy in accordance with the provisions of this rule 20.3.

20.3.2 The Trustee may, in such cases as it deems proper and subject to such conditions as it may determine, accept a transfer of any such policy.

20.3.3 Upon such acceptance by the Trustee:

- (a) the Employee or pensioner or Spouse of the Employee or pensioner, as the case may be shall assign the Benefit of such policy to the Trustee;
- (b) the Trustee shall cause all premiums under such policy to be duly paid under this Division.

20.3.4 Where, before the maturity of any such policy, the person who assigned the policy to the Trustee requests the Trustee in writing in the form prescribed to release the same to the person and pays to the Trustee the amount of the premiums paid by it with compound interest thereon at the prescribed rate from the respective dates of payment, the Trustee shall release such policy to such person.

- 20.3.5 On the maturity of such policy (such policy not having been released pursuant to the provisions of subrule 20.3.4) the Trustee shall hand over to the person entitled thereto all moneys received under such policy less the amount of the premiums paid by it with compound interest thereon at the prescribed rate from the respective dates of payment.
- 20.3.6 In this rule 20.3, a reference to the prescribed rate is a reference to the rate of interest for the time being fixed by the Trustee under rule 24.5 for the purposes of this rule 20.3.
- 20.3.7 The right of an Employee or pensioner under subrule 20.3.1 to request the Trustee to accept a transfer of a policy of assurance ceased on 21 April 1983.

21. AUTOMATIC ADJUSTMENT OF PENSIONS

21.1 Definitions

- 21.1.1 In this Part 21, except in so far as the context or subject-matter otherwise indicates or requires:

adjustment date, in relation to a year, means the first day of the pension pay period that ends on the first pension pay day in the October that next follows that year;

adjustment percentage, in relation to a year, means (subject to subrule 21.2.2) the percentage for that year, calculated in accordance with rule 21.2;

Index number, in relation to a June quarter, means the number for that June quarter appearing in the Consumer Price Index (All Groups Index) for Sydney published by the Australian Statistician under the *Census and Statistics Act 1905–1966* of the Parliament of the Commonwealth or that Act as amended from time to time or any Act of that Parliament passed in substitution therefor;

June quarter, in relation to a year, means the period commencing on and including 1st April in that year and ending on and including 30th June in that year;

pension

- (a) subject to paragraph (b), means:
- (i) pension payable under these Rules; and
 - (ii) pension wholly paid or recouped from the Consolidated Revenue Fund or the funds of an Employer; and
- (b) does not include:
- (i) pension that has been commuted under rule 12.4; or
- [amended by Deed of Amendment No.4 operative 1/1/00]*
- (ii) pension payable in respect of a Child or a student;

quarter, in relation to a year, means:

- (a) the period commencing on and including 1st July in that year and ending on and including 30th September in that year;

- (b) the period commencing on and including 1st October in that year and ending on and including 31st December in that year;
- (c) the period commencing on and including 1st January in that year and ending on and including 31st March in that year; or
- (d) the period commencing on and including 1st April in that year and ending on and including 30th June in that year;

suspended part of a pension, in relation to an adjustment date, means, where any part of an increase in pension was not payable at that adjustment date by reason only of the operation of section 33A of the *Superannuation Act 1916*, the unpaid part of that increase or, where any part of a pension was not payable at that adjustment date by reason only of the operation of section 31B of the *Superannuation Act 1916* the unpaid part of that pension;

suspended pension, in relation to an adjustment date, means:

- (a) a pension that was not payable under rule 13.5 or 13.6 at that adjustment date by reason only of the marriage of a person; or
- (b) a pension that was not payable at that adjustment date by reason only of the operation of rule 15.3;

year means a period commencing on and including 1st July and ending on and including the next following 30th June.

21.1.2 Where a pension is to be adjusted under this Part 21 by reference to the adjustment percentage for a year, a reference (however expressed) in this Part 21 to adjusting the pension is a reference to:

- (a) where the adjustment percentage is calculated in accordance with the formula set out in subrule 21.2.1(a) increasing the pension; or
- (b) where the adjustment percentage is calculated in accordance with the formula set out in subrule 21.2.1(b) reducing the pension.

21.2 Calculation of adjustment percentage

21.2.1 For the purposes of the definition of **adjustment percentage** in subrule 21.1.1, the percentage for a year shall be calculated:

- (a) if the Index number for the June quarter in that year is greater than the Index number for the immediately preceding June quarter in accordance with the following formula:

$$P = \frac{100(C - L)}{L}$$

- (b) if the Index number for the June quarter in that year is less than the Index number for the immediately preceding June quarter in accordance with the following formula:

$$P = \frac{100(L - C)}{L}$$

where:

- P is the percentage to be obtained;
- C is the Index number for the June quarter in that year; and
- L is the Index number for the immediately preceding June quarter.

21.2.2 Where:

- (a) the percentage calculated for a year in accordance with this rule 21.2 is less than 1.0%; or
- (b) the Index number for the June quarter in that year is the same as the Index number for the immediately preceding June quarter,

there shall be deemed to be no adjustment percentage for that year.

21.2.3 Where there is deemed to be no adjustment percentage for a year, then, for the purposes of calculating the percentage for the next year:

- (a) the Index number for the June quarter in the firstmentioned year shall be deemed not to have been published; and
- (b) the Index number for that quarter shall be deemed to be the same as the Index number for the June quarter in the last year for which there was an adjustment percentage.

21.2.4 If at any time, the Australian Statistician has published in respect of a particular June quarter an Index number in substitution for an Index number previously published in respect of that quarter, the publication of the later Index number shall be disregarded unless the Trustee otherwise determines for the purposes of this Part 21.

21.2.5 Notwithstanding subrule 21.2.4, if the Australian Statistician changes the reference base for the Consumer Price Index (All Groups Index) for Sydney, then, for the purposes of the application of this Part 21 after the change takes place, regard shall be had only to Index numbers published in terms of the new reference base.

21.3 Adjustment of pensions: general cases

21.3.1 Subject to this Part 21, where there is an adjustment percentage for a year (in this rule 21.3 referred to as *the particular year*), the pension payable on the adjustment date for that year to a person to whom this rule 21.3 applies is hereby adjusted, on and from that adjustment date, by that percentage.

21.3.2 This rule 21.3 applies to:

- (a) a person who last became a pensioner on or before 1st July in the particular year;
- (b) a person who is the Spouse of a pensioner, where that pensioner last became a pensioner on or before 1st July in the particular year and died before the adjustment date for that year; and

- (c) a person who is the Spouse of a Contributor, being a Contributor who died, on or after 1st July in the particular year but before the adjustment date for that year, within five years of having again become a Contributor following a retirement under rule 12.7 on or before 1st July in that year.

21.3.3 A reference in subrule 21.3.1 to a pension payable to a person includes a reference to the pension that would have been payable to the person as if the provisions referred to in the definition of *suspended part of a pension* in subrule 21.1.1 did not apply .

21.4 Adjustment of pensions: partial adjustment

21.4.1 Subject to this Part 21, where there is an adjustment percentage for a year (in this rule 21.4 referred to as *the particular year*), the pension payable on the adjustment date for that year to a person to whom this rule 21.4 applies is hereby adjusted, on and from that adjustment date, by the percentage calculated in accordance with the formula set out in subrule 21.4.3.

21.4.2 This rule 21.4 applies to:

- (a) a person who last became a pensioner after 1st July in the particular year but on or before 1st April in that year, other than a person referred to in paragraph (c);
- (b) a person who is the Spouse of a pensioner, where that pensioner last became a pensioner after 1st July in the particular year but on or before 1st April in that year and died before the adjustment date for that year; and
- (c) a person who is the Spouse of a Contributor, being a Contributor who died, after 1st July in the particular year but before the adjustment date for that year, within five years of having again become a Contributor following a retirement under rule 12.7 after 1st July in that year but on or before 1st April in that year,

but does not apply to a person to whom rule 21.3 applies.

21.4.3 The formula referred to in subrule 21.4.1 is:

$$A = P \times \frac{Q}{4}$$

where:

A is the percentage by which the pension is to be adjusted;

P is the adjustment percentage for the particular year; and

Q is the number of whole quarters of the particular year, being the whole quarters after, and (if applicable) the whole quarter on the first day of which:

- (a) in the case of a person referred to in subrule 21.4.2(a), the person last became a pensioner;
- (b) in the case of a person referred to in subrule 21.4.2 (b), the person's late pensioner Spouse last became a pensioner; or
- (c) in the case of a person referred to in subrule 21.4.2(c):

- (i) where the person's late Spouse had been retired under rule 12.7 once only, the person's late Spouse was so retired; or
- (ii) where the person's late Spouse had been so retired more than once, the person's late Spouse was last so retired,

disregarding any retirement of the person's late Spouse to which subrule 15.4.2(b) applied.

21.5 Application of rules 21.3 and 21.4 to breakdown pensions and suspended pensions

21.5.1 In determining when a pensioner last became a pensioner for the purposes of rule 21.3 or 21.4, regard shall not be had to any retirement to which subrule 15.4.2(b) applied.

21.5.2 Rule 21.3 or 21.4, as the case may require, applies to and in respect of a suspended pension in the same way as it applies to and in respect of a pension referred to therein, and so applies as if:

- (a) the marriage by reason of which the pension is a suspended pension had not taken place; or
- (b) rule 15.3 did not exist,

as the case may require, but nothing in this subrule 21.5.2 operates so as to authorise or require the payment at any time of that suspended pension or any part thereof.

21.6 Minimum amount to which pensions may be reduced

Notwithstanding anything in this Part 21:

- (a) a pension (other than a pension payable to a person by virtue of the person being a Spouse of a pensioner) shall not be reduced below the fortnightly amount that would, if this Part 21 had not been enacted, have been payable; and
- (b) a pension payable to a person by virtue of the person being a Spouse of a pensioner shall not be reduced below the fortnightly amount that would have been payable to the person by reference to the pension that would, if this Part 21 had not been enacted, have been payable to the pensioner.

21.7 Calculation of percentages

Where a percentage that is to be calculated under this Part 21 is or includes a fraction of one-tenth of 1%:

- (a) if that fraction is less than one-half of one-tenth, that fraction shall be disregarded; and
- (b) if that fraction is not less than one-half of one-tenth, that fraction shall be treated as one-tenth.

22. AUTOMATIC ADJUSTMENT OF CHILDREN'S PENSIONS

22.1 Definitions

In this Part 22, except in so far as the context or subject-matter otherwise indicates or requires, *adjustment date*, *adjustment percentage* and *year* have the meanings respectively ascribed to those expressions by subrule 21.1.1.

22.2 Children's pensions

22.2.1 For the purposes of rule 13.12 and subrule 13.27.4(b), the appropriate amount of pension in respect of a Child or student is, subject to this rule 22.2, \$4 per week.

22.2.2 Subject to this Part 22, the appropriate amount of pension under this rule 22.2 is \$41.20 per fortnight.

22.2.3 Subject to this Part 22, where pensions are increased or decreased under Part 21 by a percentage for any year, the appropriate amount of pension, as previously adjusted, under this rule 22.2 is, as from the adjustment date for that year, increased or decreased, as the case may be, by that percentage.

22.2.4 If the Trustee has made a determination under rule 23.1 in respect of a pension under this rule 22.2, the amount of the pension is reduced by the amount specified in the Trustee's determination.

22.3 Orphans' pensions

22.3.1 For the purposes of rule 13.13 and subrule 13.27.4(a), the appropriate amount of pension in respect of a child or student is, subject to this rule 22.3, \$10 per week.

22.3.2 Subject to this Part 22, the appropriate amount of pension under this rule 22.3 is \$97.85 per fortnight.

22.3.3 Subject to this Part 22, where pensions are increased or decreased under Part 21 by a percentage for any year, the appropriate amount of pension, as previously adjusted, under this rule 22.3 is, as from the adjustment date for that year, increased or decreased, as the case may be, by that percentage.

22.3.4 If the Trustee has made a determination under rule 23.1 in respect of a pension under this rule 22.3, the amount of the pension is reduced by the amount specified in the Trustee's determination.

22.4 Minimum amounts to which pensions may be reduced

Notwithstanding anything in this Part 22, the appropriate amount of pension under:

(a) rule 22.2 shall not be reduced below \$4 per week; or

(b) rule 22.3 shall not be reduced below \$10 per week.

22.5 Operation of Part

An increase or decrease of the appropriate amount under rule 22.2 or 22.3 operates in relation to pensions being paid as at the date of the increase or decrease, as well as to pensions that become payable thereafter.

23. CIRCUMSTANCES IN WHICH BENEFITS MAY BE REDUCED

23.1 Power of the Trustee to reduce pensions and other Benefits to offset certain Tax liabilities of this Division

23.1.1 Whenever:

- (a) a right to a Benefit under these Rules accrues to or in respect of a Contributor or former Contributor; and
 - (b) the Trustee has paid or is liable to pay Tax in respect of Employers' contributions under this Division; and
 - (c) a portion of that Tax is referable to the Employer-financed portion of that Benefit,
- the Trustee must, subject to subrule 23.1.2:
- (d) calculate the amount necessary to offset the Trustee's liability to pay Tax so far as it is referable to the Employer-financed portion of that Benefit; and
 - (e) accordingly make a determination reducing the Benefit by the amount so assessed.

23.1.2 Subrule 23.1.1 does not authorise the reduction of a Benefit under these Rules, unless:

- (a) the Benefit is of a kind to which rule 23.3 applies; and
- (b) the method of calculating the reduction is set out in rule 23.3; and
- (c) the reduction is calculated according to that method.

23.2 Power of the Trustee to adjust Benefits to comply with certain Commonwealth standards relating to occupational superannuation

23.2.1 If:

- (a) a Contributor or former Contributor becomes entitled to receive a pension under these Rules, other than a pension under rule 13.5; and
- (b) payment of the pension to the Contributor or former Contributor would, but for this subrule 23.2.1, not comply with Superannuation Law,

the Contributor or former Contributor may, by notice in writing given to the Trustee before the pension starts to be paid, elect to receive the pension:

- (c) in a form that complies with Superannuation Law; or
- (d) in a form that is in accordance with these Rules (apart from this rule 23.2).

- 23.2.2 Even after such a pension has started to be paid in a form that does not comply with Superannuation Law, the Contributor or former Contributor concerned is, by notice in writing given to the Trustee at any time before the Trustee is required to take the action referred to in subrule 23.3.1, entitled to make an election or a further election to receive payment of the pension in a form that complies with Superannuation Law.
- 23.2.3 An election made and notified to the Trustee in accordance with this rule 23.2 is sufficient authority for the Trustee to pay a pension in accordance with the election of the Contributor or former Contributor concerned.
- 23.2.4 An election under this rule 23.2 to receive a pension in a form that complies with Superannuation Law is irrevocable.
- 23.2.5 A Contributor or former Contributor who does not notify the Trustee of the election of the Contributor or former Contributor under this rule 23.2 before the pension concerned starts to be paid is, subject to subrule 23.2.3, to be regarded as having elected to receive payment of that pension in the form provided by these Rules (apart from this rule).
- 23.2.6 If a Contributor or former Contributor makes an election under this rule 23.2 to receive a pension in a form that complies with Superannuation Law, the Trustee must ensure that the pension is varied only to the extent necessary to comply with Superannuation Law.
- 23.2.7 An election under this rule 23.2 to receive a pension in a form that complies with Superannuation Law is binding not only on the Contributor or former Contributor who made the election but also on any person claiming a Benefit under these Rules through that Contributor or former Contributor.
- 23.2.8 If an election is made under this rule 23.2 to receive a pension in a form that complies with Superannuation Law, the pension is payable in that form despite any other provision of these Rules to the contrary.
- 23.2.9 In this rule 23.2 a reference to a Benefit or pension is a reference to the Benefit or pension after reducing it in accordance with rule 23.1 where appropriate.

23.3 Reduction of Benefit

- 23.3.1 This rule 23.3 applies to the Benefits provided under the following provisions:
- (a) rule 13.1 (Amount of pension payable on retirement);
 - (b) rule 13.3 (Pension on retirement before reaching 60 years of age);
 - (c) rule 13.4 (Pension on retirement before age 60 component pension);
 - (d) rule 13.5 (Breakdown pensions);
 - (e) rule 13.6 (Pensions to Spouse on death of Contributor);
 - (f) rule 13.16 (Retrenchment Benefits payable to an Employee who is Retrenched after completing 10 years' Service);
 - (g) rule 13.17 (Retrenchment Benefits payable to Contributors having not less than 3 years' contributing Service);

- (h) rule 13.19 (Withdrawal Benefit);
- (i) rule 14.2 (Benefits payable in respect of Reduced Value Units);
- (j) Part 16 (Deferred Benefits).

23.3.2 For the purposes of rule 23.1, the reduction in a Benefit to which this rule 23.3 applies (other than a Benefit under rule 13.19 or rule 14.2) is the amount calculated in accordance with the following formula:

$$R = M \times \frac{A}{B} \times Q$$

23.3.3 For the purposes of rule 23.1, the reduction in a Benefit under rule 13.19 (other than a Benefit arising as a result of the death of a person) is the amount calculated in accordance with the following formula:

$$R = A \times Q$$

23.3.4 For the purposes of rule 23.1, the reduction in a Benefit under rule 14.2 is the amount calculated in accordance with the following formula:

$$R = T \times Q$$

23.3.5 In this rule 23.3:

- R represents the amount of the reduction;
- M is calculated in accordance with subrule 23.3.6 and represents the amount of the pension or lump sum being reduced;
- A represents the portion of the Benefit payable from the appropriate Employer's reserve in accordance with subrule 13.15.2(b);
- B represents the relevant amount in respect of the Benefit determined in accordance with subrule 13.6.3;
- Q represents the sum of such number of terms as is determined in accordance with the formula prescribed by subrule 23.3.7 to reflect the number of times the rate of Tax has changed;
- T represents the total amount of Benefit derived under rule 14.2.

23.3.6 In subrule 23.3.5, the symbol "M" represents:

- (a) in the case of a Benefit arising under rule 13.1, 13.3, 13.4 or 13.5 the Benefit that would be payable under that rule, but for rule 23.1 and this rule 23.3; or
- (b) in the case of a Benefit arising under rule 13.6 in respect of a Contributor who dies before reaching the age of 60 in the case of a man, or the Maturity Age in the case of a woman, two-thirds of the pension that, but for rule 23.1 and this rule 23.3, would have been payable to the Contributor under rule 13.5 if the Contributor had been retired immediately before death; or

- (c) in the case of a Benefit arising under rule 13.6 in respect of a Contributor who dies on or after reaching the age of 60 in the case of a man, or the Maturity Age in the case of a woman, two-thirds of the pension that, but for rule 23.1 and this rule 23.3, would have been payable under rule 13.1 if the Contributor had retired, or had been retired, immediately before death; or
- (d) in the case of a Benefit arising under rule 13.16 or 13.17, the lump sum Benefit that would be payable under that section but for rule 23.1 and this rule 23.3; or
- (e) in the case of a Benefit arising under Part 16 the total component pension preserved in accordance with rule 16.1.

23.3.7 For the purposes of the symbol "Q" in subrule 23.3.5, the formula prescribed by this subrule is:

$$\frac{C}{D} \times L$$

where:

C represents the number of days of continuous Contributory Service that the person in respect of whom the pension is payable has had with one or more Employers in each period during which the rate of Tax payable on Employer contributions is L;

D represents:

- (a) in the case of Benefits arising under rule 13.5 or 13.6 the number of days of continuous Contributory Service that the person in respect of whom the pension is payable has had with one or more Employers during the period beginning with the date when the person last became a Contributor and ending with the later of the Exit Day and the date on which the person would have been eligible to retire under subrule 12.1.1 if the person's employment had continued to that date; or
- (b) in all other cases the number of days of continuous Contributory Service that the person in respect of whom the pension is payable has had with one or more Employers during the period beginning with the date on which the person last became a Contributor and ending with the person's Exit Day;

L represents the rate of Tax payable on Employer Contributions or such lesser rate as may be determined by the Trustee having regard to the most recent actuarial valuation in respect of the Division.

23.3.8 For the purposes of the symbols "C" and "D" in subrule 23.3.7, the period of a person's continuous Contributory Service does not include any period during which the person is treated by rule 15.1, as being on leave without pay.

23.3.9 For the purposes of rules 13.7 and 16.7, the Benefit that emerges upon the death of the member is not to be reduced as it would already have been reduced in accordance with rule 23.1 when the member retired or when the Benefit was preserved.

23A SUPERANNUATION INTEREST UNDER THE FAMILY LAW ACT

[inserted by Deed of Amendment No.[21] operative 28/12/02]

23A.1 Where a Family Court Order, a Superannuation Agreement or Flag Lifting Agreement applies, the Trustee shall ensure that, the value of the Non-Member Spouse's entitlement shall be calculated in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the Family Law Act.

23A.2 The Member's Superannuation Interest is reduced in accordance with the valuation methodology set out by the Actuary from time to time in accordance with the Family Law Act.

24. COMPLIANCE WITH SUPERANNUATION GUARANTEE LEGISLATION

24.1 Minimum Benefits

The Trustee must, after obtaining actuarial advice, determine what the minimum Employer-financed Benefit would have to be to ensure that there is no Superannuation Guarantee Shortfall.

24.2 Increase in Benefits

So much of a pension component of a Benefit or lump sum as is Employer-financed is, despite any other provision of these Rules [**or any Act**], not to be less than the minimum Benefit determined under rule 24.1. The Benefit that would otherwise be payable under these Rules is increased to the extent necessary for the purpose of complying with this rule 24.2.

24.3 Increase in Benefit to be paid from non-Contributory scheme

The amount of any increase in Benefit is to be debited by the Trustee from the Employer Reserve of the Employer concerned established under Division C of the Deed.

24.4 Definition

In this Part 24, *employer-financed Benefit* means the sum of so much of a pension component of a Benefit or lump sum as is Employer-financed under these Rules, any basic Benefit under the State Authorities Non-Contributory Superannuation Act 1987 and any Employer-financed Benefit of a kind provided by Division C of the Deed.

24.5 The Trustee empowered to fix interest rates for the purposes of these Rules

24.5.1 Whenever the Trustee considers it necessary to do so, the Trustee may, by resolution, fix a rate of interest for the purposes of rule 11.7, 12.6, 13.21, 20.2 or 23.3.

24.5.2 A rate fixed under subrule 24.5.1 for the purposes of rule 13.21, 21.3 or 21.4 has effect on and from:

- (a) the date on which the resolution of the Trustee fixing the rate is made; or
- (b) if a later date is specified in the resolution, that later date.

24.5.3 A rate fixed under subrule 24.5.1 for the purposes of rule 11.7 or 12.6 has effect on and from:

- (a) such date as is specified in the resolution of the Trustee fixing the rate (whether that date is before or after the date of the resolution); or
- (b) if no such date is specified in the resolution, the date on which the resolution is made.

24.5.4 Subject to this rule 24.5, the Trustee has power, and shall be regarded as always having had power, when paying a Benefit under these Rules, to pay interest at such rates, for such periods and in such circumstances as in its absolute discretion it thinks appropriate.

24.5.5 The Trustee may fix different rates for the provisions mentioned in rule 24.5.1.

25. TRANSITIONAL AND OTHER PROVISIONS ARISING FROM THE SUPERANNUATION (AMENDMENT) ACT 1988

25.1 25.1 Certain persons to continue to be liable to make payments that were due under the *Superannuation Act 1916* before the commencement of the *Superannuation (Amendment) Act 1988*:

- (a) a provision of the *Superannuation (Amendment) Act 1988* repealed or amended a provision of the *Superannuation Act 1916*; and
- (b) immediately before the commencement of the repealing or amending provision a person was liable to make a payment under the repealed or amended provision which has not been satisfied,

the liability continues under these Rules despite the repeal or amendment.

25.2 Equation of payments

Any agreement entered into under section 90 of the *Superannuation Act 1916* and in force immediately before 1 July 1988 continues in force as if that section had not been repealed by the *Superannuation (Amendment) Act 1988*.

26. SAVINGS AND TRANSITIONAL

26.1 Contributions while on leave without pay or working minimum hours

Rules 6.3, 11.3 and 11.5 apply to a period of leave without pay or part-time work commenced before 1 January 1994 and not completed immediately before that date.

26A SAVINGS AND TRANSITIONAL

26A.1 Definitions

[inserted by Deed of Amendment No.4 operative 30/6/99]

In this rule:

"amending deed" means the Deed of Amendment No. 4 Schedule A.

"eligible pensioner" means a person who is in receipt of a pension under these Rules and who, on the repeal of rule 12.2 by the amending Deed:

- (a) has not attained the age of 60 years and 6 months; and
- (b) has not made an election to commute any part of that pension under rule 12.2 or whose election to commute under that rule has not taken effect.

26A.2 Amendments do not confer new commutation rights on persons who are not eligible pensioners

[inserted by Deed of Amendment No.4 operative 1/1/00]

- (a) Rule 12.4, as substituted by the amending deed, does not apply to or in respect of any pension to which a person became entitled under this Division before 1 July 1985 if the person who is in receipt of that pension is not an eligible pensioner and, accordingly, rule 12.4 does not confer on such a person an entitlement to commute the whole or part of that pension.
- (b) The repeal of rule 12.2 by the amending deed does not affect any election made by a person (not being an eligible pensioner) under rule 12.2 before that repeal, and these Rules continues to apply in respect of such an election as if it had not been amended by the amending deed.
- (c) This rule is subject to rule 26A.3.

26A.3 Commutation of mandatory residual pension under rule 12.4

[inserted by Deed of Amendment No.4 operative 1/1/00]

- (a) If a person who became entitled to a pension under these Rules before 1 July 1985 elected to commute the whole of his or her pension (other than the mandatory residual pension) in accordance with these Rules, before the repeal of rule 12.2 by the amending deed:
 - (i) rule 12.4, as amended by the amending deed, extends to that mandatory residual pension; and
 - (ii) the person may make one election under rule 12.4 in respect of that mandatory residual pension within the period of 6 months after the commencement of this rule (despite rule 12.5).
- (b) The Trustee may, subject to such terms and conditions as it may impose, accept an election that is made after that period of 6 months and deal with it as if that time had been indefinitely extended if:
 - (i) it is proved to the satisfaction of the Trustee that an election was not made because:
 - (1) the person entitled to make the election did not know of the person's right to make the election; or
 - (2) circumstances substantially beyond the person's control prevented the person's making an election; and
 - (ii) The Trustee is satisfied that in the circumstances of the case it is desirable that the election should be accepted.

- (c) This rule does not authorise the commutation of a pension payable in respect of children.
- (d) In this rule:

"mandatory residual pension" means any amount of pension per fortnight that a person was not entitled to commute under rule 12.2.1, 12.2.2, or 12.2.3 as in force immediately before the repeal of those rules by the amending deed.

26A.4 Saving of commutation entitlements of eligible pensioners

[inserted by Deed of Amendment No.4 operative 1/1/00]

- (a) Subrule 12.4.1, as substituted by the amending deed, applies to or in respect of a pension to which a person became entitled under these Rules before 1 July 1985 if the person who is in receipt of that pension is an eligible pensioner.
- (b) Accordingly, an eligible pensioner may commute the whole or part of that pension in accordance with rules 12.4 and 12.5.
- (c) If an eligible pensioner attained the rule 12.4 commutation age before the commencement of this rule:
- (i) the eligible pensioner is taken, for the purposes of subrules 12.5.1 and 12.5.2, to have attained the rule 12.4 commutation age on the commencement of this rule; and
 - (ii) the reference in subrule 12.5.3 to the time prescribed is taken to be a reference to the time prescribed by that section as modified by this rule.
- (d) If an eligible pensioner made an election to commute any part of his or her pension under rule 12.2 before the repeal of that rule by the amending deed (being an election that has not taken effect):
- (i) that election is to be treated as an election under rule 12.4; and
 - (ii) the eligible pensioner may, without the approval of the Trustee being necessary, make a further election under rule 12.4 in accordance with rule 12.5 (as modified by subrule 12.5.3, if applicable).
- (e) In this rule the "rule 12.4 commutation age" means:
- (i) in the case of a person who is in receipt of a pension payable under rule 13.5, the maturity age; or
 - (ii) in any other case, 55 years.

26A.5 References to amounts commuted under repealed provisions

[inserted by Deed of Amendment No.4 operative 1/1/00]

- (a) The reference in subrule 12.4.18 to the spouse of a person who dies, having commuted the whole or part of any pension payable to the person pursuant to rule 12.4, extends to the spouse of a person who dies on or after the commencement of

this rule, having commuted the whole or any part of any pension payable to the person pursuant to rules 12.2 (before the repeal of the rule by the amending deed or in accordance with an election referred to in subrule 26A.2(b)).

- (b) A reference in rule 13.11 or 21 to any lump sum paid, or any pension that has been commuted, under rule 12.4 extends to any lump sum paid, or pension that has been commuted, under rule 12.2 (before the repeal of that rule by the amending deed or in accordance with an election referred to in subrule 26A.2(b)).

26A.6 Changes to method of calculation

[inserted by Deed of Amendment No.4 operative 30/6/99]

- (a) The amendment made to rule 13.17 by the amending Act does not apply to the calculation of a benefit payable to a contributor who became entitled to the benefit before the commencement of that amendment. Rule 13.17, as in force immediately before the commencement of that amendment, continues to apply in respect of such a calculation.
- (b) The amendments made to rule 13.19 by the amending Act do not apply to the calculation of any amount payable to a contributor who became entitled to the amount before the commencement of the amendments. Rule 13.19, as in force immediately before the commencement of those amendments, continues to apply in respect of such a calculation.

26B TRANSITIONAL PROVISIONS

[26B inserted by Deed of Amendment No.4 operative various]

26B.1 Definitions:

[26B.1 inserted by Deed of Amendment No.4 operative 30/6/99]

In this rule 26B:

commencement day means the day the rule is amended as stated in clause 2 of this Deed of Amendment.

26B.2 Amendments to rule 12.5 – no application to persons of or over the age of 60 years

[26B.2 inserted by Deed of Amendment No.4 operative 1/1/00]

The amendments made to rule 12.5 as a result of the Amending Deed do not apply in respect of any person who is entitled to a pension payable under rule 13.5 and who attains the age of 60 years on or before the commencement day.

26B.3 Amendments to rule 12.5 – application to certain persons between 55 and 60 years of age

[26B.3 inserted by Deed of Amendment No.4 operative 1/1/00]

26B.3.1 This rule 26B.3 applies in respect of a person who has a maturity age of 60 years, and who, on the commencement day:

- (a) is entitled to a pension payable under rule 13.5, and

- (b) has attained the age of 55 years but has not yet attained the age of 60 years.

26B.3.2 Rule 12.5, as amended as a result of the amendments made to these Rules that took effect on the commencement day applies in respect of such a person as if the person had attained the age of 55 years on the commencement day. Accordingly:

- (a) the person may make an election under rule 12.4 or under rule 12.10 (if applicable to the person), at any time within the period of 6 months after the appointed day, and
- (b) the reference in subrule 12.5.3 to the time prescribed by subrule 12.5.1 and 12.5.2 is a reference to the time prescribed by those subrules, as amended by amendments that took effect on the commencement day.

26B.4 Application of rule 13.7A and amendments to rule 13.8

[26B.4 inserted by Deed of Amendment No.4 operative 30/6/99]

26B.4.1 Rule 13.7A, as inserted as a result of the amendments made to these Rules that took effect on the commencement day, does not apply to or in respect of a pensioner who died before the commencement of rule 13.7A.

26B.4.2 Rules 13.8.4 and 13.8.5, as inserted as a result of the amendments made to these Rules as a consequence of the amendments that took effect on the commencement day do not apply to or in respect of an employee who died before the commencement of 13.8.4 and 13.8.5.

26B.5 Application of rule 13.17A

[26B.5 inserted by Deed of Amendment No.4 operative 30/6/99]

Rule 13.17A, as inserted as a result of the amendments made to these Rules as a consequence of the amendments that took effect on the commencement day, applies only in respect of a Contributor referred to in subrule 13.17A.1 who is retrenched on or after the commencement of rule 13.17A.

26C TRANSITIONAL PROVISIONS

Rule 13.5, as amended by Deed of Amendment 7, applies to any person entitled to a pension on 1 July 1999 but who was, immediately before that date, not entitled (because of subrule 13.5.9) to payment of that pension.

[inserted by Deed of Amendment No. 7 operative 1/7/99]

27. PROVISIONS APPLICABLE IN RESPECT OF FOREIGN CONTRIBUTORS

27.1 Definitions

27.1.1 In this Part 27:

conversion ratio, in relation to a foreign currency, means:

- (a) in the case of sterling the ratio of 1 pound sterling to 2 Australian dollars; or
- (b) in the case of Japanese currency the ratio of 400 Japanese yen to 1 Australian dollar;

foreign Contributor means a Contributor who:

- (a) was recruited in a country other than Australia and is employed in such a country; and
- (b) is paid a Salary at a rate expressed in a currency other than Australian currency;

foreign currency in relation to a foreign Contributor means the currency in which his rate of Salary is expressed.

27.1.2 A reference in this Part 27:

- (a) to a foreign Contributor shall be construed as including a reference to a former foreign Contributor; and
- (b) to an Employer of a foreign Contributor shall be construed as including a reference to the person who was the Employer of the former foreign Contributor.

27.2 Certain calculations to be made by means of a conversion ratio

Where:

- (a) an amount expressed in a foreign currency is required for the purposes of these Rules to be expressed in Australian currency that amount expressed in Australian currency; or
- (b) an amount expressed in Australian currency is required for the purposes of these Rules to be expressed in a foreign currency that amount expressed in the foreign currency,

shall be calculated by means of the conversion ratio in relation to that foreign currency.

27.3 Certain amounts to be expressed in foreign currency

27.3.1 This rule 27.3 shall not apply in respect of a foreign Contributor unless a conversion ratio applies in relation to the currency of the country in which the foreign Contributor is employed.

27.3.2 For the purpose of determining the number of units of pension that, pursuant to subrule 11.1.1, is appropriate for the Salary actually being paid to a foreign Contributor, the amount of the Salary shall be expressed in Australian currency in accordance with rule 27.2.

27.3.3 Any amount payable under these Rules by or to a foreign Contributor shall be expressed in foreign currency in accordance with rule 27.2.

27.4 Employer to pay under or receive under this Division any difference between actual amount paid under this Part and amount otherwise payable

27.4.1 Where:

- (a) an amount that, but for subrule 27.3.3, would be payable under these Rules by a foreign Contributor is greater than the amount that is paid by that person; or

- (b) an amount that, but for subrule 27.3.3, would be payable under these Rules to a foreign Contributor is less than the amount that is paid to that person,

the Employer of the foreign Contributor shall pay under this Division an amount equal to the difference between the amount that, but for subrule 27.3.3, would be payable and the amount that is paid.

27.4.2 Where:

- (a) an amount that, but for subrule 27.3.3, would be payable under these Rules by a foreign Contributor is less than the amount that is paid by that person; or
- (b) an amount that, but for subrule 27.3.3, would be payable under these Rules to a foreign Contributor is greater than the amount that is paid to that person,

the Trustee shall pay under this Division to the Employer of the foreign Contributor an amount equal to the difference between the amount that, but for subrule 27.3.3, would be payable and the amount that is paid.

27.5 Payments to be made as if conversion ratio always applied

Where a conversion ratio applies to the currency of a country in which, immediately before the conversion ratio first applied to that currency, there was employed a foreign Contributor to whom rule 27.3 did not apply:

- (a) the Trustee may pay to the foreign Contributor such amount or make such allowance in respect of future contributions payable by the Contributor;
- (b) the Employer shall pay under this Division such amount; and
- (c) the foreign Contributor shall pay under this Division such amount,

as in the opinion of the Trustee would place this Division, the foreign Contributor and the Employer of the foreign Contributor in the financial position in which they would have been if the conversion ratio had always applied.

SCHEDULE 5 DIVISION E - (PSESS)

This document incorporates the following amendments

- Amendment No. 1 dated 27 April 1998
- Amendment 2 dated 20 October 2000 (*amended Pool B only*)
- Amendment 3 dated 11 January 1999 (*added Schedule 6 only*)
- Amendment 4 dated 30 June 1999
- Amendment 5 dated 30 June 1999 (*amended Schedules 2 & 3 only*)
- Amendment 6 dated 1 October 1999 (*amended Trust Deed only*)
- Amendment 7 dated 4 May 2000 (*amended Schedule 1*)
- Amendment 8 dated 14 August 2000
- Amendment 9 dated 28 March 2001
- Amendment 10 dated 21 November 2000 (*amended Schedule 4 only*)
- Amendment 11 dated 20 September 2000 (*amended Schedule 6 only*)
- Amendment 12 dated 30 April 2001
- Amendment 13 dated 29 March 2001 (*Division F*)
- Amendment 14 dated 20 September 2002 (*Division B only*)
- Amendment 15 dated 8 September 2002
- Amendment 16 dated 25 October 2002 (*amends Deed only*)
- Amendment 17 dated 22 November 2002
- Amendment 18 dated 5 February 2003 (*amends Deed and Pool B only*)
- Amendment 18A dated 17 July 2003
- Amendment 19 dated 5 September 2003 (*Division F only*)
- Amendment 20 dated 1 June 2003 (*Division N only*)
- Amendment 21 dated 21 November 2003
- Amendment 22 dated 24 September 2004
- Amendment 23 dated 18 February 2005
- Amendment 24 dated 21 September 2005
- Amendment 26 dated 28 March 2008
- Amendment 28 dated 19 March 2009
- Amendment 29 dated 11 March 2011

**SCHEDULE 5
DIVISION E — (PSESS)**

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SCHEDULE 5

DIVISION E — (PSESS)

These are the Rules governing Division E of the Fund. At the Transfer Day the Rules of Division E are intended to reflect the rights, benefits and entitlements of members under the Public Sector Executives Superannuation Scheme, established under the Public Sector Executives Superannuation Act 1989, as at the time immediately before the Transfer Day.

1. INTERPRETATION

1.1 Definitions

1.1.1 In these Rules:

Additional Benefit Additional Benefit means the total amount of Benefit approved in relation to a Member under Rule 3.5 (as varied by any subsequent election that is in force).

[replaced by Deed of Amendment No.[1] operative 27/4/98]

Additional Benefit Management Reserve means the Additional Benefit Management Reserve established under these Rules.

Additional Benefit Premium means the premium that, in order to attract the Additional Benefit for a Member, is paid by transfer from the Member's Benefit Account.

Basic Insured Cover means cover under any insurance policy or policies that the Trustee in its absolute discretion shall take out to provide an amount of insured cover which the Trustee calls Basic Insured Cover as set out in rule 5.4.1;

[inserted by Deed of Amendment No.[23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

Basic Insured Cover Member means a Member who has been accepted for membership of the Fund under this Division subsequent to the date that is the commencement date of the first policy to provide Basic Insured Cover, and in respect of whom Basic Insured Cover applies and that cover has not ceased under the policy for that cover;

[inserted by Deed of Amendment No.[23] operative 19/9/05]

Basic Insured Cover Premium means the premium that, in order to attract Basic Insured Cover for a Basic Insured Cover Member, is paid from the Member's Benefit Account.

[inserted by Deed of Amendment No.[23] operative 19/9/05]

Chief Executive Officer means:

- (a) a chief executive officer within the meaning of the Public Sector Management Act 1988; or
- (b) an employee of an employer specified in Schedule 1 of the Public Sector Executives Superannuation Act 1989, being an employee who holds an office

designated by the Director-General of the Premier's Department as the office of a chief executive officer.

Contribution Period means a named month or such other period as may be prescribed.

Deferred Benefit in relation to a Member, means a Benefit for which the Member has made provision under rule 4.6 or which a Member elects to have dealt with under that rule.

Discharged, in relation to a Member, means that the Member's employment is terminated:

- (a) because the period, or the successive periods, for which the Member was employed has or have ended, or
- (b) because, before the end of a period for which the Member was employed, the employment of the Member is terminated by the Member's Employer,

but does not include a termination of the Member's employment for a breach by the Member of the Member's contract of employment or because the Member is Retrenched.

Early Retirement Age means the age of 55 years.

Employee means a Contributor who is:

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- (a) a Chief Executive Officer;
- (b) a Senior Executive Officer;
- (c) an officeholder nominated for the purposes of Section 11A of the Statutory and Other Officers Remuneration Act 1975; or
- (d) such other person as is nominated by the Employer in accordance with clause 10.5A.

Exit Date, in relation to a Member, means the date on which the Member ceases to be an Employee, being:

- (a) the only such cessation of employment as an Employee, or
- (b) where there has been more than one such cessation of employment as an Employee the later or latest of those cessations of employment.

Insured Benefit means Basic Insured Cover and any insured Additional Benefit.

[inserted by Deed of Amendment No [28] operative 1/8/09]

Member's Benefit Account means the Benefit Account established and maintained under rule 2.2 in respect of a Member.

Monetary Remuneration Payable to a Member means:

- (a) if the Member is a Chief Executive Officer or a Senior Executive Officer, the monetary remuneration payable in accordance with the Public Sector Management Act 1988;

- (b) if the Member is an Executive Officer notified by the Employer to the Trustee, the monetary remuneration payable to the Member as the occupant of the position; or
- (c) if the Member is an office holder nominated for the purposes of section 11A of the Statutory and Other Offices Remuneration Act 1975, the remuneration payable to the Member as reduced under that section by the cost of employment Benefits provided to the Member.

Reserve means an Account.

Retire, in relation to a Member, means cease (otherwise than because of death) in any manner to be employed as an Employee within the meaning of these Rules on or after reaching the Early Retirement Age.

Retrenched, in relation to a Member, means that the Member's employment:

- (a) is compulsorily terminated by the Member's Employer on the ground that:
 - (i) the Employer no longer requires the Member's services and, on termination of the Member's employment, does not propose to fill the Member's position;
 - (ii) the work that the Member was engaged to perform has been completed; or
 - (iii) the amount of work that the Employer requires to be performed has diminished and, due to that fact, it has become necessary to reduce the number of Employees employed by the Employer, or
- (b) is terminated as a result of the acceptance by the Member of an offer by the Member's Employer of terms of retrenchment made on a ground specified in paragraph (a).

Same-sex Partner [inserted by Deed of Amendment No. 12 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]

Senior Executive Officer means:

- (a) a senior executive officer within the meaning of the Public Sector Management Act 1988; or
- (b) an employee of an authority specified in Schedule 1 of the Public Sector Executives Superannuation Act 1989, being an employee who holds an office designated by the Director-General of the Premier's Department as the office of a senior executive officer.

Spouse [(a) amended by Deed of Amendment No.[1] operative 1/7/97, (d) inserted by Deed of Amendment No.12 operative 1/7/0, deleted by Deed of Amendment No.[29] operative 11/03/11]

Total and Permanent Disablement means in relation to a Member:

- (a) if insurance cover for total and permanent disablement benefits applies to the Member, the same meaning as the corresponding term in the policy of insurance for that Member; and
- (b) where (a) does not apply to the benefit claimed, in relation to a Member who has ceased to be gainfully employed, means ill-health (whether physical or mental), where the Trustee is reasonably satisfied that the Member is unlikely, because of the ill-health, to engage in gainful employment for which the Member is reasonably qualified by education, training or experience.

[inserted by Deed of Amendment No.[23] operative 19/9/05; replaced by Deed of Amendment No [28] operative 1/8/09]

1.1.2 A reference in these Rules to an Employee's employment with an Employer includes a reference to employment as an Employee within the meaning of these Rules with successive Employers.

1.2 Secondment of Employees

1.2.1 If a Member is on secondment to another Employer, the Salary of the Member for the purposes of these Rules is the Salary that is or is to be provided to the Member by the other Employer.

1.2.2 The Trustee may, determine unconditionally, or subject to conditions, that any one or more of subrules 1.2.3, 1.2.4 and 1.2.5 apply:

- (a) to a Member specified in the determination who is on secondment:
 - (i) but not to another Employer, or
 - (ii) otherwise than in a capacity that would qualify the Member as an Employee within the meaning of these Rules,or both, and
- (b) generally during the period of that secondment, or during such period as is specified in the order being, in either case, a period commencing before, on or after the date of the determination.

1.2.3 During the period in which this subrule 1.2.3 is determined to apply to a Member on secondment, the Member's Salary is, for the purposes of these Rules, the salary that is or is to be provided in respect of the employment to which he or she is seconded.

1.2.4 During the period for which this subrule 1.2.4 is determined to apply to a Member, the Employer specified in the determination is to be taken to be the Employer from whose employment the Member is seconded.

1.2.5 During the period in which this subrule 1.2.5 is determined to apply to a Member, the Member is, for the purposes of these Rules, to be taken to be employed in a capacity that would qualify the Member as an Employee within the meaning of these Rules.

1.3 Salary of Members

- 1.3.1 For the purposes of these Rules, the Salary of a Member is the Salary as last nominated or changed in accordance with this rule 1.3.
- 1.3.2 An amount of Salary for the purposes of these Rules must be nominated TO the Employer of a Member by the Member on, or as soon as practicable after, or before becoming a Member. An amount may also be nominated to the Employer by the Member on, or as soon as practicable after, being reappointed, or appointed to another position, as an Employee.
- 1.3.3 The amount nominated is to be not less than the monetary remuneration payable to the Member at the date of nomination and not more than the total value of the remuneration package paid to the Member (less the cost of providing Employer's contributions to superannuation and any performance- related incentive payment), expressed as an annual rate.
- 1.3.4 If the Member fails to nominate an amount of Salary within 28 days of first becoming a Member or within such further period as the Trustee may allow, the Member is taken to have nominated an amount of Salary that is equal to the monetary remuneration payable to the Member at the end of the applicable period.
- 1.3.5 A Member may, from time to time, by notice to the Member's Employer elect to reduce the amount of Salary nominated under this rule 1.3, but not so that the amount is less than the monetary remuneration payable to the Member at the date of the election.
- 1.3.6 A Member may, from time to time, by notice to the Member's Employer elect to increase the amount of Salary nominated under this rule 1.3, but not so as to increase the amount nominated by a percentage of that amount that is more than the percentage by which the remuneration package of the Member has increased since the amount of Salary was last nominated or changed.
- 1.3.7 An Employer must notify the Trustee of a nomination or election under this rule 1.3. Any such nomination or election takes effect on the date of notification to the Trustee or on such other date as the Trustee may determine with the consent of the Member concerned.
- 1.3.8 Nothing in this rule 1.3 requires the nominated amount of Salary to be increased if, because of a variation in the remuneration package of a Member or in the proportions of the remuneration package comprising monetary remuneration and employment benefits of the Member, the amount of Salary as last nominated or changed for the purposes of this rule 1.3 is less than the monetary remuneration of the Member.

2. MAINTENANCE AND ADMINISTRATION OF THIS DIVISION

2.1 Payments under Division

- 2.1.1 The Trustee is required to cause to be held in Pool A in respect of this Division:
- (a) Contributions or payments made by Employers and Employees;
[amended by Deed of Amendment No.[1] operative 27/4/98]
 - (b) income derived from investment of assets held in respect of this Division, and any profit made from realisation of any such investment;
 - (c) money borrowed for the purposes of this Division; and

- (d) any other amounts payable in respect of this Division.

2.1.2 The Trustee is required to cause to be paid from Pool A in respect of this Division:

- (a) management costs incurred by the Trustee in the administration or execution of these Rules;
- (b) any Tax;
- (c) Benefits payable under these Rules;
- (d) premiums payable for Basic Insured Cover or insured Additional Benefit cover under these Rules; and

[amended by Deed of Amendment No.[23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

- (e) any other amounts payable in respect of this Division.

2.2 Members' Benefit Accounts

2.2.1 The Trustee is required to establish and maintain within this Division a separate Benefit Account for each Member.

2.2.2 There is required to be credited to a Member's Benefit Account:

- (a) any contributions or payments made by the Member to this Division;

[amended by Deed of Amendment No.[1] operative 27/4/98]

- (b) any contributions made by the Member's Employer to this Division in respect of the Member; and
- (c) any other amounts payable to the Benefit Account.

2.2.3 There is required to be debited to a Member's Benefit Account:

- (a) where the Member is covered for the Additional Benefit the amount of any Additional Benefit Premium payable by or in respect of the Member;
- (b) Benefits payable to the Member;
- (c) in relation to a Basic Insured Cover Member, the amount of any premiums payable by such a Member for the Basic Insured Cover; and

[inserted by Deed of Amendment No.[23] operative 19/9/05]

- (d) any other amounts payable under these Rules by the Member or from the Member's Benefit Account.

2.3 Additional Benefit Management Reserve

2.3.1 The Trustee is required to establish and maintain an Additional Benefit Management Reserve.

2.3.2 There is required to be credited to the Additional Benefit Management Reserve:

-
- (a) the amounts of Additional Benefit Premiums debited to Members' Benefit Accounts under these Rules; and
 - (b) Additional Benefits payable by a person with whom the Trustee has made or entered into any contract or arrangement.
- 2.3.3 There is required to be debited to the Additional Benefit Management Reserve (subject to the terms and conditions of any contract or arrangement made or entered into by the Trustee relating to the provision of Additional Benefits):
- (a) the amounts of any Additional Benefit Premiums payable to or by a person with whom the Trustee or the FSS Trustee Corporation has made or entered into any contract or arrangement; and
 - (b) any payment of Additional Benefits.
- 2.4 Other accounts and reserves and investment funds**
- 2.4.1 The Trustee may establish and maintain within this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the management of this Division and the administration of these Rules.
- 2.4.2 Without limiting rule 2.4.1, the Trustee may for the purposes of the investment of this Division and, with the consent of a Member, treat the Member's Benefit Account as belonging to a particular investment fund and may invest the amount held in respect of this Division attributable to the accounts comprising a particular investment fund differently from any other part of this Division.
- 2.5 Adjustment of accounts and reserves for interest etc**
- 2.5.1 The Trustee may, from time to time, adjust each of the accounts and reserves established under this Part 2 at a rate fixed by the Trustee, having regard to such matters as the Trustee considers relevant.
- 2.5.2 The Trustee may, for the purpose of adjusting a Member's Benefit Account before paying out the balance at credit in the account, fix a rate for that purpose only.
- 2.5.3 In adjusting Members' Benefit Accounts under this rule 2.5, the Trustee may fix different rates for Benefit Accounts that are treated as belonging to different investment funds.
- 2.6 Deposit funds**
- 2.6.1 The Trustee may take such steps as are appropriate to establish one or more funds into which may be paid, at the request of the person entitled to it, the whole or part of any Benefit.
- 2.7 Management costs arising from Deferred Benefits**
- 2.7.1 The Trustee may from time to time debit from a Member's Benefit Account administrative charges (of such amount as it thinks fit) in relation to a Deferred Benefit.

2.8 The Trustee must deduct Tax liabilities from Member's Benefit Accounts.

- 2.8.1 Whenever the Trustee has paid (or is liable to pay) an amount of Tax in respect of an Employer's contributions to a Member's Benefit Account under this Division, the Trustee is required to debit to the Benefit Account the amount of any such Tax.

2.9 Insured Cover

[inserted by Deed of Amendment No.[23] operative 19/9/05]

- 2.9.1 The Trustee shall take out Basic Insured Cover and any other insurance cover as it determines, subject to the terms of the insurance policy or policies taken out.

3. CONTRIBUTIONS**3.1 How does an Employee become a Member under this Division?**

- 3.1.1 An Employee who is eligible to become a Member under this Division may at any time lodge with the Trustee an election to become a Member under this Division. A transferred member shall be taken to be a Member of this Division, to have made any election and to have those rights and entitlements that the transferred member had under the Public Sector Executives Superannuation Scheme immediately prior to transfer to this Division.

- 3.1.2 An election must:

- (a) be in a form approved by the Trustee;
- (b) specify the amount of any Contributions to be paid by the Employee and the Employee's Employer;
- (c) specify the Salary nominated by the Employee under rule 1.3;
- (d) be supported by a certificate by the Employee's Employer that is in a form approved by the Trustee.

- 3.1.3 The certificate must state:

- (a) the date of birth of the Employee;
- (b) the value of the remuneration package of, and the amount of monetary remuneration payable to, the Employee;
- (c) that the Employer consents to the election to pay any contributions to be paid by the Employer;
- (d) such other matters as the Trustee considers necessary or convenient for the purposes of this rule 3.1.

- 3.1.4 An election made by an Employee is ineffective if, at the time the election would take effect, Superannuation Law does not permit the Trustee.

[amended by Deed of Amendment No.[1] operative 27/4/98; Deed of Amendment No.4 operative 1/7/97]

- 3.1.5 An election takes effect not later than on the first day of the second Contribution Period after receipt by the Trustee of the election, but, when an Employee makes a subsequent election

under rule 3.2 or 3.3, ceases to be in force (to the extent to which it specifies the amount of any contributions) immediately before the subsequent election takes effect.

3.1.6 If the Trustee approves, an Employee may, before an election made under this rule 3.1 takes effect, amend the election:

- (a) to vary the amount of any contributions to be paid by the Employee or the Employee's Employer, or
- (b) to specify that contributions are to be paid by the Employee or the Employee's Employer,

or both.

3.1.7 An Employee who is eligible to make an election to become a Member under this Division may do so even though the Employee is a Member of another superannuation fund.

3.2 Contributions may be varied

3.2.1 A Member may from time to time lodge with the Trustee an election specifying the amount of any Contributions to be paid under this Division by the Member and the Member's Employer after the election takes effect.

3.2.2 An election must:

- (a) be in a form approved by the Trustee;
- (b) specify the amount of any Contributions to be paid by the Member and the Member's Employer;
- (c) specify the Salary nominated by the Member under rule 1.3; and
- (d) be supported by a certificate by the Member's Employer that is in a form approved by the Trustee.

3.2.3 The certificate must state:

- (a) the value of the remuneration package of, and the amount of monetary remuneration payable to, the Member;
- (b) that the Employer consents to the election to pay any contributions to be paid by the Employer; and
- (c) such other matters as the Trustee considers necessary or convenient for the purposes of this rule 3.2.

3.2.4 An election may specify as the commencement date for the Contributions a date that is later than the receipt of the election by the Trustee and is the first day of a named month in a specified year.

3.2.5 If the election does not specify a commencement date as provided by subrule 3.2.4, the commencement date for the Contributions is the date that is the first day of the named month that next succeeds the receipt of the election.

3.2.6 If a Member makes more than one election during a relevant year for the Member, the amount determined by the Trustee as the cost to the Trustee of dealing with each such election other than the first is payable by the Member to the Trustee within a time allowed by the Trustee.

3.2.7 In this rule 3.2:

relevant year, in relation to a Member, means a year ending immediately before each anniversary of the date on which the Member became a contributor.

3.3 Contributions may be varied in special circumstances

3.3.1 If a Member's Salary changes, the Member may lodge with the Trustee an election to vary or cease to pay any Contributions payable under this Division by the Member or the Member's Employer, or both.

3.3.2 The Trustee may, if it is satisfied that a continuation of the amount of Contributions by or in respect of a Member under this Division would result in financial hardship for the Member, accept at any time an election under this rule 3.3 to reduce or cease to pay, as from a date determined by the Trustee having regard to the circumstances of the Member, the amount of Contributions payable under this Division by the Member or the Member's Employer.

3.3.3 An election under subrule 3.3.1 or 3.3.2 must:

- (a) be in a form approved by the Trustee;
- (b) specify the amount of any contributions to be paid by the Member and the Member's Employer;
- (c) specify the Salary nominated by the Member under rule 1.3; and
- (d) be supported by a certificate by the Member's Employer that is in a form approved by the Trustee.

3.3.4 The certificate must state:

- (a) the value of the remuneration package of, and the amount of monetary remuneration payable to, the Member;
- (b) that the Employer consents to the election to pay any contributions to be paid by the Employer; and
- (c) such other matters as the Trustee considers necessary or convenient for the purposes of this rule 3.3.

3.3.5 An election:

- (a) takes effect on acceptance by the Trustee or on any earlier or later date determined by the Trustee; and
- (b) remains in force until a further election made under this rule 3.3 or rule 3.2 takes effect.

3.3.6 Subject to Superannuation Law, after an election is accepted by the Trustee, the Trustee must refund any resulting excess of Contributions made to this Division by the Member or the Member's Employer after the election took effect.

3.4 Who may apply to be covered for an Additional Benefit?

3.4.1 An Employee may lodge with the Trustee an application to be covered for an Additional Benefit.

3.4.2 An application may be made:

- (a) by an Employee who is not a Member at the time the Employee makes an election to become a Member of this Division; or
- (b) by a Member at any time, except to the extent that rule 3.9 provides.

3.4.3 A Member may, when lodging an election as to Contributions, also lodge with the Trustee an application to vary the total amount of Benefit approved for the person under rule 3.5.

3.4.4 An application must:

- (a) be in a form approved by the Trustee;
- (b) specify the total amount of Benefit that the Additional Benefit cover is intended to secure in the event of an Additional Benefit being payable; and
- (c) be accompanied by such documents, evidence and information as the Trustee may require.

3.5 Effect of approval of application for Additional Benefit cover or variation of cover

3.5.1 If the Trustee approves an application to be covered for an Additional Benefit it must:

- (a) appoint the day on and from which the cover for the Additional Benefit is to commence; and
- (b) approve the total amount of Benefit that the Additional Benefit cover is intended to secure for the Member concerned,

and must notify the applicant accordingly.

3.5.2 On approval of an application to be covered for an Additional Benefit, the applicant becomes, and remains, liable for payment of the Additional Benefit Premium (in accordance with subrule 3.5.4).

3.5.3 If the Trustee approves an application to vary the total amount of Benefit that the Additional Benefit is intended to secure, it must:

- (a) appoint the day on and from which the variation is to commence, and
- (b) approve the total amount of Benefit that the Additional Benefit cover is intended to secure for the Member concerned, and must notify the applicant accordingly.

3.5.4 Payment by or in respect of a Member of an Additional Benefit Premium:

- (a) is to be made at such time or times as is determined by the Trustee;
- (b) is to be of such an amount or amounts or at such a rate as is determined from time to time by the Trustee; and
- (c) is to be effected by debiting the Member's Benefit Account.

3.5.5 No Additional Benefit Premium is payable by or in respect of a Member if the balance at credit in the Member's Benefit Account is equal to or exceeds the total amount of Benefit approved in relation to the Member under this rule 3.5.

3.6 Medical examinations etc may be required of applicant for additional benefit cover or variation of cover

3.6.1 The Trustee may require a person who applies to be covered for an Additional Benefit or to vary the total amount of Benefit approved for the person under rule 3.5 to comply with any requirement of a person who is providing or arranging additional benefit cover, including:

- (a) submitting to such a medical examination or medical examinations as may be required by the Trustee or person who is providing or arranging additional benefit cover; and
- (b) the provision of such medical reports, evidence and information as are specified by the Trustee or person who is providing or arranging additional benefit cover.

3.6.2 For the purpose of deciding whether or not to approve the application, the Trustee:

- (a) may require the applicant to submit to further medical examinations or provide further medical reports or evidence or information as may be required by the Trustee or any person who is providing or arranging additional benefit cover; and
- (b) may obtain such evaluations of medical examinations or medical reports as it thinks fit.

3.7 When may an application relating to additional benefit cover be refused?

3.7.1 If:

- (a) a person who applies to be covered for an Additional Benefit or to vary the total amount of Benefit approved for the person under rule 3.5 fails, in the opinion of the Trustee or any person who is providing or arranging additional benefit cover, to pass a medical examination to which the applicant has submitted in accordance with a requirement under rule 3.6;
- (b) the applicant fails to comply with a requirement under rule 3.6; or
- (c) a person who is providing or arranging additional benefit cover advises the Trustee that the applicant will not be covered for an Additional Benefit or any varied amount of Benefit, the Trustee may refuse the application and may, in the case of a person who has applied to vary a Benefit, revoke its approval for the person to be covered for an Additional Benefit.

3.7.2 Nothing in this rule 3.7 prevents the Trustee or a person who is providing or arranging additional benefit cover from refusing an application where the Trustee or person thinks fit.

3.8 When may an approval relating to additional benefit cover be revoked?

3.8.1 If, after approving an application to be covered for an Additional Benefit or to vary the total amount of Benefit approved for a person under rule 3.5:

(a) the Trustee forms the opinion that, in relation to the application, a medical examination of the applicant or any medical report, evidence or other information supplied in respect of the application:

(i) an untrue statement was made; and

(ii) its approval would not have been given had the untrue statement not been made; or

(b) the Trustee is notified by a person who is providing or arranging additional benefit cover that a requirement for coverage of the applicant for an Additional Benefit has not been or is not being complied with or that an applicant will not be covered for an Additional Benefit or any additional amount of Benefit,

the Trustee may revoke the approval, and may, in the case of an approval to vary a Benefit, revoke its approval for the person to be covered for an Additional Benefit.

3.8.2 For the purpose of determining whether it is of the opinion referred to in subrule 3.8.1(a), the Trustee may, if it thinks fit, require the applicant, within a time specified by the Trustee or within such further time as the Trustee may allow, to provide information or evidence or medical reports or to undergo a medical examination or examinations, as specified by the Trustee.

3.8.3 On the expiration of that time, or further time, the Trustee may, whether or not the requirement so referred to is complied with, proceed to decide whether or not it is of the opinion referred to in subrule 3.8.1(a).

3.8.4 If the applicant fails to comply with a requirement under subrule 3.8.2, the Trustee may revoke the approval and may, in the case of an approval to vary a Benefit, revoke its approval for the person to be covered for an Additional Benefit.

3.9 Effect of, and limits on, revocation of approval

3.9.1 If the Trustee revokes an approval for a person to be covered for an Additional Benefit or to vary the total amount of Benefit approved for a person under rule 3.5:

(a) the person (if a Member) ceases to be covered for the Additional Benefit or any varied amount of Benefit, as the case may be, and, in the case of revocation of approval to be covered for an Additional Benefit, ceases to be liable to pay the Additional Benefit Premium;

(b) the person (if a Member) is disqualified for 3 years from again applying to be covered for the Additional Benefit or to vary the total amount of Benefit approved for the person, as the case may be; and

- (c) the amount of any Additional Benefit Premium paid by the person (whether a Member or a former Member) before revocation of the approval is not recoverable.

3.9.2 If the payment of an Additional Benefit to a Member is secured by way of insurance provided by a person other than the Trustee, an approval for an Additional Benefit or to vary the total amount of Benefit approved for a person under rule 3.5 may not be revoked under these Rules unless the relevant contract of insurance may (either wholly or to the extent to which it applies to that Member) be lawfully avoided under the Insurance Contracts Act 1984.

3.10 Liability of Member to contribute

3.10.1 If an election by a Member specifying an amount of contributions to be paid by the Member takes effect, the Member becomes, and remains, liable to pay under this Division the Contributions specified in the election and to pay those Contributions in respect of successive Contribution Periods:

- (a) commencing with the Contribution Period in which the election takes effect; and
- (b) ending with the last complete Contribution Period ending on or before the election ceases to have effect or on or before the Member's Exit Date, whichever is the earlier.

3.10.2 A Member is not entitled to contribute under this Division, and the Trustee is not to accept a contribution under this Division offered by a Member where:

- (a) Superannuation Law does not permit the Trustee to accept such contributions; or
- (b) The Trustee determines not to accept contributions of a particular type.

[replaced by Deed of Amendment No.[1] operative 27/4/98; replaced by Deed of Amendment No.4 operative 1/7/97; replaced by Deed of Amendment No.[23] operative 19/9/05]

3.10.3 A Member's Contributions under this Division are to be calculated on the basis of the Contribution Periods applicable to the Member and a Contribution payable in respect of a Contribution Period must be paid to the Trustee at such times as the Trustee requires.

3.10.4 A Member's Contributions under this Division are payable to the Trustee by the Member's Employer and the Employer is entitled to deduct those Contributions from any amount or amounts that may become payable by the Employer to the Member, whether as Salary or otherwise.

3.10A Other Contributions By Members

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- (a) a person who is not required by this Division to contribute to this Division merely because the person is on authorised leave as an employee may elect to contribute to this Division at the rate applicable if the person was so required to contribute.
- (b) this rule applies to a person only if:
 - (i) the leave is for the purposes of raising children of whom the person is a parent, or for whom he or she has assumed the responsibility of a parent, and

- (ii) he or she has been on that leave for less than seven years consecutively, and
- (iii) he or she has a statutory or contractual right to resume employment at the end of the leave.
- (c) a person may, at any time, lodge with the Trustee an election to vary or revoke an election under this section;
- (d) an election under this section is to be in a form approved by the Trustee for the purposes of this rule.
- (e) an election under this rule remains in force until it is revoked.
- (f) this rule has effect despite rule 3.15.
- (g) in this rule: authorised leave means:
 - (i) leave approved by the person's Employer, or
 - (ii) leave authorised by an agreement certified, or an award made, by a tribunal or body having the authority to do so under a law of the State or the Commonwealth.

3.11 Compulsory contributions by Employers for purposes of Superannuation Guarantee Charge Acts

- 3.11.1 An Employer must pay under this Division, for each Member employed by the Employer, an amount determined by the Employer in relation to the Member.
- 3.11.2 The amount determined is to be sufficient to avoid a Superannuation Guarantee Shortfall from arising in respect of the Member for any period during which the Member has been a Member, whether occurring before or after the commencement of this rule.
- 3.11.3 In determining the amount payable by an Employer in relation to a Member, any Contributions paid or payable by the Employer under the Public Sector Executives Superannuation Act 1989 or these Rules in relation to the Member on or after 1 July 1992 may be taken into account.
- 3.11.4 An Employer's contributions under this Division under this rule 3.11 are to be calculated on the basis of the Contribution Periods applicable to the Members in relation to whom those Contributions are to be made, and a Contribution payable by an Employer in respect of a Contribution Period must be paid to the Trustee at such times as the Trustee requires.
- 3.11.5 This rule 3.11 does not apply to or in respect of a Member who is a contributor to another Superannuation fund or, who is a Member of another Division of this Fund, under which the Member's Employer's contributions are taken into account for the purposes of the Superannuation Guarantee Charge Acts.

3.12 Liability of Employer to contribute

- 3.12.1 If an election by a Member specifying an amount of Contributions to be paid by the Member's Employer takes effect, the Employer must pay under this Division an amount equal to the Contributions specified in the election.

- 3.12.2 An Employer's Contributions under this Division are to be calculated on the basis of the Contribution Periods applicable to the Members in relation to whom those Contributions are to be made, and a Contribution payable by an Employer in respect of a Contribution Period must be paid to the Trustee at such times as the Trustee requires.
- 3.12.3 An Employer is not to contribute under this Division in relation to a Member, and the Trustee is not to accept a contribution under this Division offered by an Employer in relation to a Member where:
- (a) Superannuation Law does not permit the Trustee to accept such contributions; or
 - (b) The Trustee determines not to accept contributions of a particular type.

[replaced by Deed of Amendment No.[1] operative 27/4/98; replaced by Deed of Amendment No.4 operative 1/7/97; replaced by Deed of Amendment No.[23] operative 19/9/05]

3.13 Acceptance of contributions

- 3.13.1 Despite any other provision of these Rules, an Employer is not required to make a contribution to this Division in respect of a Member, and a Member may not contribute to this Division, during any period specified by the Trustee for which the Trustee determines that it must not accept contributions in respect of the Member.
- 3.13.2 The Trustee may make such a determination only if it is of the opinion that it is necessary to do so in order to comply with Superannuation Law.

3.14 Interest on unpaid contributions

- 3.14.1 The Trustee may, in a particular case, charge interest calculated on a daily basis at a rate determined by the Trustee on Contributions under this Division for any period during which the Contributions remain unpaid after the time allowed for payment under this Part 3 and any such interest:
- (a) must be paid to the Trustee by the Employer in default; and
 - (b) is not chargeable against any Member.

3.15 Liability for Contributions during leave without pay

- 3.15.1 In this rule:
- 3.15.2 *leave without pay* means a period of leave from employment with an Employer (otherwise than on secondment as referred to in rule 1.2) during which the Member is not entitled to receive payment of Salary from the Employer.
- 3.15.3 *prescribed leave* means leave without pay during which the Member on leave is absent from employment with an Employer:
- (a) pursuant to a grant of sick leave;
 - (b) for a period during which the Member receives periodic payments under an Act relating to workers' compensation;
 - (c) pursuant to a grant of maternity leave;

- (d) pursuant to an agreement with the Employer for the secondment of the Member to employment that is not employment with an Employer;
 - (e) to enable the Member to perform duties that the Employer certifies to be in the interests of the Employer or the State; or
 - (f) on service with the naval, military or air forces of the Commonwealth; or
 - (g) in circumstances approved by the Trustee for the purposes of this rule 3.15.
- 3.15.4 A Member who takes leave without pay that is prescribed leave is liable to make any Contributions under this Division in respect of the Contribution Periods occurring wholly or partly while on prescribed leave that the Member would be liable to make if not on leave.
- 3.15.5 A Member who takes leave without pay that is not prescribed leave:
- (a) is liable to make any Contributions under this Division in respect of the Contribution Period in which the leave that is not prescribed leave commences that the Member would be liable to make if not on leave;
 - (b) is liable to make any such Contributions under this Division in respect of the Contribution Period in which the leave that is not prescribed leave ceases (as determined by the Trustee); and
 - (c) is not liable to make Contributions under this Division in respect of any Contribution Periods between those mentioned in paragraphs (a) and (b).
- 3.15.6 A Member liable to make Contributions under this rule 3.15 is required to pay under this Division in accordance with directions given by the Trustee such Contributions as would have been deducted from the Member's Salary if the Member had continued to be paid Salary by the Employer during the Contribution Period or Periods concerned.

4. BENEFITS

4.1 Benefit at or after early Retirement

4.1.1 The Benefit provided by this rule 4.1.1 must be paid to a Member by the Trustee:

[replaced by Deed of Amendment No.[1] operative 27/4/98]

- (a) when the Member retires from employment with an Employer on or after attaining the Early Retirement Age, or

[amended by Deed of Amendment No.[26] operative 01/07/07]

- (b) when the Member attains the age of 65 years and elects to take the benefit, or

- (c) *[deleted by Deed of Amendment No.[26] operative 01/07/07]*

4.1.2 The Benefit provided by this rule 4.1 is an amount equal to the balance at credit in the Member's Benefit Account at the time the Benefit is paid.

4.1.3 A Member required to have a Benefit paid, or who elects to have a Benefit paid, under this rule may elect to have preserved in this Division an amount equal to the amount of the

Benefit, together with interest on the amount from the Exit Date to the date of payment at a rate determined by the Trustee.

[amended by Deed of Amendment No.[1] operative 27/4/98]

4.2 Benefit on death before Retirement

4.2.1 The Benefit provided by this rule 4.2 is payable by the Trustee where a Member dies before retiring from employment as an Employee within the meaning of these Rules and is so payable in accordance with clause 14.17A.

[amended by Deed of Amendment No.8 operative 1/7/97; Deed of Amendment No.9 operative 27/6/01; Deed of Amendment No.[24] operative 24/10/05]

4.2.2 The Benefit provided by this rule 4.2 is an amount equal to the sum of:

[amended by Deed of Amendment No [28] operative 1/8/09]

- (a) the balance at credit in the Member's Benefit Account at the time the Benefit is paid;
- (b) if applicable, the amount of Basic Insured Cover as set out in rule 5.4.1; and
- (c) where an approval under rule 3.5 is in force, the Additional Benefit.

4.3 Benefit on total and permanent invalidity before retirement

4.3.1 The Benefit provided by this rule 4.3 is payable by the Trustee to a Member where the Member ceases to be employed as an Employee within the meaning of these Rules and the Trustee is satisfied the Member is Totally and Permanently Disabled.

[amended by Deed of Amendment No [28] operative 1/8/09]

4.3.2 The Benefit provided by this rule 4.3 is an amount equal to the sum of:

[amended by Deed of Amendment No [28] operative 1/8/09]

- (a) the balance at credit in the Member's Benefit Account at the time the Benefit is paid; a
- (b) if applicable, the amount of Basic Insured Cover as set out in rule 5.4.1; and
- (c) where an approval under rule 4.3 is in force, the Additional Benefit.

4.3.3 The Trustee is entitled to rely on a certificate by an Employer as to any matter mentioned in subrule 4.3.1 if it thinks fit.

4.4 Benefit on Retrenchment or Discharge

4.4.1 The Benefit provided by this rule 4.4 is payable by the Trustee to a Member where, before attaining the Early Retirement Age:

- (a) the Member is Retrenched or Discharged;
- (b) no other Benefit is payable under these Rules (rule 4.5 excepted); and

- (c) the Trustee is provided with a certificate from the Member's Employer confirming that the Member has been Retrenched or Discharged and specifying the ground for the Retrenchment or Discharge.
- 4.4.2 A Member who becomes entitled to be paid a Benefit under this rule 4.4 may:
- (a) elect to be paid a Benefit provided by subrule 4.4.4 or to have the Benefit transferred to the credit of the Member in another Eligible Fund; or
- (b) elect to make provision for a Benefit provided by subrule 4.4.5.
- 4.4.3 A Member who, being entitled to make an election under this rule 4.4, fails to make the election within 90 days after being Retrenched or Discharged, is taken to have made an election under subrule 4.4.2(b).
- 4.4.4 The Benefit provided by this subrule 4.4.4 section is an amount equal to the balance at credit in the Member's Benefit Account at the time when the Benefit is paid.
- 4.4.5 The Benefit provided by this subrule 4.4.5 is an amount equal to the balance at credit in the Member's Benefit Account at the Member's Exit Date, together with interest on that balance, from the Exit Date to the date of payment, at a rate determined by the Trustee.
- 4.4.6 The Benefit provided by subrule 4.4.5 is payable by the Trustee:
- (a) when the Member attains the Early Retirement Age;
- (b) if, before attaining that age, the Member dies;
- (c) when the Trustee is satisfied as provided by rule 4.3; or
- (d) in any other prescribed circumstances,
- and is so payable in accordance with subrule 4.4.7.
- 4.4.7 A Benefit provided by subrule 4.4.6 is payable:
- (a) except where the Member has died, to the Member; or
- (b) if the Member has died, in accordance with clause 14.17A.
- [amended by Deed of Amendment No.9 operative 27/6/01; Deed of Amendment No.[24] operative 24/10/05]*
- (c) *[amended by Deed of Amendment No.8 operative 1/7/97; Deed of Amendment No.9 operative 27/6/01; deleted by Deed of Amendment No.[2] operative 24/10/05]*
- 4.4.8 The Trustee must, when a Member becomes entitled to be paid a Benefit under this clause, preserve all or so much of the Benefit as is required to be preserved so as to be consistent with the Superannuation Law.
- [inserted by Deed of Amendment No.4 operative 1/7/99]*
- 4.4.9 An amount of Benefit preserved under subrule 4.4.8 is not payable except in accordance with subrule 4.6.5 or in any other circumstances permitted by Superannuation Law.

[inserted by Deed of Amendment No.4 operative 1/7/99]

4.5 Benefit on termination of employment before Early Retirement Age

- 4.5.1 The Benefit provided by this rule 4.5 is payable by the Trustee to a Member where, before attaining the Early Retirement Age, the Member resigns, or is dismissed or otherwise ceases in any manner to be employed as an Employee and no other Benefit is payable under these Rules.
- 4.5.2 Subrule 4.5.1 does not apply to a Member who is Retrenched or Discharged.
- 4.5.3 The Benefit provided by this rule 4.5 is an amount equal to the balance at credit in the Member's Benefit Account at the time the Benefit is paid.
- 4.5.4 The Benefit provided by this rule 4.5 is not payable except in accordance with rule 4.6 or in any other circumstances permitted by Superannuation Law.

[replaced by Deed of Amendment No.4 operative 1/7/99]

4.5.5 *[deleted by Deed of Amendment No.4 operative 1/7/99]*

- 4.5.6 A Benefit, including any interest paid by the Trustee, under this rule 4.5 that is less than the amount fixed under subrule 4.5.4 is payable by the Trustee to the Member on the Member becoming eligible for the Benefit.

4.6 Deferred Benefit

[heading amended by Deed of Amendment No.4 operative 1/7/99]

- 4.6.1 If:
- (a) a Member becomes entitled to be paid a Benefit under rule 4.5; and
 - (b) the whole or part of the balance at credit in the Member's Benefit Account consists of Contributions paid by the Member's Employer or arises indirectly from any such Contributions, the Member is required, in relation to that part of the Benefit referred to in paragraph (b), to make an election under this rule 4.6.
- 4.6.2 The Member must elect:
- (a) to make provision for a Benefit provided by subrule 4.6.4; or
 - (b) to request the Trustee to transfer the Benefit to the credit of the Member in another Eligible Fund.
- 4.6.3A The Trustee must, when a Member elects to make provision for a Benefit provided by subrule 4.6.4, preserve all or so much of the Benefit as is required to be preserved so as to be consistent with Superannuation Law.

[inserted by Deed of Amendment No.4 operative 1/7/99]

- 4.6.3B The Trustee may defer the remaining amount of any Benefit if the Contributor in respect of whom the Benefit is payable so elects.

[inserted by Deed of Amendment No.4 operative 1/7/99]

4.6.3 *****

4.6.4 The Benefit provided by this subrule 4.6.4 is an amount equal to the balance at credit in the Member's Benefit Account at the Member's Exit Date together with interest thereon, from the Exit Date to the date of payment, at a rate determined by the Trustee.

[amended by Deed of Amendment No.4 operative 1/7/99]

4.6.5 The Benefit provided by subrule 4.6.4, subrule 4.4.8 or subrule 4.1.3 is payable by the Trustee:

[amended by Deed of Amendment No.4 operative 1/7/99]

- (a) if the Member dies;
- (b) if the Member ceases to be employed in the circumstances in which a benefit is payable for the purpose of complying with the requirements of the Superannuation Industry (Supervision) Act 1993 of the Commonwealth for a regulated superannuation fund; or
- (c) in any other circumstances in which a Benefit is payable to comply with any such requirements or may be paid in respect of a Member of such a Fund under any such requirement,

[amended by Deed of Amendment No. [1] operative 27/4/98]

and is so payable in accordance with subrule 4.6.8.

4.6.6 The whole or part of a Benefit may be paid under subrule 4.6.5, if such a payment is permitted under the Superannuation Industry (Supervision) Act 1993 of the Commonwealth in the same circumstances in respect of a regulated superannuation fund.

4.6.7 The whole or part of a Benefit must be paid by the Trustee under rule 4.6 if it is required to be paid under rule 4.6 if it is required to be paid under the Superannuation Industry (Supervision) Act 1993 of the Commonwealth in respect of a regulated superannuation fund.

4.6.8 A Benefit is payable:

- (a) except where the Member has died, to the Member; or
- (b) if the Member has died , in accordance with clause 14.17A.

[replaced by Deed of Amendment No.[24] operative 24/10/05]

(c) *[deleted by Deed of Amendment No. [24] operative 24/10/05]*

4.6.9 For the purposes of the payment under rule 4.6.5(c) of a Benefit on compassionate grounds, or severe financial hardship the Trustee may only pay the Benefit if the Trustee is satisfied that the circumstances are such that a Benefit would be payable on the grounds of severe financial hardship or compassionate grounds as the case may be.

[inserted by Deed of Amendment No.[1] operative 27/4/98]

4.6.10 A Benefit payable under rule 4.6.5(c) on compassionate grounds or on grounds of severe financial hardship:

- (a) is to be paid only to a person who has preserved a Benefit in the Division, and
- (b) is not to exceed the amount of any such preserved Benefit.

[inserted by Deed of Amendment No.[1] operative 27/4/98]

- 4.6.11 If an election made under this rule 4.6 by a Member takes effect, a Benefit or part of a Benefit to which the election applies is not payable to, or in relation to, the Member under any other provision of these Rules.

[renumbered by Deed of Amendment No.[1] operative 27/4/98]

4.7 Deferred Benefit: Member-financed contributions

[deleted by Deed of Amendment No. 4 operative 1/7/99]

4.8 Power of the Trustee to purchase annuities etc

- 4.8.1 Whenever a Benefit has become payable to or in respect of a Member under this Part 4, the Trustee must, if requested to do so:

- (a) by the Member; or
- (b) if the Member has died, by the Member's Spouse or legal personal representatives, as the case requires, apply the Benefit, or such part of the Benefit as is specified by the Member, Spouse or legal personal representatives, in purchasing for the Member or, as the case may be, the Spouse or the beneficiaries of the Member's estate, a right to an annuity or other form of pension from a person nominated by the Member, Spouse or legal personal representatives.

4.9 Competing claims for Spouses' Benefits

[deleted by Deed of Amendment No.9 operative 27/6/01]

4.10 How does a Member or other person apply for payment or deferral of a Benefit?

- 4.10.1 An application for payment of a Benefit to, or in relation to, a Member, or for deferral of a Benefit under rule 4.4, 4.6 or 4.7, must be made in writing in a form approved by the Trustee for the purpose, be signed by the applicant and be accompanied by:

- (a) except in the case of an application for payment of a Benefit deferred under rule 4.4, 4.6 or 4.7 a certificate by the person who is the Member's Employer at the Member's Exit Date, specifying the Exit Date and the manner of cessation of the Member's employment and such other particulars as may be prescribed; and
- (b) such other documents as the Trustee may require.

- 4.10.2 A Benefit may not be paid or preserved by the Trustee before subrule 4.10.1 has been complied with.

- 4.10.3 The Trustee is entitled to act on the information provided under subrule 4.10.1.

4A DEALINGS WITH FAMILY LAW SPOUSE AMOUNTS

[inserted by Deed of Amendment No [21] operative 28/12/02]

Where a Family Law Spouse Amount is required to be dealt with in accordance with the Family Law Act and the Superannuation Law, the Member's Benefit Account will be debited with the amount. The Trustee will deal with the Family Law Spouse Amount in accordance with clause 14.25.

5. INSURED BENEFITS

[inserted by Deed of Amendment No.[23] operative 19/9/05; amended by Deed of Amendment No [28] operative 1/8/09]

5.1 Level of Benefits

The Trustee shall take out Basic Insured Cover and any other insurance cover as it determines, subject to the terms of such insurance policy or policies taken out.

[replaced by Deed of Amendment No [28] operative 1/8/09]

5.1A Eligibility for Basic Insured Cover

- 5.1A.1 A member is not eligible for Basic Insured Cover if at the time the Member meets the eligibility rules for commencement of Basic Insured Cover under the insurance policy, the Member is a member of Division B or Division D of the Fund.

[inserted by Deed of Amendment No [28] operative 1/8/09]

5.2 Payment of Basic Insured Cover Premium

- 5.2.1 Payment of the Basic Insured Cover Premium for a Basic Insured Cover Member covered for Basic Insured Cover is to be made in respect of the Member at such time as may be determined by the Trustee and is to be debited to the Member's Benefit Account.

[amended by Deed of Amendment No [28] operative 1/8/09]

5.3 *[Amount of the Basic Insured Cover Premium deleted by Deed of Amendment No [28] operative 1/8/09]*

5.4 Amount of Basic Insured Cover

- 5.4.1 A Member who is entitled to be paid a Benefit under Basic Insured Cover is entitled to the proceeds payable in respect of Basic Insured Cover.

[replaced by Deed of Amendment No [28] operative 1/8/09]

5.4A Members eligible to apply for insured Additional Benefit cover

- 5.4A.1 If the Trustee has made provision for an insured Additional Benefit a Member may apply to be covered, or to increase the level of cover, for a component of the insured Additional Benefit, provided that the Member is eligible to apply for the cover under the contract between the Trustee and the insurer and provided that the contract permits the combination of components selected by the Member.

[inserted by Deed of Amendment No [28] operative 1/8/09]

5.4B Applications for cover for the insured Additional Benefit

- 5.4B.1 An application is to be made by lodging with the Trustee an application in a form approved by the Trustee, is to nominate the amounts of cover for the components of cover sought by the Member and is to be accompanied by such information as may be required.
- 5.4B.2 A Member who applies to be covered for the insured Additional Benefit must submit to any medical examination or examinations as may be required by the insurer contracted by the Trustee and must provide such medical reports, evidence and information as are required by that insurer.
- 5.4B.3 Upon approval of an application for cover for the insured Additional Benefit, such cover shall take effect on the day advised by the insurer and the premiums applicable to that cover shall be payable as from that date.

[inserted by Deed of Amendment No [28] operative 1/8/09]

5.5 Commencement of Insured Benefits

- 5.5.1 Any insurance in respect of a person will not commence until:
- (a) if required, the Member and the Employer have provided all information required by the insurer;
 - (b) the insurer is satisfied that all of the insurer's requirements are met for the cover; and
 - (c) in the case of insured Additional Benefits, the insurer has notified the Trustee of the terms and amounts of cover.

[(c) inserted by Deed of Amendment No [28] operative 1/8/09]

- 5.5.2 Subsequent to subrule 5.5.1, cover will commence on the date or dates required under the insurance policy or policies relevant to the type of cover.

5.6 When cover under the Insured Benefits ceases

- 5.6.1 An insurance cover shall cease:
- (a) in accordance with the terms contained in the policy or policies of insurance with the insurer;
 - (b) on the Trustee determining that it is not reasonably practicable to obtain or renew a policy of life insurance on terms acceptable to the Trustee;
 - (c) the insurer for any reason terminates a policy of life insurance, or terminates the cover for the Member; or
 - (d) the amount standing to the credit of a Member's Benefit Account is insufficient to pay the costs attributable to that Member of providing that cover.

[(d) inserted by Deed of Amendment No [28] operative 1/8/09]

- 5.6.2 Cover for the Basic Insured Cover ceases to be in force on written election by the Member to the Trustee that the Member is to cease to be a Member.

5.6A When an Insured Benefit is payable

- 5.6A.1 In the event that a Member is eligible to make a claim for an Insured Benefit and has requested the Trustee to make a claim against the insurer under the relevant insurance policy, the Trustee shall, within reasonable time upon receipt of all information required by the insurer, make a claim for the Insured Benefit under the relevant insurance policy against the insurer in respect of the Member.
- 5.6A.2 Where the Trustee has made a claim under subrule 5.6A. 1 and has received the proceeds of the Insured Benefit from the insurer in respect of the Member, the Trustee shall, within reasonable time upon receipt of the proceeds, pay the proceeds to the Member.
- 5.6A.3 Notwithstanding the foregoing, an Insured Benefit is payable under these Rules to or in respect of a Member if the Member is covered and has provided all information required by the insurer, and the insurer is satisfied that the Member meets the conditions for payment of that benefit set out in the relevant insurance policy.

[inserted by Deed of Amendment No [28] operative 1/8/09]

5.7 Scope of Insured Benefits cover

- 5.7.1 Any Insured Benefit cover shall be subject to the terms of the applicable Policy.
- 5.7.2 The Trustee has no duty:
- (a) to effect insurance cover;
 - (b) to increase insurance cover; or
 - (c) to maintain any insurance policy.
- 5.7.3 The amount of any insurance cover shall be adjusted where appropriate where there is an error in the age, sex or other details of the Member the subject of the insurance cover.
- 5.7.4 If a Member is not satisfied with the amount of the Insured Benefit calculated and paid by the insurer pursuant to the relevant insurance policy or has any complaint in respect of the Insured Benefit, the Trustee shall provide to the Member all information deemed necessary by the Trustee to enable the Member to seek recourse from the insurer. The Trustee shall not otherwise be responsible for the Member's dissatisfaction or complaint in respect of the Insured Benefit other than to take such reasonable steps in relation to any declinature as the group insured in any relevant insurance policy.

[replaced by Deed of Amendment No [28] operative 1/8/09]

6. MISCELLANEOUS

6.1 Additional Benefit cover provided by other persons

- 6.1.1 If the Trustee enters into a contract or an arrangement with another person for the insurance by that person, or the arranging of insurance by that person, (on an individual or a group basis) of Members for the purpose of coverage for Additional Benefits under which the Additional Benefits become Insured Benefits, rules 3.4, 3.9, 4.2 and 4.3 (but only in respect of the payment of the Additional Benefit), do not apply to a Member for whom additional cover is, or is to be, arranged except as provided by the contract or arrangement.

- 6.1.2 The contract or arrangement relating to the provision of coverage for Additional Benefits may provide for the following:
- (a) approval of cover;
 - (b) premiums payable for cover;
 - (c) conditions of cover;
 - (d) revocation of cover;
 - (e) information relating to, or to be provided by, the insured person;
 - (f) circumstances when the Benefit is payable and determination of Benefit claims.

6.2 Transfer to Division A

[inserted by Deed of Amendment No.4 operative 1/7/99]

- 6.2.1 A Member may elect, at any time:
- (a) to make provision for a benefit under Clause 4.6; and
 - (b) to cease to be a Member and to become a Member of Division A.
- 6.2.2 An election:
- (a) must nominate an amount of Salary Wages of the Member for the purposes of Division A; and
 - (b) may elect to transfer the amount of the benefit under Clause 4.6 to Division A.
- 6.2.3 On an election taking effect:
- (a) the Member ceases to be a Member for the purposes of this Division including any liability for Contributions payable by or in respect of the Member; and
 - (b) if the Member has so elected, the amount of the Benefit payable or required to be preserved in respect of the Member must be paid from the Division and credited, as soon as practicable, by the Trustee to an account to be established to the credit of the Member in Division A.

SCHEDULE 6

ENERGY INDUSTRIES ROLLOVER AND ALLOCATED PENSION SCHEME

DIVISION F

THIS DOCUMENT INCORPORATES THE FOLLOWING AMENDMENTS

- Amendment 3 dated 11 January 1999 (*added Schedule 6*)
 - Amendment 11 dated 20 September 2000
 - Amendment 13 dated 21 March 2001
 - Amendment 19 dated 5 September 2003
 - Amendment 21 dated 21 November 2003
 - Amendment 23 dated 18 February 2005
 - Amendment 24 dated 21 September 2005
 - Amendment 25 dated 22 June 2007
 - Amendment 29 dated 11 March 2011
 - Amendment 32 dated 29 August 2014
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**SCHEDULE 6
DIVISION F**

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ENERGY INDUSTRIES ROLLOVER AND ALLOCATED PENSION SCHEME

SCHEDULE 6

DIVISION F

These are Rules governing Division F of the Fund, known as the "Rollover and Pension Plan".

1. INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

Asset Portfolio means an Asset Portfolio established in accordance with rule 5.6.

Benefit Account means an account established and maintained under rule 5.3 in respect of a Member.

Dependant means in relation to a person:

- (a) any child of the person, including adopted child, step-child and ex-nuptial child;
- (b) the person's Spouse; and
- (c) any person with whom the first person has an Interdependency Relationship.

[c) replaced by Deed of Amendment No.[23] operative 1/7/04]

Eligible Spouse Contributions means contributions made in relation to a Member where:

- (a) the Member is a Spouse, excluding Same-sex Partner, of the person making the contributions at the time those contributions are made, other than a Member who lives separately and apart from that person on a permanent basis; and

[amended by Deed of Amendment No.13 operative 1/7/01]

- (b) the person making the contributions is not entitled to a deduction under section 82AAC (including a deduction under that section due to the operation of section 82AADA) of the Tax Act in relation to the contributions.

Employer means the employer of a Member.

Interdependency Relationship has the same meaning as in the Superannuation Law.

[inserted by Deed of Amendment No.[23] operative 1/7/04]

Member means:

- (a) a person who has been accepted as a member of this Division in accordance with rule 3; or
-

- (b) a Validly Nominated person to whom a Pension is being paid in accordance with subrule 7.5.2.

Month means calendar month.

Net Asset Value means the value of the assets of this Division less the liabilities of this Division.

Nominated Beneficiary means any dependant or legal personal representative nominated by the Member under rule 7.5.2.

Pension means a Benefit payable by instalments for either a fixed or open term.

Period means Month or such period determined by the Trustee from time to time. The term of each Period in these Rules need not be the same.

Reversionary Beneficiary means any dependant or legal personal representative nominated by the Member under rule 7.5.3.

Same-sex Partner *[inserted by Deed of Amendment No.13 operative 1/7/01, deleted by Deed of Amendment No.[29] operative 11/03/11]*

Spouse *[amended by Deed of Amendment No.13 operative 1/7/01, , deleted by Deed of Amendment No.[29] operative 11/03/11]*

Switch Date means the dates determined by the Trustee on which the election by a Member as to the allocation of the Member's Benefit Account to another Asset Portfolio takes effect.

Valid Nomination [deleted by Deed of Amendment No.[24] operative 24/10/05]

Validly Nominated [deleted by Deed of Amendment No.[24] operative 24/10/05]

2. ESTABLISHMENT OF DIVISION

- 2.1 There is hereby established Division F of the Fund.
- 2.2 The assets and liabilities of Division F will constitute part of Pool A.

3. ELIGIBILITY AND MEMBERSHIP

3.1 Eligibility

Persons who meet the criteria set out by the Trustee from time to time shall be eligible to become a member of this Division.

3.2 Member to Provide Information

3.2.1 Every applicant shall submit:

- (a) an application for membership in a form approved by the Trustee;
- (b) if required, any evidence of health and completed and signed statements as to health required in connection with any insurance cover; and
- (c) all other information as may be reasonably required by the Trustee.
-

3.2.2 The Trustee may within 30 days of receipt of an application for membership:

- (a) reject the application by the Member without giving a reason for this rejection;
- (b) impose special conditions when accepting the application by the Member, and an application for membership that is not so rejected is accepted.

3.3 Commencement of Membership

An applicant becomes a Member on the date the Trustee first receives a Contribution into this Division in respect of the Member. An applicant does not become a Member as a result of the Trustee accepting an application for membership.

3.4 Cessation of Membership

3.4.1 A Member's membership of this Division ceases on the last to occur of the following:

- (a) when the Trustee has paid all the Benefits in respect of the Member; and
- (b) on any insurance cover, as specified in the insurance policy or in writing by the Trustee, ceasing.

3.4.2 A Person does not continue to be a Member nor does a person again become a Member of this Division as a result of a dispute between that person and the Trustee as to that person's entitlement to a benefit(s) from this Division whether or not the dispute is resolved in the person's favour. Nothing in this provision shall limit a former Member's entitlement to dispute any decision of the Trustee or remove any obligation of the Trustee to deal with such a dispute.

4. CONTRIBUTIONS

4.1 Who may make Contributions

4.1.1 A Member, Spouse of a Member or an Employer may make Contributions to this Division in respect of a Member, subject to such terms and conditions as determined by the Trustee.

4.1.2 A Spouse of a Member can only make and the Trustee may only accept Contributions to this Division on behalf of a Member if the Contributions are Eligible Spouse Contributions.

4.2 Contributions restrictions

The Trustee may makes rules in respect of minimum Contribution limits and the manner by which Contributions can be made.

5. MAINTENANCE AND ADMINISTRATION

5.1 Payments to the Fund

The Trustee shall cause to be held in Pool A in respect of this Division:

- (a) Contributions to this Division; and
- (ab) Family Law Spouse Amount contributions made under this Division; and

[inserted by Deed of Amendment No.[21] operative 28/12/02]

- (b) income derived from the investment of assets held in respect of this Division and any profit made from realisation or any investment held in respect of this Division; and
- (c) subject to Superannuation Law, money borrowed for the purposes of this Division; and
- (d) any other amounts payable to this Division.

5.2 Payments from this Division

The Trustee is required to pay from Pool A in respect of this Division:

- (a) the Trustee's fees and charges referred to in rule 5.4;
- (b) any Tax;
- (c) Benefits payable under these Rules;
- (d) the costs of any Insured Benefit arranged in respect of Members of this Division; and
- (e) any other amounts payable from this Division.

5.3 Benefit Accounts

5.3.1 The Trustee is required to establish and maintain under this Division a single separate Benefit Account for each Member and shall record the following credits to that account:

- (a) any Contributions in respect of the Member;
- (b) any other moneys received by the Trustee in respect of the Member, and record the following debits against that account;
- (c) any Benefits paid in respect of the Member;
- (d) any Trustee's fees and charges referred to in rule 5.4 which are levied in respect of the Member;
- (e) the cost of the Insured Benefit arranged in respect of the Member;
- (f) the amount of any Tax referred to in rule 5.5;
- (g) any other amounts payable in respect of the Member pursuant to the provisions of this Deed.

5.3.2 As at the end of each Period, the Benefit Account of each Member is to be credited (or debited, if applicable) on a daily pro rata basis, or such other period as determined by the Trustee, with that Member's income entitlement declared by the Trustee in accordance with rule 5.7 for that Period.

5.3A Superannuation Interest under the Family Law Act

[inserted by Deed of Amendment No.[21] operative 28/12/02]

5.3A.1 Where a Family Law Spouse Amount is required to be dealt with in accordance with the Family Law Act and the Superannuation Law, the Member's Benefit Account will be debited with the amount. The Trustee will deal with the Family Law Spouse Amount in accordance with clause 14.25.

5.4 Trustee's Fees and Charges

5.4.1 The Trustee is entitled to the following fees and charges by way of remuneration for its services in respect of this Division.

5.4.2 A Management Charge of three percent (3%) per annum of the Net Asset Value of this Division, calculated and payable at the end of each Period.

5.4.3 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.4 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.5 *[deleted by Deed of Amendment No.19 operative 5/9/03].*

5.4.6 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.7 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.8 *[deleted by Deed of Amendment No.19 operative 5/9/03].*

5.4.9 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.10 *[deleted by Deed of Amendment No. 19 operative 5/9/03].*

5.4.11 The Trustee may in its discretion, whether in respect of one or more Members, elect to accept a remuneration which is less than the amount to which it is entitled to accordance with the provisions of rule 5.4. The Trustee is required to debit the amount of any remuneration paid to the Trustee in accordance with rule 5.4 that relates to a Member to that Member's Benefit Account.

5.5 The Trustee must deduct Tax liabilities from Benefit Accounts

Whenever the Trustee has paid (or is liable to pay) an amount of Tax in respect of a Member under this Division, the Trustee is required to debit the amount of such Tax to that Member's Benefit Account.

5.6 Other Accounts and Reserves and Asset Portfolios

5.6.1 5.6.1 The Trustee may establish and maintain in respect of this Division such other accounts and reserves as, in the opinion of the Trustee, are necessary or convenient for the administration of this Division and these Rules.

5.6.2 Without limiting subrule 5.6.1, the Trustee may establish separate Asset Portfolios, comprising assets in respect of this Division allocated by the Trustee, for the purposes of this Division.

5.6.3 The initial Asset Portfolios established by the Trustee are:

- (a) Cash Plus;

- (b) Capital Guarded;
- (c) Balanced;
- (d) Diversified; and
- (e) High Growth.

5.6.4 The Trustee may vary, wind-up or replace an account or reserve established in accordance with rule 5.6.

5.7 Allocation to Asset Portfolios

5.7.1 A Member may elect to have the Member's Benefit Account treated, for the purpose only of allocating Fund earnings, as being invested as part of one or more particular Asset Portfolios nominated by the Trustee to the Member.

5.7.2 Where the Member does not elect in accordance with subrule 5.7.1, then the Trustee will allocate that Member's Benefit Account to an Asset Portfolio.

5.7.3 For the purposes of adjusting accounts and reserves, other than Benefit Accounts, the Trustee shall treat those accounts and reserves as being invested in such Asset Portfolios as may be considered appropriate by the Trustee.

5.7.4 The Trustee may set and may vary the minimum amount that must be allocated to any Asset Portfolio.

5.7.5 The Trustee is to determine, for the purpose only of allocating earnings under this Division, the parts of each Benefit Account and or other account or a reserve to be treated as being invested in a particular Asset Portfolio.

5.7.6 The Trustee must determine the investment earning rate for each Asset Portfolio for each Period.

5.8 Switching between Asset Portfolios

5.8.1 The member may elect to vary the allocation of the Member's Benefit Account to an Asset Portfolio by notice in writing which shall take effect on the date determined by the Trustee from time to time, or if no such date is determined, on the day that is five working days after the day the election is received by the Trustee, or such later date as may be specified in the election.

[replaced by Deed of Amendment No.19 operative 5/9/03]

5.8.2 Any notice of variation will only be valid:

- (a) if the Member elects to invest at least the minimum amount set by the Trustee for allocation to a particular Asset Portfolio;
 - (b) nominates an allocation for 100% of the balance of the Benefit Account; and
 - (c) the notice of election is otherwise properly completed in accordance with the Trustee's requirements.
-

5.8.3 Where a notice of variation by a Member is not valid in terms of paragraph 5.8.2, the whole of the balance of the Benefit Account will be allocated to the default allocation to Asset Portfolio determined by the Trustee.

5.8.4 An election will take effect on the Switch Date.

5.9 Adjustments of Accounts and Reserves for Interest

5.9.1 The Trustee may, from time to time, adjust each of the accounts established under these Rules at a rate or rates fixed by the Trustee, having regard to the income in respect of this Division and the investment earning rate, as determined by the Trustee, of any Asset Portfolio in which the accounts or parts of them are treated as being invested and such other matters as the Trustee considers relevant.

5.9.2 The Trustee may, for the purpose of adjusting a Benefit Account before paying out the balance at credit in the Account, fix a rate for that purpose only.

5.9.3 In adjusting accounts under this rule 5.9, the Trustee may fix different rates for accounts, or part of accounts, that are treated as being invested in different Asset Portfolios.

5.9.4 For the purposes of adjusting accounts, the Trustee may allocate any income in respect of this Division, or any losses, as being attributable to a particular Asset Portfolio, as it thinks fit.

6. AMOUNT OF BENEFIT

The Benefit payable to or in respect of a Member under these Rules is an amount equal to the sum of the balance of credit in the Member's Benefit Account at the time the Benefit is paid and any Insured Benefit.

7. PAYMENT OF BENEFITS

7.1 Payment of Benefit

7.1.1 A Benefit, or any portion of the Benefit, in respect of a Member becomes payable on receipt of a claim from the Member, where the Trustee is permitted to pay the Member the Benefit pursuant to Superannuation Law.

7.1.2 The Trustee may make rules in respect of minimum Benefit payment limits and the manner by which Benefits may be paid.

7.2 Allocation of source of Benefit payment

Members must nominate from which Asset Portfolios, to which their Benefit Account is allocated, the Trustee is to effect Benefit payments. The nomination must be effected in writing and in a form approved by the Trustee and is subject to any conditions determined by the Trustee. A Member may make a nomination in respect of one or more Pension payments. A Member may also vary the nomination.

7.3 Payment of Benefit in Pension Form

7.3.1 A Member entitled to a Benefit may request that any part or all of the Benefit be paid as a Pension.

7.3.2 *[deleted by Deed of Amendment No.[24] operative 24/10/05]*

7.3.3 A Pension shall be payable in the manner and subject to the conditions determined by the Trustee. The Trustee, with the agreement of the Member, must determine:

- (a) the level, terms and conditions pertaining to the payment of the Pension; and
- (b) whether the Pension will be funded directly from this Division or by an annuity purchased by the Trustee.

7.3.4 A Pension funded directly from this Division will cease when the Member's Benefit Account is nil. A Pension funded by way of an annuity will cease on payment by the Trustee of the last annuity payment receivable by the Trustee in respect of that Member.

7.3.5 For each financial year (or part of a financial year), the Pension payments to a Member must not be:

- (a) larger than the maximum limits; or
- (b) smaller than the minimum limits,

set out in the Superannuation Law's requirements for the particular type of pension being provided by this Division.

7.3.6 Where the Trustee does not prescribe the same, a Member must:

- (a) nominate to the Trustee the dollar amount which the Member wishes to draw on a regular basis and method by which the payment is to be made; and
- (b) specify the intervals at which the Pension is to be paid,

subject to the constraints prescribed by the Trustee and Superannuation Law.

7.3.7 A Member may change the amount and frequency of the Pension payments and method by which the payments are to be made if:

- (a) the request for change is made in a form approved by the Trustee; and
- (b) the change is approved by the Trustee.

7.4 Commutation

A Member may commute the whole or part of a Pension at any time by notifying the Trustee in the manner approved by the Trustee, subject to any other condition prescribed by the Trustee from time to time.

7.5 Benefit on Death

[7.5 replaced by Deed of Amendment No.11 operative 30/9/00]

7.5.1 Death of a Member

7.5.1.1 Where a Member who has commenced receiving a Pension has died and has also nominated a Reversionary Beneficiary under rule 7.5.3, the Trustee may continue to pay a Benefit in accordance with the rules of this Division in the form of a Pension to the Reversionary Beneficiary, subject to clause 7.5.4.

7.5.1.2 Where a Member has died and has not nominated a Reversionary Beneficiary, the Benefit is to be paid in accordance with rule 7.5.2, and if rule 7.5.2 does not apply, then the Benefit is to be paid in accordance with clauses 14.17A.2 and 14.17A.3 of the Deed.

[7.5.1 replaced by Deed of Amendment No.[24] operative 24/10/05]

7.5.2 Binding Nominations

7.5.2.1 To the extent permitted by Superannuation Law, the Trustee may permit a Member to direct the Trustee (by a written notice in a form approved by the Trustee from time to time) to pay all or any part of the Member's death benefit to one or more Nominated Beneficiaries, and in such proportions, as is specified in the notice (**Binding Nomination**).

7.5.2.2 A Member may:

- (a) revoke a Binding Nomination at any time; and
- (b) where the Trustee so permits give a new or replacement Binding Nomination at any time.

7.5.2.3 If the Trustee has permitted a Binding Nomination pursuant to rule 7.5.2.1, the Trustee must pay the Member's death benefit in accordance with the Binding Nomination provided the Binding Nomination is not invalid and the Trustee is permitted to do so under Superannuation Law.

7.5.2.4 The Trustee may from time to time specify the rules, conditions and restrictions relating to Binding Nominations which must be complied with by a Member in order for a Binding Nomination to be valid. The Trustee may vary or revoke all or any of such rules, conditions or restrictions from time to time in its absolute discretion.

7.5.2.5 A Binding Nomination is invalid if:

- (a) any of the Nominated Beneficiaries nominated in the Binding Nomination is not a dependant or the legal personal representative of the Member at the time of death of the Member;
- (b) the proportions specified in the Binding Nomination do not amount to 100% of that part of the Member's death benefit that is the subject of the Binding Nomination;
- (c) the Binding Nomination is incomplete or is otherwise not completed in accordance with the requirements of the Trustee; or
- (d) the Binding Nomination ceases to have effect under, or does not satisfy the requirements of Superannuation Law.

7.5.3 Nomination of Reversionary Beneficiaries

7.5.3.1 Prior to a Pension commencing to be payable under this Division, a Member may nominate Reversionary Beneficiary.

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- 7.5.3.2 Once a Pension has commenced to be payable under this Division, a Member may revoke the nomination of a Reversionary Beneficiary and may but is not obliged to nominate another Reversionary Beneficiary.
- 7.5.3.3 Where a Pension has commenced to be payable under this Division and the Member did not nominate a Reversionary Beneficiary prior to the Pension commencing, a Member may only nominate a Reversionary with the consent of the Trustee.
- 7.5.3.4 A Member may commute the Pension and start another Pension with or without a Reversionary Beneficiary being nominated.
- 7.5.3.5 Any nomination of a Reversionary Beneficiary must be in the form approved and accepted by the Trustee and the Member must be alive on the date the nomination is accepted by the Trustee. The Trustee may set rules as to the maximum number of persons that may be nominated, the types of Benefits that are subject to a nomination and may set different maximums for different types of Benefits.

7.5.4 Payment to Reversionary Beneficiaries

- 7.5.4.1 The Trustee may only pay a Pension to a Reversionary Beneficiary if at the time of the death of the Member the Trustee is permitted to pay the Reversionary Beneficiary in accordance with the Superannuation Law.
- 7.5.4.2 If a Member dies and has not nominated a Reversionary Beneficiary, or where there is a Reversionary Beneficiary and both the Member and the Reversionary Beneficiary die before the term of the Pension has expired, the Trustee must decide whether the balance of the Member's Benefit Account should be paid as a death benefit under clause 14.17A of the Deed or whether it should be paid as a new Pension to any one or more of the Dependants of the Member or a reversionary pensioner as determined by the Trustee.
- 7.5.4.3 In making a decision under rule 7.5.4.2, the Trustee may have regard to any preference expressed by the Member.

[deleted by Deed of Amendment No.[24] operative 24/10/05]

[amended by Deed of Amendment No.[24] operative 24/10/05]

Appendix 20 Strategic Market Testing Program removed for confidentiality.

Appendix 21 Draft Procedure in relation to outsourcing removed for confidentiality.

Appendix 22 Essential Energy Preliminary Strategic Outsourcing Assessment removed for confidentiality.



Procurement Manual

October 2014

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About This Manual

Purpose

The purpose of this manual is to:

- Provide the policy framework for the procurement of goods and services by employees, agents and contractors on behalf of Essential Energy; and
 - Outline detailed procedures for undertaking procurement activities depending on the value and nature of the goods and services being purchased.
-

Application

This manual applies to the procurement of all third party supplied goods and services across all Essential Energy business locations.

Any employee or Contractor who has the delegated authority, and is required to carry out procurement activities to source goods and services on behalf of Essential Energy, **must** comply with the policies and procedures outlined in this manual except where explicitly excluded.

How to Interpret this Manual

This manual does not cover every possible scenario but has been written to assist employees in understanding the intent of Procurement and other corporate policies and procedures referenced in this manual.

Where the word **must** is used throughout this manual, the policy or procedure is mandatory and prior authorisation is required in the event that the policy or procedure cannot be followed.

The word **should** is used where employees are relied upon to use their judgement to make the best decision based on information available.

If in doubt, employees should discuss with their Manager, or contact the Procurement Team for assistance via the Procurement Service Desk.

Relationship with Other Policies and Procedures

This manual contains references to other Essential Energy policies and procedures that **must** be read in conjunction with the policies and procedures contained therein.

Structure of this Manual

- Part A:** Contains key terms and definitions used in this Manual
- Part B:** Contains general policy information that applies to all procurement activities.
- Part C:** Contains detailed procedures structured in line with the following procurement thresholds:
- purchases less than \$3,000;
 - purchases between \$3,001 and \$30,000;
 - purchases between \$30,001 and \$250,000; and
 - purchases greater than \$250,000.
- Part D:** Contains detailed procedures relating to payment for goods and services (Procure to Pay procedures).
-

Exclusions

The following are excluded from the Procurement processes and associated controls as detailed in Part C of this manual:

- Procurement of inventory
- Employment contracts
- Acquisition of real estate and subsequent licence or lease payments
- Sponsorship arrangements
- Renewals of existing software licences (if under State Government contract)
- Payments to Local, State or Federal Government departments and statutory bodies
- Payments to Australia Post for mailing services
- Payments to Essential Energy's provider of telecommunications services for carrier charges (under State government contract)
- Transfer of network assets
- Renewals of subscriptions to magazines, bulletins or newspapers
- Maintenance or support of licensed software, where the supplier is either the licensor or holds exclusive rights to maintain or support those products or services in Australia
- Fees associated with membership of professional associations or industry accreditations
- Refunds of contributions for the demand management program
- Procurement of Australian or other internationally recognised and referenced standards
- Procurement of services from meter providers in respect of customers outside the Company's franchise area
- Procurement of professional publications or subscriptions to professional companies
- Non contestable utility expenses such as gas or water
- Facility rent
- Employee training
- Centrally billed Corporate Credit Card (CEOP2183 Corporate Credit Cards)
- Centrally billed fleet payments
- Centrally billed Petroleum Card
- VAT/GST reclaim services
- Donations, and
- Payments to Authorised Service Providers (ASPs) for additional related works where a third party (e.g. a customer) has engaged the ASP.

Employees must continue to follow the Procure to Pay process as detailed in Part D of this manual in order to procure all goods and services, including those listed above.

Part A: Key Terms and Definitions

Best and Final Offer (BAFO)	Best and final offer or BAFO is a bid containing final pricing and deliverables submitted by potential suppliers based on the outcome of the negotiations conducted during the initial bid stage. Depending on the approach to market, a BAFO may also indicate that no further negotiation on the amount or terms is possible.
Branch Manager	The Level 4 Manager responsible for sponsoring the procurement.
Contingencies	Preparedness for something that may happen: an event that might occur in the future, especially a problem, emergency, or expense that might arise unexpectedly and therefore must be prepared for.
Contract	A binding agreement between Essential Energy and a supplier, established for a specific purpose, and/or for a specific duration, up to an amount approved by the relevant Financial Delegate, with approval for the contract amount.
Contractor	The supplier engaged by Essential Energy under contract as a consequence of the procurement process set out in this manual.
Contract Manager	Nominated managers within the Procurement Section charged with managing the end to end process for all procurements greater than \$250,000 and supporting Divisions who conduct procurements less than \$250,000.
Sub-delegation of Authority	The maximum amount to which an authorised employee may commit funds in any one transaction in accordance with CEOP8076: Treasury Recurring Delegations and CECF0001.02 Sub-delegations of authority by the Chief Executive Officer for the Chief Operating Officer and Level 2 and Level 3 Group Positions.
Demand-based Contingency	Demand based contingency planning tries to account for demand forecast fluctuations. When an approach to market is made for the supply of a product the forecast demand is based on the business need known at that point in time, however due to changing business requirements volumes can fluctuate which may impact on the approved level of expenditure for the item. A demand based contingency can be used when setting the expenditure limit to allow for rising demand in the supply of some items.
Employee	Authorised officer responsible for undertaking procurement activities.
Expression of Interest (EOI)	<ul style="list-style-type: none"> A response to a request for potential suppliers to register their interest in supplying a product or service to Essential Energy and state their general capabilities. A request from Essential Energy to gauge the potential market for goods or services and/or help crystallise its requirements as a precursor to soliciting tenders or where Essential Energy seeks to establish a supplier panel.

Evaluation Team	A team of suitably competent employees that possess the relevant technical expertise, financial skills or other attributes that will contribute to sound evaluation of tender submissions.
<hr/>	
Financial Delegate	The position nominated within CEOP8076: Treasury Recurring Delegations and CECP0001.02 Sub-delegations of authority by the Chief Executive Officer for the Chief Operating Officer and Level 2 and Level 3 Group Positions.
<hr/>	
Foreign Exchange Risk	The inherent financial risk associated with exposure to future fluctuations (rise and fall) in the relative exchange rate between Australian Dollars and elements of the cost of purchased goods and services incurred in foreign currencies. Unless appropriately managed, this risk may lead to unpredictable budget impacts and Essential Energy paying more Australian Dollars than planned for goods and services with high foreign content.
<hr/>	
GIPA	Government Information (Public Access) Act 2009 (GIPA). This Act supersedes Freedom of Information Act 1982.
<hr/>	
Government Contracts Register	The GIPA Act 2009 requires government agencies (including state owned corporations) to record and publish certain information about some contracts with the private sector bodies. Part 3, Division 5 of the GIPA Act states that information about contracts worth more than \$150,000 must be recorded in a register and that this register be published on the agency website.
<hr/>	
Inventory	Goods and materials held available in stock by Essential Energy at a regional store or warehouse.
<hr/>	
Level 3 Managers	Includes General Managers and the Chief Engineer of Essential Energy
<hr/>	
Level 4 Managers	Includes Branch Managers
<hr/>	
Market Test Document	Means an EOI, RFT, RFP or RFQ as the context requires.
<hr/>	
Negotiation	<p>The process in which Essential Energy enters into discussions with a supplier to reach agreement or mutual understanding between the parties in respect of a procurement.</p> <p>Negotiations are conducted for several reasons including, without limitation, to refine the requirement, eliminate qualifications to the tendered price, consider indicative offers, agree on terms and conditions or clarify a tender.</p> <p>Negotiations with suppliers that are party to a two phased tendering or direct negotiation process must take place before formal offers are solicited. Negotiations must be led by a Contract Manager, documented and, in the case of direct negotiations, conducted in accordance with Section 8.2.6.</p>
<hr/>	
Non-Inventory	Goods and materials not held in stock but purchased as required by Essential Energy.

Probity Advisor	<p>A Probity Advisor is an independent third party who is engaged by Essential Energy to observe and review the procurement process.</p> <p>The Probity Advisor usually provides an independent opinion on probity issues that may arise during the procurement process and confirms, in writing, whether the concluded process is consistent with the relevant probity plan, government regulations, guidelines, or general probity principles.</p>
<hr/>	
Procurement	<p>The end-to-end process associated with the acquisition of goods and / or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place and from the right source for the direct benefit or use of Essential Energy.</p> <p>For the purposes of this manual the term “procurement” is used interchangeably with the term “purchasing”.</p>
<hr/>	
Project Team Members	<p>Members of a cross functional team established to undertake procurement activities.</p>
<hr/>	
Provisional Sums	<p>An amount of money that is set out in the contract to provide for known contract works that are not fully defined or scoped at the time of the tender release.</p>
<hr/>	
Requirement	<p>The goods or services that are required by the user, the value of which is based on the projected expenditure.</p> <p>In the case of goods or services for which there is a recurring need a demand based contingency must be considered.</p> <p>The estimated value of the procurement must be based on projected total expenditure for at least the financial year in which the supplier is being engaged.</p>
<hr/>	
Section Manager	<p>Is the Level 5 Manager responsible for the procurement</p>
<hr/>	
Specification	<p>The document that sets out details of the requirement that is incorporated in both the market test document(s) and contract. The Specification must either detail the technical characteristics of the requirement or the scope, milestones and deliverables of a project or state the desired outcomes from the procurement process. The Specification must set out the performance measures, and/or milestones, or volumes, or delivery dates and / or standards (as appropriate) by which the supplier's performance will be monitored for the duration of the contract.</p>
<hr/>	
State Contracts Control Board (SCCB)	<p>The NSW SCCB, which reports to the Minister for Commerce, has sole responsibility for the provision of goods and services for the NSW public service.</p>
<hr/>	
Statement of Business Ethics	<p>The Statement of Business Ethics sets out the key business principles we apply in our dealings with suppliers. We expect that our business partners, suppliers and contractors act according to these principles. Each principle is designed to ensure that our relationships with suppliers generate good value and are transparent and fair.</p>

Supplier	<p>An organisation or person that provides goods or services to Essential Energy.</p> <p>For the purposes of this manual the term “supplier” is used interchangeably with the term “vendor”.</p>
Supplier Panel	<p>A contractual arrangement with a group of contractors for the provision of services as and when required, under a schedule of rates or on a quotation basis as described in Appendix 3</p>
Tender	<p>A proposal, tender, offer, bid or quotation which may have been submitted to Essential Energy in response to an approach to the market.</p>
Tender Review Committee (TRC)	<p>A committee which undertakes reviews to give assurance that the Procurement policies and principles of probity have been addressed.</p> <p>Refer to Tender Review Committee Charter (CEOF0002.12) and Company Procedure – Tender Review Committee (CECP0002.11) for full details.</p>
Tenderer	<p>A supplier who responds to a request document.</p>
Tender Evaluation Plan	<p>A tender evaluation plan is a document that sets out the detailed process, team composition, criteria and protocols that apply to a tender evaluation. Tender evaluation plans require financial / commercial aspects of a tender to be evaluated separately to the technical aspects and must be customised by the user to suit the request for tender.</p>
Value for Money	<p>The commercial attractiveness of a procurement having regard to the extent to which the offer satisfies Essential Energy’s requirements, evaluation criteria, the value of the offer, and the whole of life costs.</p>
Whole of Agreement	<p>An order represents the entire agreement between purchaser and seller and no other terms shall be of any effect unless agreed by all parties in writing and signed by the purchaser’s authorised officer.</p>

Part B: General

Compliance

All employees undertaking any procurement activity are accountable for complying with policy obligations imposed under their contracts of employment, other company policy, procedures and directives issued from time to time and any other relevant legislative requirements that interact with procurement.

All managers and supervisors are responsible for the application and compliance of this policy within their area of responsibility. Compliance with the policy and operational procedures will be monitored, reviewed, and managed using appropriate audit and risk procedures.

Periodic audits and analysis will be conducted by Internal Audit and where appropriate, external personnel, on all aspects of the procurement process. Results of reviews /audits will be reported to the Executive Leadership Team, and where appropriate to the Essential Energy Audit and Risk Committee.

Confidentiality and Privacy

Essential Energy employees must comply with the confidentiality and privacy obligations imposed under their contracts of employment, company policy, procedures and directives issued from time to time and other legislative obligations such as the Privacy and Personal Information Protection Act 1998. In addition to these requirements, consultants must also comply with the confidentiality and privacy obligations under their consultancy agreement entered into with Essential Energy.

Conflict of Interest

You are at risk of having a conflict of interest if there is even a perception that your personal interests (or the interests of people close to you) will conflict with your ability to impartially perform your work duties. Conflicts of interest can be actual, perceived or potential.

If you think you have a conflict of interest, or that other people may perceive there is a conflict of interest, you must talk with your manager/supervisor.

Information relating to conflict of interest can be found in the Code of Conduct (CECG3000.01).

Consistency of Information

To ensure that any interested party does not receive an unfair advantage over another, all information provided to one party will be provided to all parties whether or not such information is requested by one or all interested parties.

Creation of Requisitions / Purchase Orders After the Fact

Employees must not engage a supplier to provide goods or services until an authorised purchase order has been issued (except in bona fide emergencies). Purchase orders created after the date of the invoice will be subject to exception reporting.

Exception Reporting

Employees, their Branch and/or Section Managers and Financial Delegates must ensure compliance with policies and procedures contained in this manual as specified above.

Employees that breach policies and procedures must be counselled by their direct manager and reminded that repeated instances of non-compliance may lead to disciplinary action being taken in accordance with HR policies.

Breaches will be subject to exception reporting which is provided to the Essential Executive Leadership Team on a monthly basis as part of reporting performed by the Manager, Procurement and Logistics.

Existing Relationships with Industry	It is possible that arrangements may exist which require Essential Energy procurement personnel or consultants engaged directly on a project to interact with an interested party in matters unrelated to the project (e.g. incumbent supplier). The project or the procurement process must not be discussed during interactions relating to these existing arrangements.
Gifts, Benefits and Invitations	Essential Energy has a “no gifts” policy. This means that under no circumstances can an employee receive a gift from any third party. You can only accept an invitation if you and your manager/supervisor believe that a reasonable person would not think it affected your ability to impartially do your job Refer to the Code of Conduct (CECG 3000.01) in relation to Gifts, Benefits and Invitations.
Information Security	Essential Energy has adopted the AS/NZS ISO 27001 Information Security Management standard as the mechanism for managing its information security. Whilst internal controls are in place to protect our information assets, the involvement of an outsourced or third party service provider may necessitate the sharing of information between organisations, or the provision of a connection from the third party organisation into the Essential Energy internal computer network. Reference to operational manual CEOM7065 Information Security – Requirements, is required when preparing ICT related contracts for a market process. In addition Procurement will notify relevant stakeholders within the ICT division of any market engagements initiated outside of ICT that involve the procurement of hardware, software or devices for deployment on the ICT network.
Media	All media contact or request concerning a project or procurement process should be referred to the Manager Corporate Affairs.
NSW Government Waste Reduction and Purchasing Policy (WRAPP)	Procurement activities should address considerations relating to the WRAPP. For further details refer to CECM1000.75 SSHE Manual – Waste, section 6 Waste reduction purchasing policy.
Offers of Employment	Where an interested party discusses the possibility of offering any Essential Energy procurement personnel employment during or after the completion of a procurement process, the Manager Governance Risk and Compliance must be informed immediately.
Perception	Essential Energy employees must maintain a high standard of probity, conduct and integrity to avoid any unfavourable perception that would erode industry and community confidence in the way in which Essential Energy procurement processes are conducted.

Principles of Probity

Employees engaged in procurement activities must, at all times, conduct their responsibilities ethically and with integrity and in accordance with CECG3000.01: Code of Conduct and CEOP1115: Statement of Business Ethics. Procurement activities must ensure the principles of probity (detailed below) have been addressed.

Impartiality and Honesty

- The same material should be available to all interested parties within the same time frame and in the same manner.
- Each bid should be considered consistently in an impartial and honest manner, with no bias towards or against certain bidders.
- Tender documentation that is provided to the market must clearly detail the conditions for participation in the tendering process, including the evaluation criteria, and should be equally available to all interested parties.

Transparency and Accountability

- Decisions should be clearly recorded and reasons appropriately documented to allow them to be understood or justified upon review.
- Appropriate information should be provided to relevant stakeholders and unsuccessful bidders should be offered a debriefing as to why their tenders were not successful.

Security and Confidentiality

- Measures should be in place to manage the security and confidentiality of documents, including physical security of submissions, access to secure documents and confidentiality of commercial information.

No conflicts of Interest

- Any employee involved in the procurement process, including both those responsible for evaluating bids and those providing advice in relation to the process or the evaluation methodology should make a written declaration of any actual or perceived conflicts of interests prior to taking part in the process.
- This responsibility to declare any conflicts of interest should be maintained throughout the procurement process.

Competitiveness and Fairness

- The method used for procurement processes should suit market circumstances as well as the size and nature of the procurement.
 - The procurement requirements should not deter competent suppliers and reasonable timeframes for the submission of tenders should be set.
 - The behaviours during the procurement process should be free from anti-competitive practices and should not seek to obtain an improper advantage over another party.
 - There should be a firm intention to proceed to contract and the basis of that contract should be apparent throughout the procurement process.
-

Value for Money

- The procurement process should foster an open competitive environment in which proponents can make attractive, innovative proposals with the confidence that they will be assessed on their merits.
 - As value for money does not necessarily mean lowest price, the non-price elements of proposals (including risk) should be considered and criteria devised to allow these elements to be evaluated
-

Record Keeping

All records **must** be retained.

Essential Energy is bound by the NSW State Records Act 1998. The Act provides for the creation and management and protection of NSW State Records Authority to issue compulsory standards in regards to the management of records.

Refer to Records Management (CEOP1060) for more information.

Requirement or Order Splitting

Purchase orders **must** be for the total value of the procurement, excluding contingencies.

Employees **must** not split contracts, purchase requisitions or invoices to circumvent the procedures contained in this manual.

Sub-delegation limits relate to the total value of the commitment over the term of the period contract, project or agreement. For goods and services not covered by a period contract, project or agreement for which there is a recurring requirement, it is necessary to ensure that the purchase order value reflects the estimated expenditure for at least the financial year in which the order is created. Variations or the exercise of an option are included in the total value of the commitment for the purposes of determining the value to which the sub-delegation limit applies.

Part C: Procurement Processes

1 Which Procurement Process Should I Use?

What do I need to consider?

Even though all procurements have some common elements, requirements relating to individual procurements will vary depending on the size and complexity of the procurement.

Selection of an appropriate procurement method will be driven by a number of variables:

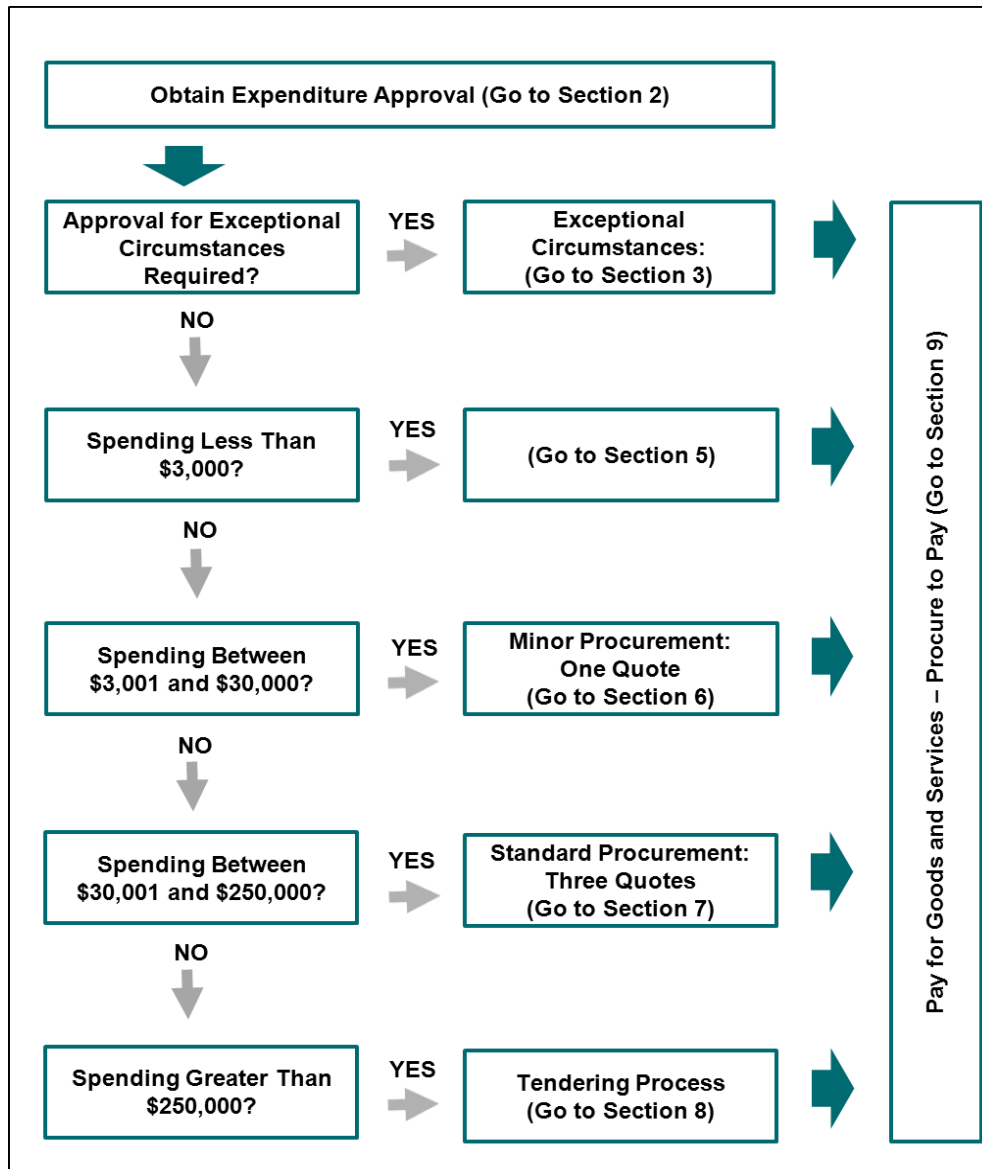
- a The total procurement cost (based on the following thresholds):
 - purchases less than \$3,000,
 - purchases between \$3,001 and \$30,000
 - purchases between \$30,001 and \$250,000, and
 - purchases greater than \$250,000.
- b Whether the requirement is a one off purchase or likely to continue. In the latter case, due consideration **must** be given to establishing a contract to fulfil current and future requirements.
- c The number of available and competitive suppliers in the marketplace.
- d The specific requirements of the individual procurement and the associated risks of the procurement.
- e Whether the terms and conditions applicable to a particular method adequately protect Essential Energy against commercial risks associated with such purchases.
- f Whether valid and approved reasons exist for an exemption from normal procurement methods as described in Section 4 of this Manual.

The total procurement cost is based on the 'whole of life' cost of the procurement. This includes all likely costs of the procurement including for example, travel and expenses for professional services engagements.

If the procurement is for an indefinite amount of time, then the total procurement cost must represent the best estimate of likely costs associated with the procurement.

Goods and services **must not** be purchased in component parts with the intent to avoid procurement requirements contained in this manual i.e. order splitting is **not** permitted.

The following diagram will assist you in determining which procurement process to use:



Once you have determined which the appropriate procurement process to use, the first step in the procurement process is to obtain relevant approvals to purchase.

2 Expenditure Approval

Who is responsible for obtaining approval?

Any employee who is required to carry out procurement activities to source goods and services on behalf of Essential Energy **must** obtain expenditure approval **prior** to commencing the purchasing process.

Who can approve purchases?

Only those persons delegated by specific written authority are authorised to commit organisation funds for materials, equipment, supplies or services, or to requisition inventory.

Employees may only approve expenditure up to their respective levels of sub-delegated authority.

Managers and employees who have the authority to commit funds are accountable for the procurement decisions made and outcomes of the procurement process.

Alignment with Procurement Principles

Before approving a commitment of funds, the respective General, Branch and/or Section Manager **must** ensure that the procurement aligns with all Essential Energy procurement principles to:

- Achieve value for money;
 - Encourage sustainable competition;
 - Demonstrate probity, ethical behaviour, and accountability;
 - Make efficient and effective use of resources;
 - Mitigate risk;
 - Manage Health Safety & Environmental considerations.
-

Considerations

Before approving a commitment of funds, the Manager **must** consider the following but not be limited to:

- Adequate information has been provided to make a decision and the result is supported by a transparent, robust decision making process;
 - The potential risk of the procurement has been adequately assessed and all risks have been mitigated;
 - Approvals to procure the goods or services are made on the basis of a genuine pre-estimate of the likely cost of the engagement, taking into account any amounts previously approved;
 - The value of the procurement is a reasonable estimate of the expenditure and, in the case of goods and services for which a recurring need exists, is based on projected total expenditure for the period in which the supplier is being engaged;
 - A budget is available to procure the goods or services: and
 - The approved contract amount includes all relevant contingencies and provisional sums (refer below).
-

Contingencies and Provisional Sums**Contingencies**

Contingencies are additional contract expenditure, established at contract inception, but not accessible without approval from the appropriate financial delegate. Contingencies comprise two parts:

- 1 Risk Reserve: To cover contract risks which are identified at the time of the tender release but could not be accurately quantified or are not expected to eventuate. These Risk Reserves will identify specific items and have a dollar amount associated with them e.g. foreign exchange or commodity price fluctuations, volume variations or un-anticipated scope such as different ground conditions to those suggested in a geotech report.
- 2 Management Reserve: To cover unidentified or unforeseen project risks. These are typically calculated as a percentage of the base contract amount.

Contract contingencies should not exceed 10% of the lump sum contract value unless appropriately justified and approved.

Demand-based Contingencies

Demand based contingency planning tries to account for demand forecast fluctuations. When an approach to market is made for the supply of a product the forecast demand is based on the business need known at that point in time, however due to changing business requirements volumes can fluctuate which may impact on the approved level of expenditure for the item. A demand based contingency can be used when setting the expenditure limit to allow for rising demand in the supply of some items.

Provisional Sums

An amount of money that is set out in the contract to provide for known contract works that are not fully defined or scoped at the time of the tender release such that the contractor was unable to provide a fixed price submission for these works.

Including provisional sums in request documents creates an environment in which tenderers can submit a total fixed price that minimises any risk premium and provides the organisation with greater certainty of total contract value.

Provisional sum values should identify specific items of undefined works and must be itemised within the tender submission and within the contract.

When should I obtain approval? Approvals to purchase **must** be obtained **before** proceeding with the procurement process.

The expenditure level will dictate the approval form for each procurement exercise.

Further information can be found in the procurement threshold sections (refer sections 5 to 8) of this manual.

Where do I find more information? To obtain more information about delegated authorities and requirements for approval of expenditure, this section **must** be read in conjunction with other Essential Energy policies, including:

CEOP8076	• Treasury Recurring Delegations and Payment Authorisation
CECP0001.02	• Sub-delegations of authority by the chief Executive Officer for the Chief Operating Officer and Level 2 and Level 3 Group Positions
CEOP2183	• Corporate Credit Cards
CEOP2191	• Capital Governance: Capital Portfolio and Investment Approvals
CEOP8407	• Water Document: Project Expenditure

Next Steps Once you have obtained all relevant expenditure approvals, proceed to the relevant process (based on the amount being spent) to complete the procurement process.

3 Exceptional Circumstances

Introduction

An exemption to deviate from the policies and procedures described in this manual may be granted **only** in exceptional circumstances.

What is considered Exceptional Circumstances?

The requirement to meet minimum procurement requirements as detailed in this manual will only be waived if approval is obtained in one of the following exceptional circumstances:

- There is a genuine need for a proprietary product to ensure compatibility with existing equipment and there is a sole source of supply for the proprietary product;
- Emergencies: a genuine emergency that seriously threatens employees, customers, assets or corporate reputation;
- There is an urgent and important operational need where the welfare of customers or employees faces an impending and serious threat;
- There is a need for unique intellectual property or expertise that is available from only one Supplier;
- There is only one confirmed source of supply available to Essential Energy; or
- Unable to obtain the required number of quotations / submissions.

A lack of proper planning or an unforeseen need to secure goods or services on a project **does not** constitute an emergency.

Direct sourcing **must not** be used to avoid competition or discriminate against a potential supplier.

The requirement to achieve value for money remains paramount.

What documentation do I need to provide?

All requests for exceptional circumstances **must** be recorded in writing using CEOF3016 Request for Exceptional Circumstances Form and lodged via the Procurement Service desk.

The information contained in this document provides the reasoning for necessitating a deviation from Essential Energy's minimum procurement actions as described in this document.

Requests **must** be supported by adequate explanations and relevant documentation to support the case for the request.

Who can approve Exceptional Circumstances?

All requests for exceptional circumstances **must** be approved by the Chief Operating Officer.

What should I do in an emergency situation?

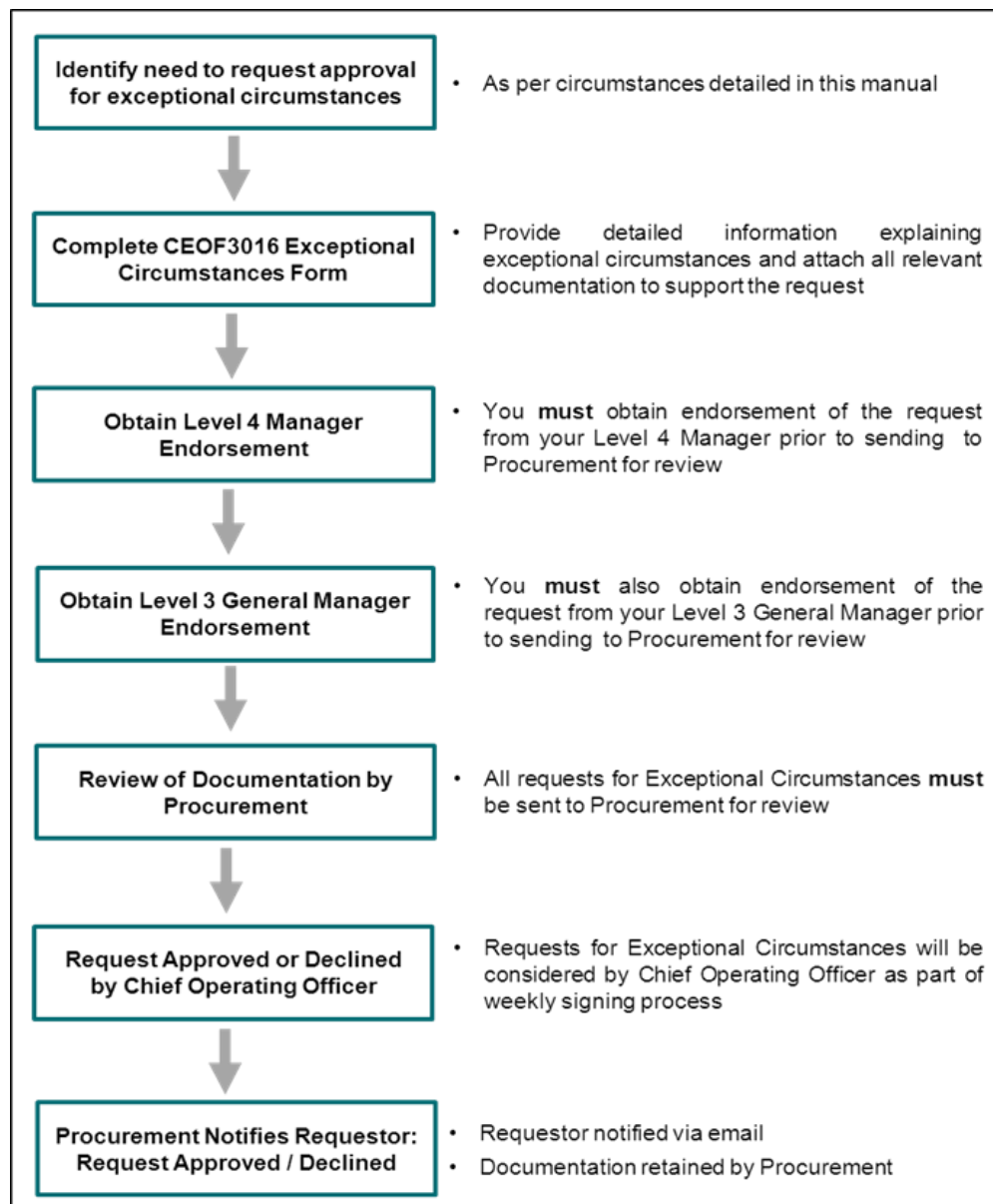
Procurements undertaken in response to an emergency situation should, to the maximum extent possible, comply with normal Essential Energy procurement policies and procedures.

All emergency procurement that is not undertaken in accordance with relevant procedures (according to spend thresholds) **must** be documented and reported using CEOF3016 Request for Exceptional Circumstances Form as soon as practical subsequent to the need for the emergency procurement arising.

Authorised employees will be responsible for approving the emergency procurement in line with Sub-delegations **prior** to proceeding with the emergency work.

What is the approval process?

The following illustrates the process for requesting and approving procurements under Exceptional Circumstances:



4 Minimum Procurement Requirements

The following table outlines the minimum procurement requirements as identified throughout this document.

Essential Energy Minimum Procurement Requirements				
Requirement	Expenditure			
	< \$3,000 (page 22)	\$3,001 - \$30,000 (page 23)	\$30,001 and \$250,000 (pages 26 – 35)	> \$250,000 (pages 36 – 66)
Procurement Lead	Branch/Section	Branch/Section	Branch/Section	Procurement
Expenditure Approval	See CEOP2183 Corporate Credit Card, CEOP2438 Section 9 Procure to Pay Process	Documented Expenditure Approval		
Procurement Plan	No	No	No	Complete CEOF4306.04 Procurement Plan
Probity Briefing	No	No	No	Complete Probity Guidelines
Procurement Risk Assessment	No	No	Complete CEOF6693 Procurement Risk Assessment Matrix	
Probity Advisor	No	No	<ul style="list-style-type: none"> • Procurements > \$5M - Mandatory • Risk Rating = High – Mandatory • Risk Rating = Medium – Optional 	
WHSE Risk Assessment	No	No	<ul style="list-style-type: none"> • CECM1000.02 Risk Management • CECM1000.11 Contractor Management 	
Approach to Market	Known Product or Service	<ul style="list-style-type: none"> ▪ Inventory Catalogue; ▪ NSW State Govt Contract; or ▪ Supplier Panel. 		
		RFQ – Minimum of one (1) Quote	RFQ – Minimum of three (3) Quotes	Requires market test document as required by Contract Manager
Probity Plan	No	No	Optional	<ul style="list-style-type: none"> • >\$250K - Optional • >\$2.5M - Mandatory
Evaluation	N/A	No	CEOF4306.13 Supplier Evaluation Template	Tender Evaluation Plan
Supplier Negotiations	N/A	As Required	As Required	Supplier Negotiation Plan
Supplier Due Diligence	N/A	As Required	CEOF4306.09 Supplier Risk Due Diligence Checklist	
Recommendation to Award	Purchase Requisition	Recommendation for Approval	Recommendation for Approval	Recommendation to Award Contract \$500,000 or above TRC Submission paper
Government Contracts Register	NA	NA	As required by GIPA Act 2009 for procurements >\$150K	
Execute Contract	N/A	As Approved	As Approved	Request for Execution of Standard/Non Standard Contract
Paying for Goods and Services	Procure to Pay (Pages 67- 73)			

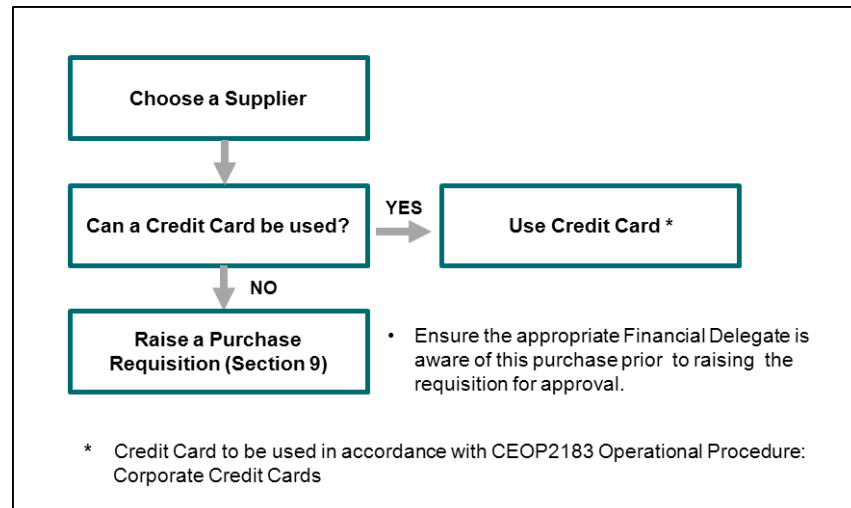
5 Procurements Less than \$3,000

5.1 The Process

What is the process for procurements less than \$3,000?

Procurements less than \$3,000 are managed by the relevant financial delegate.

The following diagram illustrates the process for undertaking procurements within this spend threshold:



What if an item is available on PeopleSoft Inventory / Non-Inventory Catalogues?

- The employee must firstly consider whether the goods or services can be purchased on existing PeopleSoft inventory or non-inventory catalogues, before considering the use of a Corporate Credit Card.
- Items such as Tools and Equipment, Stationery, and Office Furniture are available in these catalogues within this spend threshold.
- For information on using Essential Energy Catalogues, please refer to Appendix 1 of this manual.

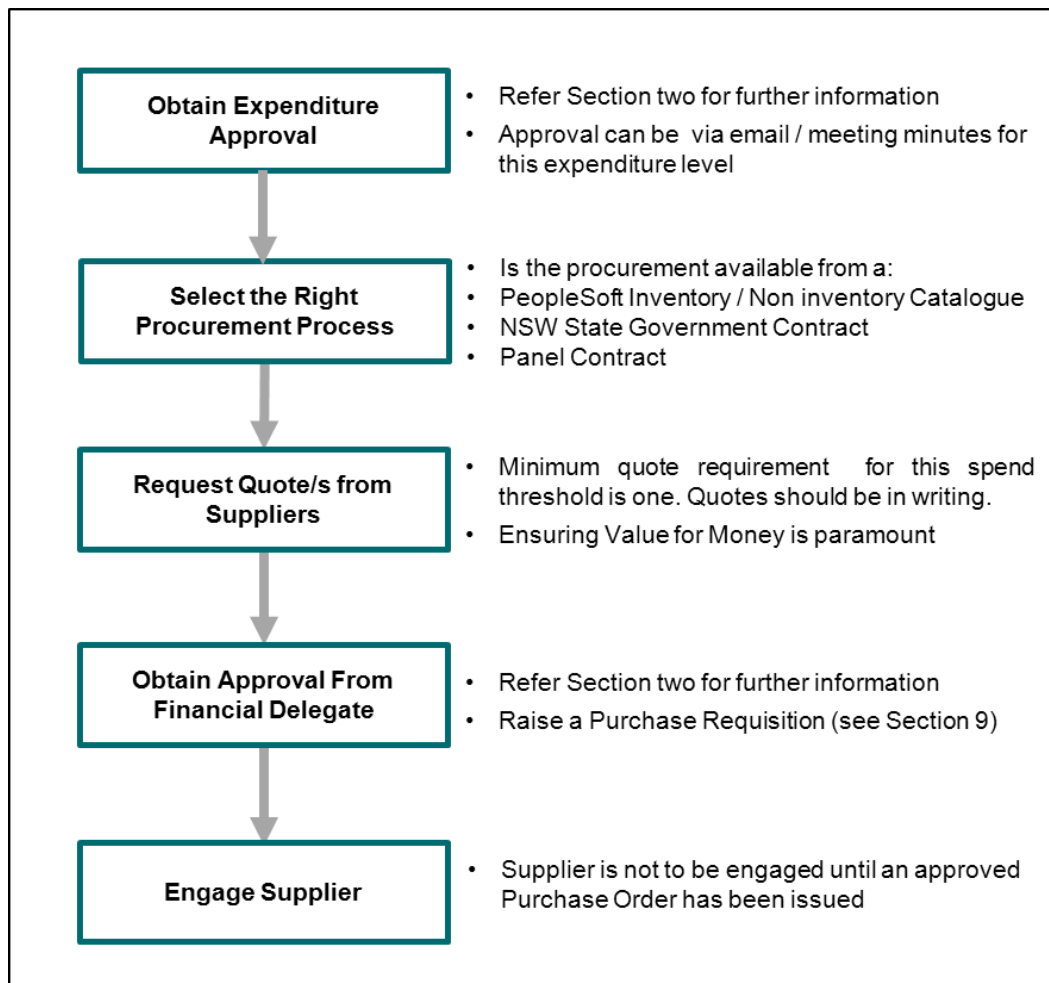
6 Procurements between \$3,001 and \$30,000

6.1 The Process

What is the process for procurements between \$3,001 and \$30,000?

Procurements between \$3,001 and \$30,000 are managed by the Branch and/or Section Manager. Although the involvement of the Procurement Team in these procurements is not mandatory, consultation is encouraged where necessary.

The following diagram illustrates the process for undertaking procurements within this spend threshold:



What if an item is available on PeopleSoft Inventory / Non-Inventory Catalogues?

- The employee must firstly consider whether the goods or services can be purchased on existing PeopleSoft inventory or non-inventory catalogues.

- For information on using Essential Energy Catalogues, please refer to Appendix 1 of this manual.

What about using NSW State Government Contracts or Supplier Panels?

Where the goods or services are not available from PeopleSoft Inventory or Non-Inventory Catalogues, the employee must determine whether the item can be purchased using a NSW State Government Contract or from an established Essential Energy Supplier Panel.

Where the item is available on NSW State Government Contract, the employee must obtain at least one written quote from a relevant supplier where the pricing is available from an established schedule of rates. (Where a published schedule of rates is not available, see Appendix 2).

Where a supplier panel has been established, users must obtain at least one quote from a member of the supplier panel.

- For information and detailed procedures to use NSW State Government Contracts, please refer to Appendix 2 of this manual.
- For information and detailed procedures on Supplier Panels, please refer to Appendix 3 of this manual.

What if I can't purchase from Inventory/Non-inventory, State Government Contracts or Supplier Panels?

Where goods and services are not available via catalogue, State Government Contracts or via a Supplier Panel (panel contract), the employee must select an alternative supplier to meet their needs. Consideration should be given to the following:

- supplier's ability to satisfy the requirement with goods or services which are fit for purpose;
- compatibility of products offered with existing equipment;
- supplier's ability to effectively manage work, health and safety and environmental risks;
- supplier's track record in supplying goods and services to Essential Energy; and
- supplier's willingness to accept the terms and conditions under which they will be engaged.

How do I request a quote from a Supplier?

- Where items are not being purchased from inventory, employees must request a written quote from a minimum of one supplier.
- When requesting a quotation ensure detailed information explaining procurement requirements is provided and all relevant documentation is attached.
- When requesting a quotation suppliers should be referred to our Statement of Business Ethics and standard terms and conditions as stated on our external website <http://www.essentialenergy.com.au>
- The same information should be sent to all suppliers approached for a quotation.
- All quotations received should be assessed to ensure value for money. If more than one quotation was obtained, a file note must be maintained to provide the reason for supplier selection.

Responsibility for selecting a Supplier

Responsibility for product or service selection rests with the employee who must be satisfied that the quote is commercially reasonable and represents the best value for money.

Note: Is this procurement for an outsourced critical / urgent process as indicated by the Departments Business Impact Assessment (BIA)?

Supplier Risk Due Diligence must be performed on preferred supplier for all outsourced critical / urgent processes prior to engaging a supplier. Refer section 7.4 for more information or contact the Procurement Team for guidance.

Obtaining approval from the Financial Delegate

On acceptance of a written quotation from a supplier, the employee must obtain approval to proceed with the purchase from the relevant financial delegate.

The financial delegate approval is via the Procure to Pay Process (Refer Section 9) by raising a purchase requisition.

Refer to CEOP8076: Treasury Recurring Delegations and Payment Authorisation and CECP0001.02 Sub-delegations of authority by the Chief Executive Officer for the Chief Operating Officer and Level 2 and Level 3 Group positions for further information.

Engage Supplier

The employee must not engage the supplier until an approved Purchase Order has been issued.

Refer to Section 9 for further information on the Procure to Pay process.

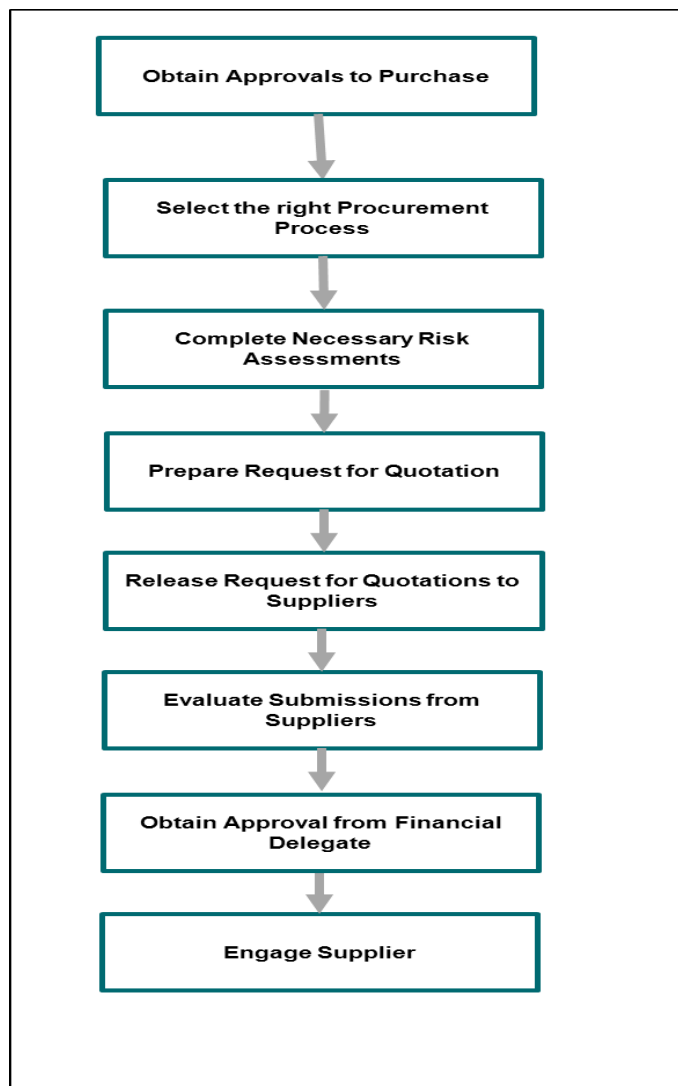
7 Procurements between \$30,001 and \$250,000

7.1 The Process

What is the process for procurements between \$30,001 and \$250,000?

Procurements between \$30,001 and \$250,000 are managed by Branch and/or Section Managers. Although the involvement of the Procurement Team in these procurements is not mandatory, consultation is strongly encouraged.

The following diagram illustrates the process for undertaking procurements within this spend threshold:



Please refer to the guidance notes on the following pages for further information relating to each of the procurement steps.

7.2 Obtain Approvals to Purchase

Obtain Approvals to Purchase

Approval to purchase and commence the procurement must be obtained prior to commencing.

The employee requesting the procurement is responsible for obtaining the necessary documented approval from the appropriate financial delegate (Refer Section 2) prior to proceeding.

Documented approval should be no less than an email / meeting minutes / project documentation as per individual business unit approach.

Detailed information on using the inventory and non-inventory catalogues is contained at Appendix 1.

7.3 Select the Right Procurement Process

Select the right Procurement Process

The employee must determine the most appropriate method for undertaking the procurement as a key requirement in the Procurement Process:

Purchasing from Essential Energy Catalogues

Consider firstly, whether the goods or services are available on existing Essential Energy inventory catalogue and non-inventory catalogues.

Details of non-inventory catalogues and items can be found on the 'Order' tab on Essentialnet. Inventory catalogues and items can be viewed in Peoplesoft.

Where goods or services are available in any of the catalogues, preference must be given to these Suppliers (unless otherwise justified in the Procurement Plan and approved by the relevant Branch and/or Section Manager).

Where a Branch and/or Section Manager approves the use of Essential Energy catalogues to meet the procurement need, employees are **NOT** required to follow procurement procedures according to spend thresholds as detailed in this manual.

Employees must:

- Obtain approval to purchase (refer Section 2 of this manual);
- Purchase items from the relevant catalogue (refer 'Order' tab on Essentialnet or Peoplesoft); and
- Pay for goods (refer Section 9 of this manual).

Detailed information on using the inventory and non-inventory catalogues is contained at Appendix 1.

Using NSW State Government Contracts

Where goods or services are not available via catalogue, the employee must consider whether requirements can be satisfied by purchasing via a NSW State Government Contract or via Supplier Panels (refer below).

Goods and services under NSW State Government Contracts are made available for procurement by all NSW Government Agencies including State Owned Corporations. NSW State Government Contracts are negotiated with the buying power of the entire NSW Government. This streamlines the procurement process.

Where a Branch and/or Section Manager approves the use of a NSW State Government Contract to meet the procurement need, employees **must** refer to Appendix 2 for instructions on how many quotes are required and other important information relating to purchasing using NSW State Government Contracts.

Details of the approach being utilised (e.g. number of quotes and why) to purchase under the NSW State Government Contract must be included in Section 5 of the Procurement Plan and approved by the relevant Branch and/or Section Manager.

7.4 Complete Procurement Risk Assessments

Complete a Procurement Risk Assessment

A procurement risk assessment **must** be completed for all procurements valued at or above \$30,001.

The procurement risk assessment is a key instrument to determine the risk of a procurement. The outcome of the risk assessment will assign a 'risk rating' to the procurement and will determine requirements with respect to:

- Managing Probity;
- Undertaking Supplier Risk Due Diligence Assessments; and
- Any specific actions to be undertaken with respect to the procurement.

The risk assessment must be completed by the employee requesting the Procurement.

Use form CEOF6693 Procurement: Risk Assessment Matrix to complete the risk assessment (which also includes detailed instructions on how to complete).

Where it is determined that goods or services are going to be purchased via:

- PeopleSoft Inventory/Non-Inventory Catalogues;
- NSW State Government Contracts; or
- Supplier Panels;

the employee is **NOT** required to complete a Procurement Risk Assessment.

Use of a Probity Advisor

Consideration **must** be given as to whether it is necessary to engage a Probity Advisor for the procurement. This **must** be included in the Procurement Plan and signed off by the Branch and/or Section Manager.

- A Probity Advisor **must** be appointed where the Procurement risk assessment assigns a '**High**' risk rating to the procurement.
- Assignment of a Probity Advisor is **optional** where the risk rating assigned to the procurement is '**Medium**'.

A Probity Advisor **should** be engaged where any of the following circumstances exist, although this list is not exhaustive:

- the requirement is politically sensitive or high profile;
- the requirement is unusually complex and / or heavily reliant on innovation; or
- the requirement is likely to have a significant social or environmental impact.

For guidance and assistance on using a Probity Advisor, please contact the Procurement Team.

Supplier Risk Due Diligence

As part of the completion of the Procurement Risk Assessment, the employee must determine whether there is a requirement to undertake a Supplier Risk Due Diligence assessment.

Where Essential Energy is outsourcing more critical / urgent processes, services and IT solutions to third parties which increase Essential Energy's reliance on third party processes and practices, the employee **must** contact a Procurement Contract Manager.

The Contract Manager will liaise with the Risk Manager as part of the Procurement Planning process to determine whether the outsourced process is deemed critical or urgent (which is based on an Essential Energy Business Impact Assessment).

Supplier risk due diligence **must** be performed for:

- All outsourced critical / urgent processes

Supplier risk due diligence **must** be performed on the preferred supplier **prior** to entering into any contractual commitments.

The Supplier Risk Due Diligence process is as follows:

- The Contract Manager will conduct the Supplier Risk Due Diligence by completing CEOF4306.09 Supplier Risk Due Diligence Checklist with the preferred supplier.
- The Contract Manager will discuss outcomes and any recommendations developed as a result of the due diligence assessment with the relevant Financial Delegate and Risk Manager.
- Recommendations and any remediations must be discussed and agreed with the preferred supplier prior to entering into any contractual commitments.
- The Supplier Risk Due Diligence Checklist including recommendations and remediations must be signed off by the relevant Financial Delegate and retained on file.

Insurance Requirements

Suppliers will be required to hold relevant insurances in accordance with the risk of the procurement (as determined by the risk rating assigned by the Procurement Risk Assessment).

The type and level of insurance required is then determined by referring to Appendix 4: Insurance Requirements for procurements less than \$2.5 million.

On engagement of a Supplier, they will be required to provide copies of:

- Relevant insurance policies and certificate(s) of currency in respect of contract works insurance); and
- Certificates of currency for those policies in respect of any other insurance policies required.

Insurance requirements must be specified in the Request for Quotation Documents (refer Section 7.6 Release Request for Quotation to Suppliers).

Who approves the Procurement Risk Assessment?

The Procurement Risk Assessment must be approved by the employee's Branch and/or Section Manager prior to proceeding with the Procurement.

7.5 Prepare Request for Quotation (RFQ)

Prepare Request for
Quotation

A Request for Quotation (RFQ) is utilised to seek quotes from potential suppliers when purchasing:

- using NSW State Government Contracts; or
- using Supplier Panels (Panel Contracts); or
- where it is necessary to engage Suppliers under contract by soliciting quotes from other suppliers outside government contract and supplier panel arrangements.

What should be included in the RFQ?

The employee must ensure the Request for Quotation specifies, at a minimum:

- specifications for the goods or services to be supplied
- WHS&E requirements to be met
- a closing date and time that is identical for all suppliers
- a central quotation delivery address and Essential Energy point of contact
- a statement from suppliers certifying their compliance with the Essential Energy's Statement of Business Ethics (available from the external website www.essentialenergy.com.au) and declaration of any conflicts of interest
- contractual terms and conditions that will govern the supply of goods or services (available from <http://www.essentialenergy.com.au/content/procurement>); and
- a statement regarding the high level criteria against which quotes will be evaluated.

How many written quotations do I need?

A minimum of **three** written quotations **must** be received. A suitable number of suppliers **must** be invited to submit quotations to allow for an appropriate number of quotations to be received.

It is recommended that six suppliers be engaged to submit quotations.

All suppliers being approach to respond to a quotation request must be provided the same information.

In circumstances where an employee is unable to obtain the required number of quotations, they will need to apply for Exceptional Circumstances (please refer to Section 3 of this manual).

Who approves the Request for Quotation?

The Request for Quotation must be approved by the employee's Branch and/or Section Manager before releasing to potential suppliers.

7.6 Release Request for Quotation to Suppliers

Release Request for Quotations to Suppliers
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Potential Suppliers must be provided with a reasonable timeframe to prepare their submissions.

The Branch and/or Section Manager is responsible for determining timeframes for submission of responses and will depend largely on the value, risk, complexity and nature of the goods or services being purchased.

Generally, timeframes for submitting responses will range from one week to one month.

Interactions with Suppliers during the RFQ process

Employees must ensure that the procurement process is equitable and as transparent as possible having regard to commercially sensitive information.

During an RFQ process employees must:

- ensure no supplier receives preferential treatment
- ensure no supplier is disadvantaged or subject to prejudicial treatment
- manage any potential, perceived or actual conflicts of interest in respect of their involvement in the procurement process in accordance with CECG3000.01 Code of Conduct and CEOF3000.02 Conflict of Interest Declaration
- take reasonable steps to avoid direct communication or contact with suppliers that could give rise to perceived preferential treatment
- ensure any questions from suppliers that are material to the RFQ are submitted by suppliers in writing
- ensure that questions and answers to all questions are provided to all suppliers that are party to the RFQ process; and
- provide all suppliers with identical information and an equal opportunity to compete.

Amendments to RFQ Documents

Where it becomes necessary to amend the released RFQ, the amendments must only be made by the Branch and/or Section Manager and issued as an addendum to all suppliers. Each addendum should state clearly that it is meant to be incorporated in the request documents. All quotes should reflect the change.

Consideration may need to be given to extending the quote period when an addendum is issued. If the period is extended all suppliers are to be advised of the new closing time and date via email or written correspondence.

Where it is necessary to issue addenda to suppliers after quotes have closed, consideration should be given to terminating the process and calling fresh quotes.

Clarifications

In circumstances where a statement or information provided in a quote is open to interpretation or is not understood, clarification of the statement or information should be obtained from the supplier by the Branch and/or Section Manager. The clarification request must be framed in a manner that does not result in the supplier gaining advantage over other responders e.g., revising or expanding the offer.

Any discussion or contact with suppliers during the RFQ process must be performed in consultation with the Branch and/or Section Manager and have due regard to probity, in particular:

- the status (preferred, under consideration or rejected) of any quote must not be advised or implied to any supplier; and
- interaction with suppliers should be in writing. In circumstances where an issue is discussed verbally with the supplier, a record of the discussion must be documented and retained with related procurement documents.

Late Submissions

Late submissions may only be considered where the integrity and competitiveness of the RFQ process is not compromised.

Late submissions may be accepted by the Branch and/or Section Manager only where quotes have not been released to the Evaluation Team for evaluation and where:

- acceptance of the late quote provides the supplier no material advantage or a benefit over other suppliers who have submitted on time; or
 - the quote was not received on time due to mishandling by the employee or Branch and/or Section Manager.
-

7.7 Evaluate Submissions from Suppliers

Evaluate Submissions from Suppliers

The supplier selection process must be appropriate to the estimated level of expenditure, risk and the nature of the product and/or service and take into account, at a minimum, the following:

- supplier's demonstrated capability e.g., resources, plant;
- supplier's ability to satisfy the requirement with goods or services which are fit for purpose;
- value for money proposition of the bid;
- supplier's confirmation of their compliance with the Statement of Business Ethics and their declaration of any conflicts of interest. Where a supplier declares a conflict of interest, the Evaluation Team must take this into account during the evaluation process and make the Financial Delegate aware of their decision;
- compatibility of products offered with existing equipment;
- supplier's fit with Essential Energy's values;
- whole of life costs including the supplier's demonstrated ability to dispose of equipment rendered obsolete as a consequence of the procurement (where applicable);
- supplier's ability to effectively manage Work, Health, Safety and Environmental risks;
- supplier's track record in supplying goods and services to Essential Energy; and
- supplier's willingness to accept the terms and conditions under which they will be engaged.

Who should be included in the Evaluation Team?

Where quotations for goods or services are less than \$100,000, only **one** evaluator is required, plus Branch and/or Section Manager (with the required level of financial sub-delegation) sign-off.

For quotations of goods or services greater than \$100,000 the evaluation team must comprise of at least three employees who are capable of evaluating the bids based on their experience and skills, one of whom is an 'independent' and works outside the Branch and/or Section sponsoring the procurement. Branch and/or Section Manager sign-off of the evaluation is required.

Where practicable, the independent evaluator should be at the same level in the organisational hierarchy as the majority of other members of the team.

How will I evaluate the quotations I have received?

All submissions must be evaluated in accordance with the approach and evaluation criteria detailed in the Request for Quotation.

Before evaluating the submissions, the evaluation team must:

- make sure that all costs are included in the quotation;
- correct any arithmetical errors;
- apply any relevant discount(s); and
- investigate any quotation that appears to be abnormally low.

Quotations may be evaluated individually or collectively by the Evaluation Team. Where evaluations are conducted individually, final results must be agreed by the whole Evaluation Team.

The Evaluation process **must** be documented. It is recommended the standard evaluation template CEOF4306.13: Supplier Evaluation Template is used.

The results of the evaluation completed by each of the evaluation team members must be collated and recorded on your Supplier Evaluation Documentation.

What do I do when the Evaluation is completed?

When the evaluation process has been completed and a preferred supplier has been selected, the employee must send the completed Supplier Evaluation Template (and all other relevant documentation as described in the Evaluation Template) to the relevant Financial Delegate for approval to engage the preferred supplier.

Where the Evaluation Team concludes that engagement should be awarded to the supplier that has **not** submitted the lowest price, the case must be made to the relevant Financial Delegate, with any risks or additional costs quantified in the Evaluation Template.

Approving the Recommendation

A Manager with the appropriate sub-delegation must approve the recommendation to accept the quotation.

The Financial Delegate must review all relevant documentation pertaining to the Procurement and be satisfied that the best offer, as measured against the requirement, is being accepted.

The Standard Supplier Evaluation Template (CEOF4306.13) "Approval" tab will assist you in collating the required documents.

Refer to Section 9 Procure to Pay Process to raise a Purchase Requisition to complete the approval process.

Note:

Complete Supplier Risk Due Diligence Process prior to engaging supplier if identified as required and detailed in step 7.4.

7.8 Engage Supplier

Engage Supplier

The employee must not engage a supplier until an approved purchase order has been obtained / issued. Refer to Section 9 for more information.

The employee is responsible for notifying the successful supplier of the outcome of the procurement process following approval of the recommendation by the relevant Financial Delegate.

The employee must also notify all unsuccessful suppliers in writing following approval of the recommendation by the relevant Financial Delegate.

With the exception of the identity of the successful supplier, which can be made available on request, no information relating to the unsuccessful tenderers will be made available, unless otherwise specified in the request document, by agreement or where required by law.

Note:

Procurements over \$150,000 are to be assessed for inclusion in the Government Contracts Register. Contact the Procurement Service Desk for assistance.

8 Procurements Greater than \$250,000

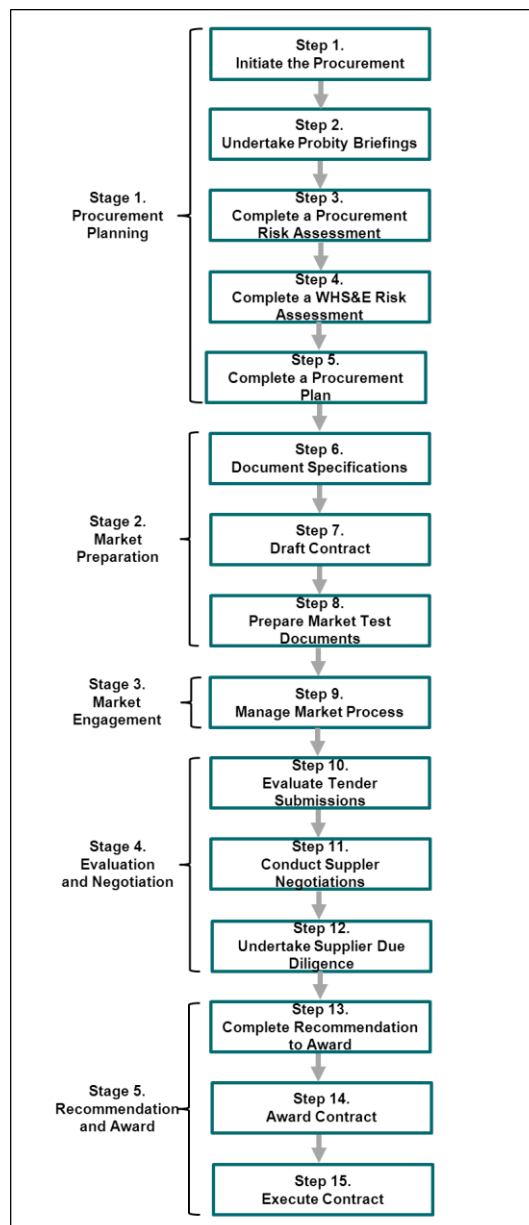
8.1 The Process

What is the process for procurements greater than \$250,000?

Procurements greater than \$250,000 are initiated by Branch and/or Section Managers and led by Procurement Contract Managers in conjunction with a cross functional Project Team. Procurements greater than \$250,000 are undertaken in five stages:

- Procurement Planning;
- Market Preparation;
- Market Engagement;
- Evaluation and Negotiation; and
- Recommendation and Award of Contract.

The following diagram illustrates all stages of the process including detailed steps within each stage.



8.2 Stage One: Procurement Planning

8.2.1 Key Steps in the Procurement Planning Stage

Key Steps

There are five steps within the procurement planning stage which include the following:

- Initiate the Procurement;
- Undertake Probity Briefings;
- Complete a Procurement Risk Assessment;
- Complete a WHS&E Risk Assessment; and
- Complete a Procurement Plan.

Every reasonable precaution **must** be taken to ensure that tenders are only solicited where it is intended to award a contract at the conclusion of the tender process. To this end, the relevant financial delegate **must** ensure that the requirement is legitimate; the approach to market is aimed at establishing a contract; sufficient provision within budgets exists and relevant expenditure approvals to purchase have been obtained before commencing with the procurement process.

8.2.2 Initiate the Procurement

Step 1: Initiate the Procurement

Branch and/or Section Managers are responsible for initiating the procurement process.

The key steps to initiate a procurement are as follows:

- a Obtain relevant approvals to purchase (as per Section 2 of this manual).
- b Complete Section 1 of the CEOF4306.04: Procurement Plan.
- c Send the Procurement Plan to Procurement Contract Manager via Procurement Service Desk.
- d Procurement will agree to and schedule the procurement at the Procurement Planning Forum held bi-monthly. Procurement will notify the Branch and/or Section Manager of any requirements to attend the meeting.
- e Once the procurement has been agreed and scheduled at the Planning Forum, the Manager Procurement and Logistics will allocate the procurement to a Contract Manager who will be responsible for establishing and leading a cross functional team (Project Team) to manage the procurement process.

The Project Team should include (but not limited to) the Branch and/or Section Manager, key business stakeholders and representatives from Probity, Risk, Insurance, Safety and Legal as required.

The Procurement Planning Forum comprises the Procurement Team and procuring Branch and/or Section. This group manages procurements and meets regularly to ensure forward planning is maintained and procurements are scheduled and managed in line with business priorities and procurement resourcing availability.

8.2.3 Undertake Probity Briefings

**Step 2:
Undertake Probity Briefings**

Probity is an important aspect of procurement, compliance with probity requirements will assist in ensuring that the procurement process is defensible and achieves value for money.

Failure to maintain probity can lead to waste of public resources, complaints from respondents, loss of public confidence and reputational damage to Essential Energy.

The Contract Manager **must** ensure that all members of the Project Team understand their roles and responsibilities with respect to:

- Maintaining probity throughout the procurement process;
- Fulfilling their obligations with respect to maintaining Confidentiality and Privacy throughout the procurement process; and
- Declaring Conflicts of Interest, if and when, they arise during the procurement process.

The Contract Manager is responsible for ensuring that all members of the Project Team are aware of, and have access to, all relevant policies and procedures to fulfil their responsibilities throughout the procurement process.

Project Team Members **must** read CECG3000.03 Corporate Governance: Probity Plan and acknowledge their understanding of the guidelines via email to the relevant contract manager.

All employees involved in the tendering process are responsible for managing Conflicts of Interest in accordance with CEOF3000.02 Conflict of Interest Declaration.

This section **must** be read in conjunction with Part B of this manual and the following Essential Energy policies:

- CEOP1115 Statement of Business Ethics; and
 - CECG3000.01 Code of Conduct.
-

8.2.4 Complete a Procurement Risk Assessment

**Step 3:
Complete a Procurement Risk
Assessment**

A procurement risk assessment **must** be completed for all procurements valued at or above \$30,001.

The procurement risk assessment is a key instrument to determine how 'risky' a procurement is. The outcome of the risk assessment will assign a 'risk rating' to the procurement and will determine requirements with respect to:

- Managing Probity;
- Undertaking Supplier Risk Due Diligence Assessments; and
- Any specific actions to be undertaken with respect to the procurement.

The risk assessment must be completed by the employee requesting the Procurement and must be completed in conjunction with completing the Procurement Plan (refer Section 8.2.6: Complete a Procurement Plan).

Use form CEOF6693 Procurement: Risk Assessment Matrix to complete the risk assessment (which also includes detailed instructions on how to complete).

Where it is determined that goods or services are going to be purchased via:

- PeopleSoft Inventory Catalogues;
- NSW State Government Contracts; or
- Supplier Panels;

the employee is **NOT** required to complete a Procurement Risk Assessment.

Use of a Probity Auditor or Probity Advisor

- The Contract Manager **must** consider whether it is necessary to engage a Probity Advisor.
- A Probity Advisor **must** be appointed where the Procurement risk assessment assigns a **High** risk rating to the procurement.
- Assignment of a Probity Advisor is **optional** where the risk rating assigned to the procurement is **Medium**.

A Probity Advisor **should** be engaged where any of the following circumstances exist, although this list is not exhaustive:

- the requirement is new and no similar requirement has been the subject of tender action previously and the value exceeds the Chief Operating Officer's financial sub-delegation;
- the requirement is politically sensitive or high profile;
- the requirement is unusually complex and / or heavily reliant on innovation;
- the requirement is likely to have a significant social or environmental impact;
- the value of the requirement is significant;
- there was a previous request for tender that was terminated because the process was compromised in some way; or
- there is a requirement for extensive face-to-face consultation with tenderers to further develop the Specification during the tender process and there are multiple suppliers involved.

Where it is deemed necessary to engage a Probity Advisor after market test documents have been released to the market, such engagement will be managed by the Procurement Group.

Insurances

Suppliers will be required to hold relevant insurances in accordance with the risk of the procurement, as determined by the risk rating assigned by the Procurement Risk Assessment (refer 8.2.4 Complete a Procurement Risk Assessment).

The type and level of insurance required is then determined by referring to Appendix 4: Insurance Requirements for procurements less than \$2.5 million.

For procurements greater than \$2.5 million, the Contract Manager will work with the Insurance representative on the Project team to determine specific insurance requirements for that procurement.

On award of contract(s), successful suppliers will be required to provide copies of:

- Relevant insurance policies and certificate(s) of currency (in respect of contract works insurance); and
- Certificates of currency for those policies in respect of any other insurance policies required.

8.2.5 Complete a WHS&E Risk Assessment

**Step 4:
Complete a WHS&E Risk
Assessment**

A WHS&E risk assessment **must** be completed for all procurements in accordance with the Risk Rating process detailed at Section 6 of the CECM1000.11 SSHE Manual: Contractor Management.

The WHS&E risk assessment determines the level of risk attached to the work being contracted. Individual risks of the procurement are assessed (e.g. contract complexity and duration, site and work tasks) which are then combined to produce an overall risk classification for the procurement.

The WHS&E risk assessment is to be completed by the employee in consultation with the Project Team and Contract Manager.

The outcome of the WHS&E risk assessment will determine the specific WHS&E requirements of the contract:

- For **Medium and High** risk contracts, contractors are expected to demonstrate a higher level of competency in their WHS&E management system
- For **Low** risk contracts, contractors are required to demonstrate appropriate WHS&E competencies associated in performing the contract tasks.

The WHS&E representative on the Procurement Team is responsible for determining appropriate WHS&E management system requirements which must be included in the technical specification.

Where do I find more information?

To obtain more information about risk assessments, please read this section in conjunction with other Essential Energy policies, including:

- CECP0002.03 Board Policy - Risk Management
- CECM1000.02 SSHE Manual: Risk Management
- CECM1000.11 SSHE Manual: Contractor Management

8.2.6 Complete a Procurement Plan
**Step 5:
Complete a Procurement
Plan**

As detailed in Step1: Initiate the Procurement, the Branch and/or Section Manager is responsible for initiating the procurement by completing Sections 1 and 2 of CEOF4306.04 Procurement Plan.

The Contract Manager is responsible for completing the rest of the Procurement Plan in consultation with the Project Team.

The Contract Manager **must** also determine whether it is a necessary requirement to develop a Tender Evaluation Plan and Probity Plan as part of this step to complete the Procurement Plan.

What is the purpose of the Procurement Plan?

The purpose of the Procurement Plan is to ensure that, before calling for tenders, key issues relating to a procurement have been addressed and that there is a transparent, fair and ethical approach to the market which will achieve value for money for Essential Energy.

The purpose of the Procurement Plan is to ensure that:

- Appropriate approvals have been obtained prior to commencing the procurement process;
- The requirement cannot be satisfied from PeopleSoft Inventory/Non-Inventory Catalogues;
- The approach to the market is genuine and aimed at establishing a contract;
- Suppliers nominated as prospective tenderers are capable of satisfying the requirement, are reasonably likely to submit competitive offers and are not being included to give the impression of competition;
- Tenders will be solicited in the most effective manner, having regard to factors such as the nature of the market and the existence of supplier panels or NSW State Government Contracts;
- Successful tenderers will be engaged using the most appropriate form of the contract Terms & Conditions for the engagement;
- Timeframes for the tender process are realistic and achievable;
- Employee's nominated to evaluate tenders are capable of evaluating the tenders based on their experience and skills; and
- An audit trail of the decision making process is preserved by users for all procurements.

What is included in the Procurement Plan? The Procurement Plan includes all information to guide both the execution and control of the procurement process. The procurement plan includes:

- A summary of the proposed procurement;
- Documentation requirements to support the procurement plan;
- A proposed procurement timetable;
- Probity requirements;
- Method of soliciting tenders;
- Evaluation Approach;
- Potential Bidders; and
- Method of Engagement.

Methods of Soliciting Tenders

The procurement planning process determines the most appropriate method for approaching the market.

The approach used to solicit tenders may be 'open' where the request is advertised to the public as a whole, or 'restricted' where only selected Suppliers are invited to respond to a bid.

Open Tender

Open (or public) Tenders are an invitation to tender by public advertisement with no restriction placed on who may submit a tender. Competition is maximised using this approach.

Expression of Interest (EOI)

EOIs are often used where requirements are not well defined and there is a need to collect additional information before a requesting company is able to make procurement decisions.

EOIs may be used:

- to gauge the scale of an unknown market for goods and services;
- where there are a large number of suppliers in the market and a process is required to shortlist prospective Suppliers that will be subsequently invited to tender via a Request for Tender (RFT) or Request for Proposal (RFP) process;
- where information from the market is needed to help crystallise the requirement that will be subsequently defined in request documents; or
- to establish supplier panels that are not based on schedules of rates (refer Appendix 3: Supplier Panels).

Supplier Panels (Panel Contracts)

Supplier panels of preferred suppliers streamline the procurement process and should be established for all recurring requirements. Soliciting tenders directly from supplier panel members maximises competition among known market players.

Tenders / proposals **must** be sought from **all** supplier panel members via RFQ where a supplier panel member could reasonably satisfy the requirement.

Tenders / proposals **may** be solicited from a sub-set of panel members where approval has been granted by the Manager Procurement and Logistics and justified in the Procurement Plan.

For more information and details on procedures for using supplier panels, please refer to Appendix 3: Supplier Panels.

Selective Tendering

Tenders may be solicited directly from a restricted set of Suppliers that are not on a supplier panel where:

- there is a compelling business need to limit the approach to the market; and
- approval has been granted by the Manager Procurement and Logistics.

The Contract Manager and Project Team **must** undertake a reasonable process to research the market and determine prospective suppliers.

The Manager Procurement and Logistics **must** be satisfied that all suppliers selected to participate are reasonably capable of satisfying the requirement and that restricting the approach to market will promote effective competition and yield the best value for money outcome.

The following list provides guidance as to what circumstances **may** justify selective tendering but the list is not exhaustive:

- where an open approach to the market has recently been made and market conditions have not materially changed;
- where a market for the relevant goods and services has been properly researched and is reasonably known;
- where confidentiality or security considerations preclude open tendering; or
- where a supplier panel for the relevant goods and services has recently expired and market conditions have not materially changed.

Direct Negotiation

Tenders may be solicited directly from suppliers via a transparent and strictly controlled negotiation process where negotiation with one or more suppliers will lead to the best commercial outcome possible e.g. following a terminated tender process.

The suppliers selected to participate may either be on a supplier panel or have been pre-qualified via an EOI or tender process or otherwise approved by the Chief Operating Officer.

Approval **must** be sought from an appropriate financial delegate to conduct direct negotiations. The Contract Manager is responsible for ensuring that prospective bidders are notified in writing of the way in which the process will be conducted. Negotiations must be undertaken in accordance with Step 11: Conduct Supplier Negotiations.

Best and Final Offer (BAFO) approach when using RFT and RFP processes***Request for Tender (RFT) followed by Best and Final Offer (BAFO)***

Under this method, tenders are solicited in two phases: RFT followed by BAFO.

RFTs are normally used where requirements are well defined and where the solutions to a problem have been designed and specified e.g. construction projects.

Direct negotiations are held with shortlisted tenderers to obtain the best value for money and will be invited to submit their best and final offer.

Request for Proposal (RFP) followed by Best and Final Offer (BAFO)

As above, under this method, tenders are solicited in two phases: RFP followed by BAFO.

RFPs are normally used where the requesting company clearly understands their business problem or need and are aware that there are potential options available in the market place, but are open to suggestions for solutions e.g. Consulting Services where the exact physical deliverables cannot be defined or IT projects where there are multiple solutions to a business problem.

Direct negotiations are held with shortlisted tenderers to obtain the best value for money and will be invited to submit their best and final offer.

Tender Evaluation Approach

The Tender Evaluation Approach including the team, evaluation criteria and weightings must be documented in the Procurement Plan.

A percentage weighting must be allocated to each of the applicable evaluation criteria to prioritise the contribution of that element in meeting the overall Essential Energy Core Objective and business requirement.

Typical evaluation criteria may include (but is not limited to) factors such as:

- Conformity with the request document(s);
- Ability to meet technical specifications and legal requirements;
- Estimated cost to Essential Energy including whole of life costs and benefits;
- Ability to meet specified delivery schedule;
- Safety and environmental record;
- Supplier's experience, performance and capability;
- Supplier's labour, resources and systems;
- Supplier's financial capacity; and
- Compliance with probity plan requirements.

Tender Evaluation Plan

A Tender Evaluation Plan supports the Procurement Plan and sets out how the evaluation is to be conducted.

The requirement to complete a tender evaluation plan **must** be considered as part of the development of the Procurement Plan:

- A Tender Evaluation Plan **must** be completed for all procurements greater than \$2.5 million.
- For procurements valued greater than \$250,000 but less than \$2.5 million, the Manager, Procurement and Logistics is responsible for determining whether a tender evaluation plan is to be completed in respect of the tender where they believe that the level of risk associated with the tender warrants such an approach.

The Tender Evaluation Plan **must** align with the evaluation criteria included in the Procurement Plan and **must** be appropriate for the procurement, tendering method, level of risk, process complexity and value of the proposed contract.

The Tender Evaluation Plan outlines the:

- conditions for participation;
- tender evaluation criteria (as described in the Procurement Plan);
- tender evaluation process methodology;
- confidentiality and probity management arrangements for the evaluation; and
- evaluation committee member responsibilities.

The Contract Manager is responsible for completing the tender evaluation plan in consultation with the Project Team.

The Contract Manager **must** develop a Tender Evaluation Plan and **must** ensure the plan is signed off by the Manager Procurement and Logistics and the Sponsoring General or Branch Manager before the release of tender documents to the market.

Probity Plan

The Probity Plan, together with the Evaluation Plan, provides individuals involved in procurement processes with guidance regarding their conduct and probity requirements during the Project.

- A Probity Plan **must** be completed for all procurements greater than \$2.5 million.
- For procurements valued greater than \$250,000 but less than \$2.5 million, the Manager Procurement and Logistics is responsible for determining whether a Probity Plan is to be completed in respect of the tender (refer below).

The Contract Manager is responsible for completing the Probity Plan in consultation with the Project Team.

The Contract Manager **must** ensure that CECG3000.03: Corporate Governance: Probity Plan is adhered to and ensure that the Probity Plan is signed off by the Manager Procurement and Logistics at the time the Procurement Plan is approved.

The following criteria must be considered to determine whether there is a requirement to complete a Probity Plan:

- Cost of the procurement (as above);
- Process complexity (e.g. multi stage); or
- Whether the tender is politically, environmentally or socially sensitive; or
- Whether the tender is subject to a high degree of public scrutiny; or
- Importance of the Tender to Essential Energy; or
- Whether there has been previous contention over the subject matter of the procurement (e.g. history of complaints, media speculation); or
- The size of the market for the procurement; or
- Whether there is a strong incumbent.

Final step in the Procurement Plan process.

The last step is to have the Procurement Plan approved.

The Procurement Plan **must** be approved by the Manager Procurement and Logistics or delegate. All variations to Procurement Plans **must** be approved by the Manager Procurement and Logistics or delegate.

8.3 Stage Two: Market Preparation

8.3.1 Key Steps in the Market Preparation Stage

Key Steps

There are three steps within the market preparation stage of the tendering process including the following:

- Document Specifications;
- Draft Contract; and
- Develop Market Test Documents.

8.3.2 Document Specifications

**Step 6:
Document Specifications**

Requirements for goods and services should be specified using either a performance based specification or a functional specification.

Performance Based Specifications

Performance based specifications focus on outcomes or results rather than process (i.e. how the goods and services are produced). Performance based specifications allow respondents to bring their own expertise, creativity and resources to the bid process without restricting them to predetermined methods or detailed processes.

Functional Specifications

Conversely, functional specifications provide a detailed specification regarding the manufacture of the product and how it is to function. They outline exactly how the contractor must perform the service or how the product is made.

The Branch and/or Section Manager are responsible for preparing the specification.

Forms and Templates

The specification must be completed and should include the following information:

- Detailed definitions, scope, descriptions and drawings of the goods or services (for functional specifications);
- Service levels or performance measures and other standards (as appropriate) against which the contractor's performance will be measured;
- Levels of compliance required with any relevant industry standards, in-house standards, codes of practice and regulatory requirements;
- Clear definitions of all interfaces with other requirements, other systems or dependencies;
- Volumes, timeframes and/or locations for delivery; and
- WHS&E considerations and management system requirements.

Approval of Specification

The specification must be approved by the relevant Level 3 General Manager or Level 4 Branch Manager.

8.3.3 Draft Contract

**Step 7:
Draft Contract**

The Contract Manager is responsible for constructing the Contract in consultation with the Project Team.

The nature of the goods and services being procured and the value of the planned procurement will determine the type of contract to be used.

Each Contract form has different requirements and places different responsibilities on the Supplier and Essential Energy.

Essential Energy standard form contracts can be obtained from Essential Energy General Counsel (Legal Branch) or Procurement Contract Managers.

The legal representative on the Project Team will provide advice as to the most appropriate contract to use as well as any drafting requirements including amendments and additional requests from the Branch or suppliers.

What is included in the Contract?

The following information is included in all contract templates:

- Unique RFX Number (obtain this from RFX database);
- Instrument of Agreement;
- Schedule 1 – Contract Details;
- Schedule 2 – The Services;
- Schedule 3 – Form of Novation;
- Schedule 4 – Subcontractor's Statement;
- Schedule 5 – Special Conditions; and
- Appendices.

8.3.4 Prepare Market Test Documents

**Step 8:
Prepare Market Test Documents**

Market Test documents define the high level requirements which are supported by detailed specifications (as completed at 8.3.2: Document Specifications). Market test documents include (but is not limited to) the following:

- Conditions of the request (including criteria that will be used to evaluate the tender);
- Procurement Timetable (as contained in the Procurement Plan);
- Specification(s);
- Terms and Conditions of Contract (as completed at 8.3.3: Draft Contract);
- Insurance requirements; and
- Response Schedules.

Market test documents must contain details of:

- Site visits (where considered mandatory); and
- Negotiation processes (if relevant).

Market test documents must also stipulate that communication with tenderers will be managed through a single point of contact (the Contract Manager) via Tenderlink. The Contract Manager is responsible for preparing relevant Market Test documents in consultation with the Project Team.

Note: Information Security

Reference to operational manual CEOM7065 Information Security: requirements are required when preparing ICT related contracts for a market process. In addition Procurement will notify relevant stakeholders within the ICT division of any market engagements initiated outside of ICT that involve the procurement of hardware, software or devices for deployment on the ICT network.

Contingencies and Provisional Sums

Contingencies

Where the user expects that the value of the contract will vary because of other factors including, without limitation, foreign exchange or commodity price fluctuations or unanticipated changes to the scope or project timeline, such variations can be managed using an approved contingency.

Unlike provisional sums, contingency amounts are not disclosed in request documents or the contract. Where there is a contingency relating to foreign exchange variations, the Contract Manager must consult with the Essential Energy Treasury Group.

Provisional Sums

Where the Branch and/or Section Manager expects that the value of any contract will vary because the contractor is likely to encounter conditions that could not have been reasonably discovered during the tender process (e.g. the provision of a section of building works that has not yet been designed), the Branch and/or Section Manager must, to the extent reasonably possible, seek expert advice to identify the type and value of provisional sums.

Wherever possible, the value of the provisional sums and the conditions under which they apply should be set out in the Specification or request document and must be included in the contract. Where it is necessary to vary provisional sums during the tender process, all tenderers must be notified of such changes.

Which template should I use?

All Market Test Documents must be prepared using the appropriate Essential Energy template(s) which are contained in Tenderlink.

Who Approves the Market Test Documents?

The Contract Manager, in consultation with the Project Team, must ensure the Market Test documents incorporate complete and accurate information pertaining to the tender and obtain approval from the Project Team for release.

8.4 Stage Three: Market Engagement

8.4.1 Manage the Market Process

**Step 9:
Manage Market Process**

Managing the market process includes coordinating a number of processes including:

- Advertising the tender;
- Managing enquiries and communications;
- Managing site visits; and
- Managing tender closing dates.

Forms of Submission

Tenders **must** be received electronically, via Essential Energy's electronic tendering portal, Tenderlink.

Tenderlink must be used to manage the tender submission process unless the Manager, Procurement and Logistics is satisfied that a compelling case exists to use an alternative approach such as receiving via direct email or as hard copies.

Advertising

Where it is necessary to advertise a formal approach to the market, the advertising copy must be prepared by the Contract Manager in consultation with the Project team and approved by the Manager Procurement and Logistics.

Advertising costs (if any) will be borne by the Branch and/or Section requesting the procurement.

Advertisements must include as a minimum:

- A brief description of the scope and requirements;
- Where market test documents may be obtained, and details of the relevant contact person; and
- Precise details of when submissions will close.

Reasonable allowance should be made to allow Suppliers to make site visits and to undertake any other investigations necessary to allow them to prepare a detailed response.

Advertisements will be placed on Tenderlink and any other media considered appropriate giving consideration to the nature of the procurement.

For detailed procedures on how to publish documents to Tenderlink, please refer to the Tenderlink Quick Guides located on the Procurement Essentialnet page.

Managing Enquiries and Communications

The Contract Manager must be nominated as the single point of contact for the duration of the procurement and is responsible for ensuring that no tenderer receives preferential treatment during the tender process.

Tenderers must put all enquiries (other than those of a trivial nature relating to process) in writing. Requests for additional information from tenderers that are material to the tender, or any responses to requests for information that could reasonably affect a tender, must be made available to all tenderers.

The Contract Manager will set up a Moderated Forum in Tenderlink to manage correspondence with tenderers.

Clarifications

In circumstances where a statement or information provided in a tender is open to interpretation or is not understood, clarification of the statement or information should be obtained from the tenderer by the Contract Manager.

The clarification request must be framed in a manner that does not result in the tenderer gaining advantage over other tenderers.

All tenderers must be advised of any clarification in writing (via Tenderlink) without any identification of the party that raised the matter for clarification.

Where it may take time to resolve a matter or answer a question, tenderers must be advised in writing, including an indication of when clarification or resolution can reasonably be expected. Under these circumstances an extension to the closing date may be warranted with the approval of the Manager Procurement and Logistics.

Records of all communications between the Company and the tenderers must be held by the Contract Manager and may form part of the documents submitted for review.

Managing Site Visits

The Branch and/or Section Manager is responsible for determining if a site visit is warranted to ensure an adequate understanding of the requirements of the specification(s).

The Contract Manager is responsible for ensuring an invitation is extended to all Suppliers.

Attendance at site visits should be compulsory. At least two Essential Energy personnel (including the Contract Manager) are present at any meetings with interested Suppliers or respondents and that a record of the meeting is made contemporaneously and logged by the Contract Manager.

If a prospective Supplier waives the right to attend, an appropriately authorised waiver should be sought from the Supplier to ensure that a claim for unfair advantage cannot occur.

Where a prospective Supplier seeks a site visit and the request is granted, an invitation to participate shall be extended in writing to all prospective Suppliers.

Prior to the Site Visit

The Contract Manager must ensure, prior to the site visit taking place that:

- Tenderers have been provided with written guidelines or agendas;
- Supplier Briefing Attendance Register is completed; and
- All Essential Energy representatives have undertaken a probity briefing as outlined in Step 2: Undertake Probity Briefings.

At the Site Visit

Acknowledge attendance of all tenderers on-site by ensuring that all tenderers sign Site Inspection Registration Form. If this form is not signed by the supplier, their submission cannot be accepted.

Under no circumstances can pricing or other commercial issues be discussed during the course of the site visit.

Amendments to Market Test Documents

Where it becomes necessary to amend Market Test documents, the amendments must only be made by the Contract Manager and issued as an addendum to all tenderers in sufficient time, but not less than, three working days earlier than the requested closing date for all tenderers to properly and fully consider the addendum.

Each addendum must state clearly that it is meant to be incorporated in the Market Test documents.

Tenderers should confirm in their responses that allowance has been made for each addendum.

Consideration may need to be given by the Contract Manager, in consultation with the Manager Procurement and Logistics to extending the tender period when an addendum is issued within five working days of the closing of the market exercise. If the tender period is extended all tenderers must be advised of the new closing time and date.

Addenda After Tender Closing Date

Where it is necessary to issue addenda to tender documentation after tenders have closed, consideration should be given to terminating the tender process and calling fresh tenders. This decision must be approved by the Manager, Procurement and Logistics.

Records of all material communications between Essential Energy and tenderers must be retained centrally by the Contract Manager.

Tender Closing Date

Tenders must remain open for at least two weeks, preferably four to enable suppliers to reasonably submit a tender.

Tenders must be lodged electronically via Tenderlink no later than the time and day indicated in the tender documentation.

Any tender received after this time and date shall be rejected or accepted at the discretion of the Manager, Procurement and Logistics in accordance with Late Tenders provisions detailed below.

Late Tenders

Late tenders may only be considered where the integrity and competitiveness of the tendering process is not compromised.

Late tenders may be accepted by the Manager, Procurement and Logistics only where tenders have not been released by the Contract Manager to the Evaluation Team for evaluation and where:

- acceptance of the late tender provides the tenderer no material advantage or a benefit over other tenderers who have submitted on time; or
 - the tender was not received on time due to mishandling on the part of Essential Energy; or
 - the tenderer was unable to upload the document to Tenderlink due to factors outside the tenderer's reasonable control that can be reasonably substantiated and that tenderer can provide evidence that they contacted or tried to contact the relevant contact person in accordance with instructions set out in the request document ; or
 - the tender was an RFI or EOI and no formal pricing or agreement was being requested.
-

Extension of Closing Date Closing dates should only be extended where the Contract Manager considers that it is in the best interests of Essential Energy. Extensions to closing dates must be approved by the Manager, Procurement and Logistics.

The revised closing date must be communicated to all tenderers who have received copies of the Market Test documents.

Unlocking Tenders All tenders must be unlocked at the earliest practicable opportunity after the tender closing date.

The Contract Manager will receive an (automated) email from Tenderlink advising that the tender is closed and ready for evaluation.

The email will contain a link to the tender keys which are required to unlock the submissions.

The Contract Manager will be responsible for going into the E-Form and unlocking all sections that require evaluation.

8.5 Stage Four: Evaluation and Negotiation

8.5.1 Key Steps in Evaluation and Negotiation Stage

Key Steps

There are three steps within the evaluation and negotiation stage which include the following:

- Evaluate Tender Submissions;
- Undertake Supplier Due Diligence; and
- Conduct Supplier Negotiations.

8.5.2 Evaluate Tender Submissions

**Step 10:
Evaluate Tender Submissions**

The objective of the tender evaluation process is to determine the tender that best satisfies the requirements and criteria outlined in the request documents and the tender that represents the best value for money.

The Contract Manager is responsible for ensuring that tenders are evaluated in accordance with the approved Procurement Plan and the approved Evaluation Plan (where relevant).

Evaluation Team

Names of members of the evaluation team are set out in the Procurement Plan. The evaluation team must consist of at least three members including the Contract Manager who will chair the process.

The evaluation of tenders must be carried out by a suitably competent team that possess the relevant technical expertise, financial skills or other attributes that will contribute to sound evaluation outcomes.

Evaluation Protocols

- Evaluation criteria, weightings and evaluation methodology cannot be changed or waived during the process of evaluation of tenders. Any criteria and methodology must be applied as detailed in the Procurement Plan.
- To ensure a robust evaluation process, members of the evaluation team must use the same rationale for scoring tenders.
- Before evaluating and scoring the financial aspects of the tenders, the evaluation team must:
 - make sure that all costs are included;
 - correct any arithmetical errors;
 - apply any discount; and
 - Investigate any tender that appears to be abnormally low.
- Evaluations must be undertaken using the relevant form or template as contained in the Procurement Plan. For the purpose of transparency, these matrices / forms must then be attached to the Recommendation to Award (refer 7.6.2: Complete Recommendation to Award).
- Tenders may be evaluated individually or collectively by the Evaluation Team. Where evaluations are conducted individually, final results must be agreed by the whole Evaluation Team.

Mandatory Requirements, Technical Specifications and Pricing

Tenders are evaluated initially against mandatory requirements in accordance with the Evaluation Plan, to ensure that only those offers that have passed the mandatory requirements are considered further.

Once mandatory requirements have been evaluated, technical sections are evaluated by relevant technical experts on the evaluation team only for those tenders that passed mandatory requirements.

Finally, pricing sections of those tenders that passed mandatory requirements are evaluated by the Contract Manager and relevant financial experts (as required).

On completion of the evaluation, the Contract Manager will:

- combine all evaluation scores to obtain a final evaluation score for all tenders; and
- run an Evaluation Report to obtain a summary of final evaluation scores for all tenders to be discussed at a consensus meeting (refer Consensus Meeting below).

Non Compliance with Minor Requirements

Non-compliance with minor procedural requirements and/or specifications will not constitute a reason for the rejection of a tender, but it will lead instead to a request for clarification (Refer Clarifications During the Evaluation Process below).

Decisions to allow a tenderer to bring their tender into compliance must be approved by the Manager, Procurement and Logistics following a request for clarification.

Other tenderers failing to comply with the same requirement or with other minor requirements or specifications must be treated equally and must also be allowed to bring its tender into compliance.

Clarifications During the Evaluation Process

The evaluation team may, at any time during the process of evaluation of tenders, ask tenderers for clarifications of their tenders. The clarification must be in writing and the evaluation team must agree on any request for clarification before it is sent to the tenderer concerned.

All clarifications must be sent to the tenderer through the Contract Manager. In circumstances where an issue is discussed verbally with the tenderer, a record of the discussion must be documented by the Contract Manager.

All contact with tenderers during the tender evaluation period must have due regard to probity, in particular the status (preferred, under consideration or rejected) of any tender must not be advised or implied to any tenderer.

Compliance with Contract Terms and Conditions

Where tenderers seek to vary the standard terms and conditions as contained in the Market Test Documents, they must submit the proposed amendment in writing together with a justification as to why the standard clause should be amended.

Where proposed amendments are of a material nature, the Contract Manager must seek the advice of the legal representative on the Project Team who may confirm that the tender is non-conforming on the basis of the extent of the changes sought.

All material amendments to contract terms and conditions must be approved by the Manager, Procurement and Logistics in consultation with General Counsel.

Failed Tenders

There may be circumstances where tenderers who submitted non-conforming tenders may be asked to resubmit tenders or part thereof.

In such instances, the Contract Manager will liaise with the Evaluation Team to determine whether there is justification to contact failed tenderers to provide them with an opportunity to resubmit their tenders.

Approval to request that tenderers re-submit should be obtained from the Manager, Procurement and Logistics or relevant process owner.

Where approval is granted, the Contract Manager must provide those tenderers with a deadline to re-submit their tender.

Cancelling the Tender Process

There may be circumstances where the evaluation team may not make a recommendation for the award of a contract. Examples of these circumstances include:

- Where no tenders have been received at all;
- None of the tenders received has been found to be compliant;
- All admissible tenders exceed the budget available;
- None of the tenderers satisfy the set selection criteria;
- The circumstances of the contract have been fundamentally altered; or
- Irregularities occurred during the process of evaluation of tenders.

In this case, the evaluation team must recommend the cancellation of the tender process or set out the grounds for cancellation.

The Manager, Procurement and Logistics, will determine, on the basis of the circumstances of the procurement, how to proceed (for example, by entering into a negotiated procedure or re-advertising the tender process).

Recommendations for Shortlist

The evaluation team must recommend which submissions provide the best value for money.

Information to be considered as part of making recommendations for shortlists include:

- the trade-off judgement between price and the value offered in a supplier's proposal;
- the relative value offered by a supplier or suppliers in relation to the competition; and
- whether a lower cost is worth the lesser technical value (and potentially higher risk), or whether a higher price is worth the increased technical/managerial capabilities (and potentially lower risk).

Conducting a Consensus Meeting

On completion of the evaluation process, the Contract Manager will organise and chair a consensus meeting.

The Contract Manager is responsible for recording and retaining minutes of the consensus meeting.

Objectives of the Consensus Meeting

The key objectives of the consensus meeting is for the evaluation team to:

- Discuss the evaluation approach to ensure that evaluators have adopted an objective and consistent approach throughout the evaluation process;
- Discuss the scores allocated by each member of the evaluation team in order to establish and agree the ranking of the evaluated tenders;
- Discuss any anomalies in the evaluation process (ensuring all are documented); and
- Agree which tenderers should be included in the shortlist and proceed to negotiation where appropriate.

Where no Consensus is Reached

Where unanimous recommendations **cannot** be reached by the Evaluation Team, dissenting team members' views must be noted as part of the final recommendation in the Recommendation to Award (refer 8.6.2 Complete Recommendation to Award).

Where there is serious disagreement between Evaluation Team members, the Manager, Procurement and Logistics will arbitrate and determine whether the evaluation process should be recommenced in its entirety.

Disputes may be referred to the Procurement Executive Group by the Manager, Procurement and Logistics.

8.5.3 Conduct Supplier Negotiations

**Step 11:
Conduct Supplier
Negotiations**

The Contract Manager is responsible for ensuring that negotiations are conducted in the manner outlined in the Market Test documents.

Negotiations must not take place if such provisions are omitted from request documents.

Following approval of the shortlist, the Contract Manager must form a Negotiation Team to conduct supplier negotiations.

Negotiation Plan

The Negotiation Team must develop a clear negotiation plan prior to conducting supplier negotiations.

The Contract Manager must develop a Negotiation Plan to document the negotiation approach for the procurement which should include the following:

- the make-up of the negotiating team of both parties e.g. use of professional advisors on the negotiating team or having them available for advice as and when required;
- the location and agenda for each negotiating session;
- timeframes in which negotiations of individual issues, as well as negotiations overall, will be conducted;
- any interrelationships between individual issues / provisions that are subject to negotiation to ensure these are taken into account during negotiations.
- the contract terms and conditions that will be subject to negotiation;

-
- Minimum / maximum negotiation tolerances;
 - Trade-off's / concessions;
 - Bargaining strengths and weaknesses of both parties; and
 - where a probity advisor has been appointed, sign-off on the negotiation arrangements by the Probity Advisor.
 - The Plan must be signed off by the Manager Procurement and Logistics.
-

Negotiation Points

Some typical areas for negotiation include:

- Payment terms;
 - Price;
 - Delivery dates;
 - Variations;
 - Warranties and guarantees;
 - Quality;
 - Key Performance Indicators (KPIs);
 - Documentation;
 - Maintenance, repair or after-Contract award service; and / or
 - Contract terms and conditions.
-

Conducting Negotiations

There may be several rounds of negotiations with the short-listed tenderers, including the submission of indicative offers, culminating in a Request for Best and Final Offer (BAFO).

BAFOs must be solicited in writing using the procurement letter: Request for Best and Final Offer and all negotiations with tenderers must be conducted in accordance with the Negotiation Plan.

Throughout the negotiation process, feedback may be provided to suppliers, which can include, but is not limited to:

- technical areas;
- commercial areas; and
- pricing areas.

Meetings

The Contract Manager is responsible for chairing meetings and ensuring minutes of meetings and records of conversations are maintained and kept on the procurement file. Minutes of the negotiations should be shared with Suppliers at the close of meetings or soon after.

Updating Evaluation Scores

Tender evaluation scores should be updated to reflect any gains made during negotiations.

Deviations from Standard Terms and Conditions

Assessment of all requests to deviate from standard terms and conditions that arise during the negotiation process must be carried out by Contract Manager in consultation with the Project Team.

All deviations from standard terms and conditions must be approved by the Manager, Procurement and Logistics.

Outcomes of Negotiations

The outcomes of negotiations with shortlisted suppliers should be compared against the approved Negotiation Plan and decisions made on whether to conclude the negotiations or enter subsequent rounds of negotiations to arrive at a preferred supplier.

Where the Negotiation Team concludes that a contract should be awarded to the tenderer that has **not** submitted the lowest conforming tender, the case must be made to the relevant Financial Delegate with any risks or additional costs quantified as part of the Recommendation to Award (Refer Section 8.6.2).

Negotiation Protocols

General

- Negotiations must be conducted in a fair and equitable manner.
- Negotiations should aim to engender mutual understanding and commitment to resolve issues in a cooperative manner that leads to a constructive relationship, and to support the achievement of value for money.
- Negotiations must not unfairly trade off one supplier against another by using the lowest response prices to seek a reduction in price from another supplier (i.e. a Dutch auction).
- Additionally, competition should not be distorted by allowing Suppliers whose submissions meet Essential Energy's minimum selection criteria, a chance to improve its offer without giving the same opportunity to all other competitors.

Pricing Feedback

Pricing feedback **must** not be undertaken in manner that could be construed as 'bid shopping'.

- Pricing feedback can include feedback at the item, bundle or total solution level depending on the nature of the tender.
- Any differences from one supplier's offer to the best conforming offer must be provided as a range i.e. 0-5%, 5-10%, 10-15% from best offer not as a specific amount, e.g.8% higher than best offer.

Confidentiality

- Strict confidentiality of Supplier information and respective Supplier rankings must be maintained at all times.
- Suppliers must not be made aware when they have been selected as the preferred Supplier, so that negotiations are carried out from a position of strength.

Post Tender Negotiations

If after a competitive tendering process none of the tenders are acceptable or conforming, negotiations may be conducted with the tenderer which is the closest to conforming to the tender requirements and provides best value for money.

Post tender negotiations that unfairly seek to simplify or disclose tenderers' tenders to their competitors are prohibited.

The decision to proceed with post tender negotiations must be approved by the Manager, Procurement and Logistics.

Negotiations must be led by the Contract Manager and start with the tenderer which is the closest to the conforming tender and must be exhausted before negotiating with subsequent tenderers which, if required, will be approved by Manager, Procurement and Logistics.

The purpose of the negotiations must be established and made clear and documented prior to the commencement of negotiations. Written records of all negotiations must be documented by the Contract Manager and retained centrally.

8.5.4 Undertake Supplier Due Diligence

<p>Step 12. Undertake Supplier Risk Due Diligence</p>

As part of the completion of the Procurement Risk Assessment, the employee determined whether there is a requirement to undertake a Supplier Risk Due Diligence assessment.

Where Essential Energy is outsourcing more critical / urgent processes, services and IT solutions to third parties which increase Essential Energy's reliance on third party processes and practices, the employee **must** contact their Procurement Contract Manager.

The Contract Manager will liaise with the Governance Risk and Compliance Group as part of the Procurement Planning process to determine whether the outsourced process is deemed critical or urgent (which is based on an Essential Energy Business Impact Assessment).

Supplier risk due diligence **must** be performed for:

- All outsourced critical / urgent processes

Supplier risk due diligence **must** be performed on the preferred supplier **prior** to entering into any contractual commitments.

The Supplier Risk Due Diligence process is as follows:

- The Contract Manager will conduct the Supplier Risk Due Diligence by completing CEOF4306.09: Supplier Risk Due Diligence Checklist with the preferred supplier.
- The Contract Manager will discuss outcomes and any recommendations developed as a result of the due diligence assessment with the relevant Financial Delegate and Risk Manager.
- Recommendations and any remediation must be discussed and agreed with the preferred supplier prior to entering into any contractual commitments.
- The Supplier Risk Due Diligence Checklist including recommendations and remediations must be signed off by the relevant Financial Delegate and retained on file.

Supplier Financial Assessment

Supplier Financial Assessments **must** be undertaken on the preferred supplier **prior** to entering into any contractual commitments. The Supplier Financial Assessment process is as follows:

- Contract Manager to confirm if a public credit rating is available for the preferred supplier;
- Where a public credit rating is available and the public credit rating is BBB or above, then no further Financial Assessment is required. The Contract Manager must obtain relevant documentation evidencing the credit rating;

- Where there is no public credit rating available, or the public credit rating is below BBB then the following steps are required:
 - Contract Manager will order a financial assessment be undertaken by an approved supplier (this process is outsourced by Essential Energy to specialist financial assessment companies).
 - Contract Manager to review the results of the financial assessment with the Project Team.
 - Where the result of the financial assessment is unfavourable, the Contract Manager must consider, in consultation with the Project Team, whether obtaining vendor security is appropriate to mitigate additional credit risk.
 - Vendor security must be approved by the Manager, Procurement and Logistics.
-

Vendor Security

Vendor security may take the form of any of the following:

- Bank guarantee (from a bank with a public credit rating greater than "A");
- Parent company guarantee;
- Retention Monies;
- Performance bonds; or
- Other options allowed for under relevant legislation.

The Contract Manager must ensure security is unconditional with an expiry date that is at least 6 months in duration longer than the term of the contract. The Contract Manager must also ensure the security is received prior to the commencement of works.

8.6 Stage Five: Recommendation and Award

8.6.1 Key Steps in Recommendation and Award Stage

Key Steps

The recommendation and award stage is the final stage of the tendering process. There are three steps within this final stage which includes the following:

- Prepare Recommendation to Award / or Tender Review Committee Submission for procurements >\$500,000;
- Award Contract; and
- Execute Contract.

8.6.2 Complete Recommendation to Award

**Step 13:
Complete Recommendation
to Award**

The Recommendation to Award is the determination of which supplier offers Essential Energy the best value, and therefore should be awarded the contract.

It includes details of the procurement process followed, details of the evaluation process and outcomes which led to the decision to recommend awarding a particular tenderer the contract.

The Contract Manager is responsible for preparing the report, in consultation with the Project Team.

Who approves the Recommendation to Award?

For procurements less than \$500,000;

The Lead Portfolio Manager is responsible for signing off on the following:

- Validating that the procurement was performed in compliance with all Essential Energy policies and procedures; and
- Validating that the process of evaluation of tenders was conducted appropriately and that decision making was supported by a logical, consistent and robust process.

The relevant financial delegate is responsible for making the final award decision or final recommendation, ensuring that the recommendation of the award is sound.

Contracts will be awarded only when all approvals have been obtained from the relevant Financial Delegate and evidenced on the Recommendation to Award.

For Proposals \$500,000 or above submissions to the Tender Review Committee (TRC) are required.

Do I need to Submit to the TRC?

Proposals must be submitted to the TRC where there is a proposal to purchase goods or services of \$500,000 (GST exclusive) or above or established supplier panels where the estimated expenditure on service/goods exceeds \$500,000 (GST exclusive). This value is to be calculated over the full period of the proposed arrangement including any available options to extend.

Refer to Company Procedure (CEOP0002.11) Tender Review Committee for details on the procedure to follow.

Contract Managers will coordinate the completion of the Tender Review Committee Checklist (CEOF0002.14) and Tender Review Committee Submission (CEOF0002.13) in consultation with the relevant business owner.

8.6.3 Award Contract

Step 14: Award Contract

Award is the formal decision and approval to establish a contract and marks the:

- Successful conclusion of the procurement process; and
 - Commencement point for contract finalisation and execution.
-

Notification to Tenderers

The Contract Manager will notify all tenderers in writing (via Tenderlink) of the outcome of the tender process following approval of the Recommendation to Award and the Terms and Conditions have been agreed to, by the relevant financial delegate.

With the exception of the identity of the contractor, which can be made available on request, no information relating to the unsuccessful tenderers will be made available, unless otherwise specified in the request document, by agreement or where required by law.

Debriefings

Debriefings will be available to any tenderers on request and conducted by the Contract Manager and members of the Project Team where required.

The debriefing should explain how the relevant tenderer performed against the evaluation criteria, rather than against the contractors, with the objective of enhancing their future performance.

Finalising the Contract

This process is undertaken to ensure that all contract documentation reflects the terms and conditions that were negotiated between Essential Energy and the supplier.

The Contract Manager will liaise with the Branch and/or Section Manager and Legal representative to finalise and complete the contract.

Letter of Acceptance

The Notice of Acceptance provides the successful supplier with instructions of all documentation required to execute the Contract including:

- Contract Documents;
- Level(s) and type(s) of insurances required; and
- Requirements (if any) for Bank Guarantees.

The Contract Manager must use Procurement letter: Notice of Acceptance, attach two copies of the final contract and send to the successful supplier for signing.

8.6.4 Execute Contract

Step 15: Execute Contract

On receipt of signed contracts from the Supplier, the Contract Manager will ensure that contracts are signed by the Financial Delegate to execute the contract.

Request to Execute Contract

The Contract Manager must complete a Request for Execution of Standard/Non Standard Contract.

For Standard Contracts the following documents must be attached to the Request to Execute:

- Two copies of the contract (signed by the supplier);
- Approval to Award Contract;
- Board Paper (where relevant); and
- Notice of Acceptance.

For Non-Standard Contracts the following documents must be attached to the Request to Execute:

- Two copies of the contract (signed by the supplier);
- Approval to Award Contract;
- Board Paper (where relevant); and
- Notice of Acceptance; and
- Summary of Departures.

All documentation must be submitted to the Chief Operating Officer for a contract to be signed.

Contract Signing

Contracts are signed by the Financial Delegate as part of the weekly signing process which is coordinated by the Procurement Team.

Once signed by the Financial Delegate, the Procurement Team prepares a Return Letter and sends one copy of the signed contract back to the supplier for their records.

Managing Foreign Exchange Risk

In accordance with CECF0004.01 Treasury Risk Management Policy, 100% of Essential Energy's foreign currency exposure above AUD \$500,000 must be hedged within two business days of the exposure (i.e. within two business days of placement of an order (firm commitment) for goods or services.

The Branch Manager is responsible for contacting the Treasury Group to implement arrangements to mitigate any exposure to foreign exchange fluctuations. The Branch Manager must provide details of:

- Foreign currency involved;
- The amount of foreign currency that is subject to exchange fluctuations; and
- The date that invoice(s) are due to be paid.

The Treasury Group will arrange relevant foreign exchange hedges.

Non-compliance with the requirement to hedge will result in a policy breach which must be reported to the Essential Energy Board.

Complaints

Tenderers have the right to expect that the tendering process is equitable and transparent within the limitations of commercial confidentiality.

If tenderers have any concerns with the process, they should document their concerns in writing to the Manager Procurement and Logistics who will determine relevant actions (if required) and facilitate resolution of the complaint. Refer CEOP1115: Statement of Business Ethics.

In all instances, the Manager Procurement and Logistics must provide a written response to the tenderer notifying them of the outcome of their complaint within a reasonable timeframe.

Finalising Procurement Documentation

Once contracts have been signed, the Procurement Team will:

- Enter contract details in the Contracts and Commitments Database and the PeopleSoft SCM Module.
 - Scan the signed contract (so that there is an electronic copy of the signed contract) and:
 - Email the electronic copy of the contract to the relevant Branch and/or Section manager and
 - Retain a copy and store in Objective files;
 - Finalise procurement documentation (ensuring all records are retained in Objective); and
 - Ensure bank guarantees are recorded in the Contracts and Commitments Database and original copies sent to the Records Management team; and
 - Prepare and send all hard copy documents relating to the contract to be archived by Grace Document Storage.
-

Government Contracts Register

Essential Energy is required to maintain a register of government contracts for amounts greater than \$150,000 (in accordance with the requirements of the GIPA Act). This register is maintained by the Procurement Team and is published on Essential Energy's website.

Contract Managers are responsible for ensuring details of relevant contracts are included in the contract register in accordance with procurement team processes.

Next Steps

Proceed to Section 9 (Procure to Pay Process) to raise relevant purchase requisitions and purchase orders to be able to pay the Supplier.

Part D: Procure to Pay Process

9 Procure to Pay Process

9.1 The Process

Introduction

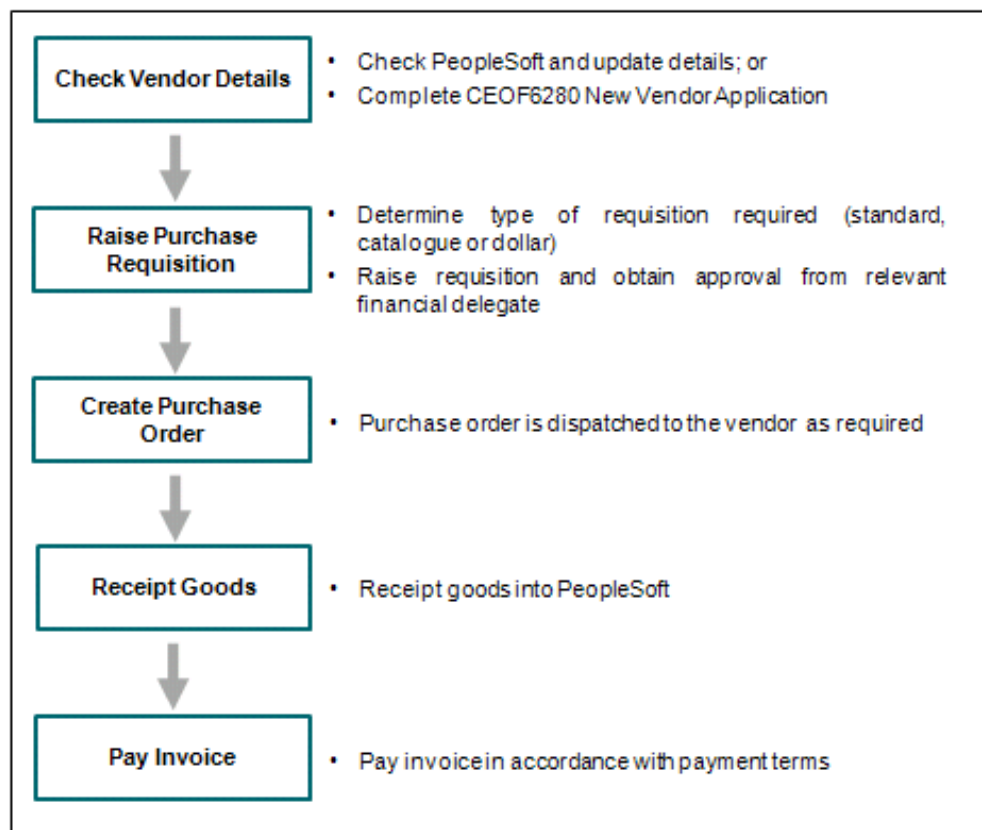
Goods or services must not be ordered and delivered or, alternatively, work cannot commence until:

- Relevant approvals to purchase have been obtained from the appropriate financial delegate (refer Section 2);
- Relevant procurement processes have been completed and supplier/contract arrangements have been approved, finalised and signed. (Refer to Sections 1 – 1 of this manual for detailed procedures of alternative procurement methods based on spend amount).

What is the Procure to Pay Process?

Procure to Pay is the completing of vendor due diligence, gaining the necessary approvals to purchase, dispatching approved purchase orders to vendors, accepting/receiving of goods and services and processing payments in line with agreed payment terms and conditions.

The following diagram illustrates the procure to pay process:



9.2 Check Vendor Details

Why do I need to check vendor details? To ensure that there is a current vendor recorded in PeopleSoft and that all information for the vendor is correct.

Who is responsible for checking vendor details? Any employee who is engaging a vendor to buy goods or services on behalf of Essential Energy.

When do I check vendor details?

- For procurements less than \$250,000, on approval of a quotation or proposal by the relevant financial delegate; or
- For procurements greater than \$250,000, when contracts with successful suppliers have been signed.

What do I need to do?

- Identify whether the vendor is a current vendor in PeopleSoft system (by viewing Vendor Details)
- Where the vendor is a current vendor, ensure all details are current and up to date.
- Where the vendor is not recorded in PeopleSoft, complete CEOF6280 Vendor Application Form and submit in accordance with the instructions on the Form.
- The Procurement Team will create the vendor in PeopleSoft (so that a Purchase Requisition can be raised).

9.3 Raise Purchase Requisition

What is a purchase requisition? A purchase requisition is a request issued internally to order goods or services.

Who raises purchase requisitions? Any employee or proxy (employee who has delegated access) who is engaging a vendor to buy goods or services on behalf of Essential Energy.

What is the process to raise a requisition?

- Identify what type of purchase requisition is required:
 - A standard requisition (EA - one off, single transaction) specifying the goods or services being purchased; or
 - A contract requisition specifying the contract number and a description of the contracted services; or
 - A catalogue requisition (tools, equipment, furniture, outdoor wear); or
 - A dollar (Standing) order which is an ongoing requisition that will have multiple invoices attached over a period of time; department and/or project details can be changed through receipting to chartfields.
- Requisitions must specify the goods or services being purchased. In doing so, requestors should address the following criteria (where relevant):
 - Full description or specification of requirement in generic terms;
 - Contract number (if applicable) and details of the contract;
 - Delivery time and location & contact details; and
 - Quantities, projected expenditure or quoted price.

- Raise a purchase requisition in PeopleSoft. Include the following details:
 - Department
 - Project
 - account number
 - GL code
 - Asset type (if applicable)
 - Submit purchase requisition for approval (by the relevant financial delegate).
 - Record the requisition number with the quotation / purchase request information.
-

Approving Purchase Requisitions

Financial Delegates, prior to approving a purchase requisition, must ensure the following has been completed and documented:

- Compliance with financial sub-delegations: Ensure that the value of the requisition (or, in the case of variations, the revised total value of the goods or services) is within their financial sub-delegation and funds are available within their approved budget;
- Bid solicitation: Ensure that bids have been solicited in accordance with the relevant Procurement Plan (where one applies);
- Risk assessment: Ensure that all risks associated with the relevant procurement have been considered and treated and that, at a minimum, a risk assessment has been completed (for all procurements greater than \$30,000) and retained on file;
- Method of engagement: Ensure that the supplier has been engaged in accordance with the Procurement Plan (where one applies);
- Inventory/Non-Inventory items: Check whether the requisition should have been satisfied from inventory/non-inventory catalogues prior to procuring from external sources;
- Procedural compliance: Ensure that all relevant procedures have been adhered to; and
- Contract validity: Ensure that any contracts quoted are still current and within approved limits.

Prior to the creation of a purchase order, the Procurement Team may confirm that the above has been completed by the Financial Delegate and may request additional information such as copies of quotes or documentation from the Financial Delegate or employee as reasonably required.

Where do I find more information?

For more information and detailed procedures on how to raise a purchase requisition in PeopleSoft, please refer to the Quick Guides located on the Procurement Essentialnet Page.

9.4 Create Purchase Order

What is a purchase order?

A Purchase Order (PO) is Essential Energy's authority to the vendor confirming their engagement to supply goods and / or services, or to commence work.

Purchase orders are required for goods or services that are not purchased using corporate credit card.

Approvals

Before any commitment is given to a Supplier for the supply of goods or services a valid purchase order must be raised and approved in the PeopleSoft system.

A verbal purchase commitment must not be made under any circumstances. A Supplier who proceeds without having a valid purchase order will not be paid for the services or goods supplied.

What is the process for creating a purchase order?

- Purchase Orders are created by using the PeopleSoft Purchasing Module, which is administered by the Procurement Team from approved purchase requisitions. (Approvals are based on PeopleSoft financial sub-delegations).
 - Purchase orders are processed twice daily, five days a week.
 - Once a Purchase Order has been approved and processed, a system generated email will be sent to the requestor, confirming the PO number.
 - If the order is for standard (EA) or catalogue items, the purchase order will be emailed, faxed or posted to the vendor. You do not need to do anything.
 - If the order is a Dollar (Standing) order you will need to provide the purchase order number to the vendor, requesting that it be quoted on all invoices. Dollar orders are not dispatched to vendors.
-

What if there are mistakes on the purchase order?

Contact the Procurement Service Desk via Essentialnet 'Log a call' to have the purchase order amended.

For more information and tips on logging a call with the Procurement Service Desk please refer to the Procurement Essentialnet Page.

Assignment of Orders

The Supplier must not, without the written permission of the purchaser, assign any order to a third party.

Whole of Agreement

An order represents the entire agreement between purchaser and Essential Energy and no other terms shall be of any effect unless agreed by all parties in writing and signed by the purchaser's authorised officer.

9.5 Receipt Goods

Who is responsible for receipting?

Branch and/or Section employees are responsible for verifying that the delivered goods and services meet defined business requirements or alternatively for obtaining alternative replacements from Suppliers.

Branch and/or Section officers must receipt acceptable goods and services as soon as possible after delivery.

What is the process for receipting?

- Ensure all deliveries are checked, referencing the relevant purchase order. Requirements for direct inspection and testing will be dependent upon the extent of quality controls exercised by the Supplier and agreed with the purchaser.

As a minimum, an incoming materials inspection on the work site should check for correct type and quantity, safe packaging, correct labelling, correct documentation, provision of WHS&E information, and that no transit damage has occurred. Only after verification has been completed should the receipt be processed.

- Ensure the goods and / or services and the purchase price match details contained on the delivery docket and/or invoice.
 - If any of the details contained on the purchase order are different to those detailed on the invoice, do not receipt. Make enquiries with the vendor and resolve the differences.
 - Where differences are justified, log a call to the Procurement Service Desk to amend the purchase order so that details on the purchase order match those on the invoice.
 - Receipt goods or services in PeopleSoft as soon as possible after delivery. There is no requirement to wait for an invoice to confirm pricing.
-

Standards of Acceptance

Essential Energy shall be entitled to return any goods to the Supplier at the expense and cost of the Supplier if:

- the goods do not comply with the agreed specifications, or
- are not of merchantable quality.

Goods returned shall be repaired, replaced or credited at the purchaser's discretion. (This includes any supplies for services provided without the relevant purchase order information).

Where do I find more information?

For more information and detailed procedures on how to receipt a purchase order in PeopleSoft, please refer to the Quick Guides on the Procurement Essentialnet Page.

9.6 Pay Invoice

Who is responsible for paying invoices?

Accounts Payable are responsible for processing all payments to vendors on receiving invoices that have been appropriately receipted in PeopleSoft.

Payment Terms

The Supplier must issue a tax Invoice in accordance with Goods and Services Tax requirements to Essential Energy within seven days of delivery.

All invoices must contain the approved Essential Energy purchase order number.

Non-compliant invoices will be returned by Accounts Payable to the Supplier to obtain relevant purchase order information.

Price Variances

Price variances between purchase order values and invoice values will be detected as part of the Accounts Payable voucher and purchase order matching process.

Price variances outside predetermined tolerances will be notified to the requisitioning officer or buyer by the Accounts Payable team.

Where do I find more information?

For further information, please refer to CEOP2213 Accounts Payable: Processes

9.7 Purchase Order – Close Out

Who is responsible for closing Purchase Orders? Purchase orders will close by a system process when all receipts and vouchers have closed and there is no open amount remaining on the purchase order.

Where an open amount remains or receipts have not closed, it is the requestor's responsibility to monitor purchase orders to completion in PeopleSoft.

Purchase Order stages Purchase Order's progress through various stages as described below:

Approved : Purchase order is in the creation process

Dispatched : Purchase order has been dispatched either to vendor or internally in case of DOL orders

Complete: Purchase order has been fully receipted and matched and closed.

When do I request closure of a Purchase Order? Purchase orders cannot close if there are "open" receipts/vouchers, or payments are yet to be completed.

DOL orders : log a call to Procurement Service Desk before last invoice is receipted to have the balance removed

Other orders : log a call to Procurement Service Desk when all receipts have closed status

Where do I find more information? For further information, please refer to Procure to Pay Quick Guides, located on the Procurement Page of Essentialnet

Appendix 1: Order from PeopleSoft Inventory/Non Inventory Catalogues

Inventory and Non Inventory Catalogues

PeopleSoft inventory catalogues have been created for a large range of commonly purchased items in two categories:

- Inventory catalogues; and
- Non-inventory catalogues.

Catalogues have been established with the objective of maximising savings through negotiated price reductions and enhancing the available product range available to employees.

Catalogues are easy to use and streamline the procurement process through use of pre-configured supplier details, prices and account numbers. They also avoid the requirement to proceed to a full procurement process.

Employees **must** purchase from PeopleSoft Inventory/Non-Inventory Catalogues where items are available.

For detailed procedures on how to raise a requisition and pay for goods and services, please refer to Section 9: Procure to Pay Process of this manual.

Why procure from Inventory Catalogues?

Essential Energy has a responsibility to act efficiently and effectively to achieve reduced costs while maintaining probity and fairness. There is a continuing focus on achieving savings to support the delivery of front line services.

Inventory catalogues enable buyers to purchase a wide range of goods at competitive prices.

Non-Inventory catalogues enable buyers to purchase a wide range of tools and equipment at competitive prices. They have been established with the aim of maximising savings through negotiated price reductions, enhancing the available product range, and increasing supplier contract performance.

Tools and equipment purchased through non-inventory catalogues are compliant with all Essential Energy policy and procedure and Government legislation.

Goods purchased through inventory catalogues are compliant with all Essential Energy policy and procedure and Government legislation.

Inventory/Non-Inventory catalogues **must** be used where available for procuring goods.

How can I access Essential Energy catalogues?

The PeopleSoft Inventory/Non-Inventory Catalogues are located on Essentialnet via the 'Order' tab.

Appendix 2: NSW State Government Contracts

NSW State Government Contracts

Where goods or services are not available via catalogue, the employee must consider whether requirements can be satisfied by purchasing under a NSW State Government Contract or via Supplier Panels (refer Appendix 3 below).

Goods and services under NSW State Government Contract are made available for procurement by all NSW Government Agencies including State Owned Corporations. NSW State Government Contracts are negotiated with the buying power of the entire NSW Government. This streamlines the procurement process.

The main features of NSW State Government contracts are:

- The service providers have been identified and selected in accordance with NSW Government Code of Practice for Procurement
- Contractual terms and conditions are already established.
- The goods/services are selected in accordance with the NSW Government Procurement Policy and other relevant government policy obligations.

Why procure from a NSW State Government contract?

NSW Government contracts enable buyers to purchase a wide range of goods and services at competitive prices. They are established with the aim of maximising savings through negotiated price reductions, enhancing the available product range, and increasing supplier contract performance.

Where do I find a NSW State Government contract list?

User guides are available on the NSW State Government Procurement Website (ProcurePoint) and provide comprehensive information to assist buyers to easily and effectively use whole of government contracts.

<https://www.procurepoint.nsw.gov.au/>

For guidance in purchasing under NSW State Government Contract, please contact the Procurement Service Desk 1800 22 00 66 Option 4 or NSW Procurement directly on 1800 679 289

How many quotes do I need to obtain?

- For procurements between \$3,001 and \$30,000, the employee must obtain one quote from a relevant supplier on the NSW State Government Contracts Control Board.
- For procurements between \$30,001 and \$250,000, at least three suppliers must be invited to submit bids or published schedules of rates may be consulted.
- Refer to the table on the following page for the various actions required when purchasing from NSW State Government Procurement Board

Table: Purchasing from NSW State Government Procurement Board

	Action Required
Price established	<ul style="list-style-type: none"> • Not required to follow minimum procurement requirements as per section 4 of this manual • Seek quotation from the supplier. • Terms and conditions as per the NSW Procurement Board.
Price not established	<ul style="list-style-type: none"> • Must follow minimum requirements as per section 4 of this manual • Obtain required number of quotations from suppliers. • Conduct evaluation process. • Terms and conditions as per the NSW Procurement Board.

- Where purchasing from a NSW State Government Contract and not using the lowest rate, you **must** justify your decision in the Procurement Plan. For procurements greater than \$250,000, all suppliers included in the relevant category must be invited to submit bids and you **must** receive three responses (quotations).
- A subset of suppliers in the relevant category may be invited to submit bids where the Manager Procurement and Logistics is satisfied that a relevant case to restrict the solicitation of bids is made in the Procurement Plan and approved.
- To identify if price has been established access to NSW Procurement eCatalogues is required. Access can be sought by contacting NSW Procurement directly on 1800 679 289 or contacting the Procurement Service Desk (1800 22 00 66 Option 4) for advice.

How do I use NSW State Government contracts?

NSW State Government contracts can be accessed via the ProcurePoint website. Once the required contract is identified a request for quotation (RFQ) can be utilised to seek quotes from a pool of suppliers in accordance with the relevant spend threshold of this manual.

When raising a purchase order (PO), you need to reference Essential Energy's registration number 72911 and the NSW Procurement Government Contract number.

Appendix 3: Supplier Panels (Panel Contracts)

Supplier Panels

Supplier Panels or Panel contracts are used by Essential Energy for the provision of goods and / or services, as and when required, over a specified period. They can achieve substantial savings and benefits by reducing purchasing, administration and transactional costs.

Supplier panels (panel contracts) streamline the process by which quotations / tenders / proposals are solicited and should be established for all recurring requirements.

Supplier panels **must** be used where available for procuring goods or services.

What is a Supplier Panel?

A Panel Contract is a contractual arrangement with a group of contractors or service providers for the provision of services as and when required. Services can be provided based on a schedule of rates or on a quotation basis.

Where do I find a Supplier Panel list?

A list of current panels can be found on the Procurement Essentialnet Page.

How many quotes do I need to obtain if I am using a supplier panel?

Please refer to Figure 1: Panel Types and Procurement Requirements below.

When a purchase requisition is raised in PeopleSoft, quote the details and the Panel Contract Number.

How do I use Supplier Panels?

Supplier panels can be used by inviting quotations, tenders or proposals from members of the relevant supplier panel.

Soliciting quotations/tenders directly from supplier panel members is intrinsically simple and quick and maximises competition among known market players.

Quotes / tenders / proposals must be sought from supplier panel members via the relevant request (market test) documents in accordance with the policies and procedures contained in this manual.

What are the different types of Panels? Essential Energy procures goods and services from three different types of panel. Each panel has specific procurement requirements as follows:

Figure 1: Panel Types and Procurement Requirements

Panel Type	Definition	Procurement Requirements	Examples
Competitive Panel	<ul style="list-style-type: none"> Where pricing HAS NOT been established Quotations must be obtained from members on this panel type 	<p>Procurements \$3,001 - \$30,000:</p> <ul style="list-style-type: none"> Obtain one quote from relevant panel member <p>Procurements \$30,001 - \$250,000:</p> <ul style="list-style-type: none"> Obtain three quotes from relevant panel members <p>Procurements > \$250,000:</p> <ul style="list-style-type: none"> Tender / proposal must be sent to all panel members Tenders / proposals may be solicited from a sub-set of panel members where approval has been granted by the Manager Procurement and Logistics and justified in the Procurement Plan. 	<ul style="list-style-type: none"> Trenching and Underboring Overhead Line Construction
Schedule of Rates	<ul style="list-style-type: none"> Where a schedule of rates has been established Price will depend on the time / resources required to carry out work 	<ul style="list-style-type: none"> Refer to schedule of rates and select relevant supplier Approach supplier to determine time / resources to carry out work Assess value for money Follow Procure to Pay process (Section 9 of this manual) 	<ul style="list-style-type: none"> Design
Non Competitive	<ul style="list-style-type: none"> Where supplier panels have been established based on the skilled resources they can supply 	<p>Procurements \$3,001 - \$30,000:</p> <ul style="list-style-type: none"> Obtain one quote from relevant panel member <p>Procurements \$30,001 - \$250,000:</p> <ul style="list-style-type: none"> Obtain three quotes from relevant panel members <p>Procurements > \$250,000:</p> <ul style="list-style-type: none"> Tender / proposal must be sent to all panel members Tenders / proposals may be solicited from a sub-set of panel members where approval has been granted by the Manager Procurement and Logistics and justified in the Procurement Plan. 	<ul style="list-style-type: none"> Legal Auditors Probity

Appendix 4: Insurance Requirements (Procurements Below \$2.5 million)

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Services	Surveying Services	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$2m	2 \$5m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
		4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements
		5 Contract Required	5 Professional Services	5 Professional Services	5 Professional Services
	Environmental Services	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$2m	2 \$5m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
	Network Design Services	4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements
5 Contract Required		5 Professional Services	5 Professional Services	5 Professional Services	
1 Public Liability		1 \$20m	1 \$20m	1 \$50m	
	2 Professional Indemnity	2 \$5m	2 \$5m	2 \$20m	
	3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m	
	4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	
	5 Contract Required	5 Professional Services	5 Professional Services	5 Professional Services	

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Services	Construction Design Services, Substation Design Services	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$5m	2 \$5m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
		4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements
		5 Contract Required	5 Professional Services	5 Professional Services	5 Professional Services
	Project Management Services	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$2m	2 \$5m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
	"Office Based" Consultancy, Minor Consultancy, Demand Management Services	4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements
5 Contract Required		5 Professional Services	5 Professional Services	5 Professional Services	
1 Public Liability		1 \$10m	1 \$20m	1 \$50m	
2 Professional Indemnity	2 \$2m	2 \$5m	2 \$20m		
3 Motor Vehicle Third Party Property	3 N/A	3 N/A	3 \$30m		
4 Workers Compensation	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements	4 In accordance with applicable statutory requirements		
5 Contract Required	5 Professional Services	5 Professional Services	5 Professional Services		

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Supply of Goods	Design & Supply: Distribution Transformers, 11Kv Switchboards	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$5m	2 \$5m	2 \$20m
		3 Products Liability	3 \$20m	3 \$20m	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements – required where contract includes installation	5 In accordance with specific project requirements – required where contract includes installation	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with application statutory requirements	6 In accordance with application statutory requirements	6 In accordance with application statutory requirements
		7 Contract Required	7 Supply Contract	7 Supply Contract	7 Supply Contract
	Supply Only: Distribution Transformers, 11Kv Switchboards	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Products Liability	2 \$10m	2 \$20m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
		4 Contract Works	4 In accordance with specific project requirements – required where contract includes installation	4 In accordance with specific project requirements – required where contract includes installation	4 In accordance with specific project requirements
		5 Workers Compensation	5 In accordance with applicable statutory requirements	5 In accordance with applicable statutory requirements	5 In accordance with applicable statutory requirements
	6 Contract Required	6 Supply Contract	6 Supply Contract	6 Supply Contract	

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Supply of Goods	Plant & Equipment	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Products Liability	2 \$10m	2 \$20m	2 \$20m
		3 Motor Vehicle Third Party Property	3 \$20m	3 \$20m	3 \$30m
		4 Contract Works	4 In accordance with specific project requirements – required where contract includes installation	4 In accordance with specific project requirements – required where contract includes installation	4 In accordance with specific project requirements
		5 Workers Compensation	5 In accordance with application statutory requirements	5 In accordance with application statutory requirements	5 In accordance with application statutory requirements
		6 Contract Required	6 Supply Contract	6 Supply Contract	6 Supply Contract
	Tools – “Off the shelf items”	1 Public Liability	1 N/A	1 N/A	1 \$50m
		2 Products Liability	2 \$10m	2 \$20m	2 \$50m
		3 Professional Indemnity	3 N/A	3 N/A	3 \$20m
		4 Contract Required	4 Supply Contract	4 Supply Contract	4 Supply Contract

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Construction	Underboring, Trenching and Associated Civil Works Construction Only	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 N/A	2 N/A	2 \$20m
		3 Products Liability	3 N/A	3 N/A	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements	5 In accordance with specific project requirements	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements
		7 Contract Required	7 Construction Contract	7 Construction Contract	7 Construction Contract
	OH Line Construction Construction Only	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 N/A	2 N/A	2 \$20m
		3 Products Liability	3 N/A	3 N/A	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements	5 In accordance with specific project requirements	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements
		7 Contract Required	7 Construction Contract	7 Construction Contract	7 Construction Contract

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Construction	Zone Sub Construction Construction Only	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 N/A	2 N/A	2 \$20m
		3 Products Liability	3 N/A	3 N/A	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements	5 In accordance with specific project requirements	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements
		7 Contract Required	7 Construction Contract	7 Construction Contract	7 Construction Contract
	Design and Construct	1 Public Liability	1 \$20m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 \$5m	2 \$5m	2 \$20m
		3 Products Liability	3 N/A	3 N/A	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements	5 In accordance with specific project requirements	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements
		7 Contract Required	7 Construction Contract	7 Construction Contract	7 Construction Contract

Procurement Type	Service Type and Risk	Requirements	Procurement Risk Rating		
			Low	Medium	High
Construction	Minor Construction Works	1 Public Liability	1 \$10m	1 \$20m	1 \$50m
		2 Professional Indemnity	2 N/A	2 N/A	2 \$20m
		3 Products Liability	3 N/A	3 N/A	3 \$50m
		4 Motor Vehicle Third Party Property	4 \$20m	4 \$20m	4 \$30m
		5 Contract Works	5 In accordance with specific project requirements	5 In accordance with specific project requirements	5 In accordance with specific project requirements
		6 Workers Compensation	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements	6 In accordance with applicable statutory requirements
		7 Contract Required	7 Construction Contract	7 Construction Contract	7 Construction Contract

Operational Procedure: Legislative Register

CEOP4304.11

Before you begin ...

- 1** Check that this printed document is the most recent version before you use it
 - The online version of this document is the current version.
- 2** Do not unlawfully disclose any restricted information in this document
 - To see how the law applies to you:
 - [Employee](#): Read your contract of employment with Essential Energy
 - [Contractor](#): Read your contract of engagement with Essential Energy
 - Sub-contractor: Read your contract with the contractor engaged by us
 - Accredited Service Providers: comply with Essential Energy policies, state acts and regulations.

COMMERCIAL-IN-CONFIDENCE

CEOP4304.11

Summary

This policy facilitates the review of policies, procedures, workplace instructions and work practices in view of the legislative requirements applicable to the Company's operations.

Contacts

Position	Phone number
General Counsel	(02) 9249 3139

COMMERCIAL-IN-CONFIDENCE

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COMMERCIAL-IN-CONFIDENCE**1 INTRODUCTION****1.1 Context**

The Company is required to comply with state and federal legislation applicable to its operations. The Legislative Register is not meant to be an exhaustive list of all the Company's legal obligations arising under legislation, regulations, rules, industry codes, ministerial directions or departmental memoranda. The scope of this procedure is the provision, maintenance and review of a Legislative Register. This procedure applies to all employees.

1.2 Purpose Statement

To facilitate the review of policies, procedures, workplace instructions and work practices in view of the legislative requirements applicable to the Company's operations.

1.3 References

CEOP0002 Board Policy - Governance
Annexure A – Legislative Register
Code of Conduct
www.comlaw.gov.au
www.legislation.nsw.gov.au

1.4 Definitions**Compliance and Policy Manager**

The employee holding the position of Compliance and Policy Manager in the Finance & Compliance Division.

Divisional Governance, Risk & Compliance Representative

The representative nominated by the Executive Leadership Team member that co-ordinates compliance related initiatives and reporting within each division.

Executive Leadership Team

Chief Operating Officer, General Manager Health, Safety & Environment, General Manager People & Services, Chief Engineer, General Manager Network Development, General Manager Network Operations, General Manager Finance & Compliance and General Manager Information, Communication & Technology.

Legislative Register

A register of legislation, as set out in Annexure A.

Relevant Manager(s)

The position holder as listed in the Legislative Register.

Review date

The review date displayed in the footer on the cover page of the document is the future date for review of a document. The default period is three years from the date of approval however a review may be mandated at any time where a need is identified due to changes in legislation, organisational changes, restructures, occurrence of an incident or changes in technology or work practice.

COMMERCIAL-IN-CONFIDENCE**2 ACTIONS**

The introduction of any repealed or new legislation that affect the Company's operations should be identified by the Relevant Managers responsible for the operations or functions that are impacted by the change.

2.1 Notification of legislation

Information about any repealed or new legislation must be provided to the relevant Divisional Governance, Risk & Compliance Representative by the Relevant Manager(s) as soon as possible after it becomes known. This information must contain those details needed to amend all the relevant parts of the Legislative Register.

The relevant Divisional Governance, Risk & Compliance Representative must notify the General Counsel, in writing, of the proposed amendment to the Legislative Register. Within 30 days of receiving this proposal the General Counsel will either confirm with the Divisional Compliance Representative that the amendment will be made to the Legislative Register or provide reasons explaining why the Legislative Register does not require amendment.

Upon receiving this confirmation from the General Counsel, the Divisional Governance, Risk & Compliance Representative will notify all of the Relevant Managers of the amendment to be made to the Legislative Register.

2.2 Review of legislative register

During May each year, the Compliance & Policy Manager will distribute the Legislative Register to the Divisional Governance, Risk & Compliance Representatives for review within the respective divisions. Each Divisional Governance, Risk & Compliance Representative must either confirm the accuracy and completeness of the Legislative Register (as it relates to their division) or propose amendment(s) to the Legislative Register before the end of June each year.

The Compliance & Policy Manager will collate all the responses received from the Divisional Governance, Risk & Compliance Representatives and deliver these details to the General Counsel before the end of July each year.

The General Counsel will review (and amend where necessary) the Legislative Register, and submit the Legislative Register to the Chief Operating Officer for approval, before the end of September each year. The amended Legislative Register will be submitted to the Executive Leadership team immediately following that approval.

2.3 Identifying and responding to legislative changes

Each Relevant Manager will maintain an awareness of changes in legislation by various means including:

- subscribing to legislative updating services and legal journals;
- registering with the Parliamentary Counsel's Office (NSW) to receive bulletins about legislative changes;
- enrolling to receive updates about legal developments from relevant government departments, regulators, industry groups and legal firms;
- maintaining membership of relevant industry working groups; and

COMMERCIAL-IN-CONFIDENCE

- registering as a member under the Company's corporate membership of the Australasian Compliance Institute.

After becoming aware of a change in legislation the Relevant Manager must co-ordinate a review of the nature and extent of the change. After the review, the Relevant Manager will assess what action should be taken (including the amendment to any existing policies, procedures and workplace instructions) to address the change. The Relevant Manager will consider obtaining legal advice in circumstances where it is appropriate.

In consultation with Divisional Governance, Risk & Compliance Representative and the Relevant Manager, the General Counsel will arrange for the provision of legal update bulletins and awareness sessions on areas of the law identified as being both high risk and where there is a need to enhance the legal knowledge of employees.

The General Counsel will, through the annual report process, inform the Board of Directors of changes in legislation affecting the Company.

3 AUTHORITIES AND RESPONSIBILITIES

Chief Executive Officer has the authority and responsibility for approving this procedure.

General Manager Finance & Compliance has the authority and responsibility for allocating adequate resources to maintain compliance with this procedure.

Compliance and Policy Manager has the authority and responsibility for:

- distributing, during May each year, the Legislative Register to the Divisional Governance, Risk & Compliance Representatives for review within the respective divisions; and
- collating, before the end of July each year, the responses (either confirming the accuracy and completeness of the Legislative Register or proposing amendments to it) received from the Divisional Governance, Risk & Compliance Representatives and delivering these details to the General Counsel.

Divisional Governance, Risk & Compliance Representatives have the authority and responsibility for:

- notifying the General Counsel, in writing, of any proposed amendment to the Legislative Register;
- communicating with the Relevant Manager(s) with respect to any change to the Legislative Register; and
- confirming to the Compliance and Policy Manager, before the end of June each year, the accuracy and completeness of the Legislative Register (as it relates to their division) or proposing amendment(s) to the Legislative Register.

Executive Leadership Team has the authority and responsibility for:

- allocating adequate resources, within their division, to achieve compliance with this procedure; and
- nominating Divisional Governance, Risk & Compliance Representatives.

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General Counsel has the authority and responsibility for:

- facilitating the provision of advice on the content of the Legislative Register;
- arranging for the provision of legal update bulletins and awareness sessions;
- informing, on an annual basis, the Board of Directors of changes in legislation affecting the Company and
- reviewing (and amending where necessary), before the end of September each year, the Legislative Register.

Relevant Manager(s) have the authority and responsibility for:

- providing information about any repealed or new legislation to the relevant Divisional Governance, Risk & Compliance Representative;
- maintaining an awareness of changes in legislation and assessing whether any changes to policy and procedure are necessary as a result; and
- amending/implementing policies and procedures as required to facilitate compliance with any new or amended legislation.

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Note:

1. With the exception of some a small number of network assets situated in Queensland, the Company's business operations are substantially within the State of NSW.
2. This register only contains principal legislation (and not any regulations made under an Act).
3. This register is not an exhaustive list of all legislation that may impact on the Company's operations.

#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
1.	BR 1 Safety	Electricity (Consumer Safety) Act 2004 (NSW)	NSW Fair Trading	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
2.	BR 1 Safety	Electricity Safety Act 2002 (Qld)	Qld Department of Energy and Water Supply	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
3.	BR 1 Safety	Marine Safety Act 1998 (NSW)	Roads & Maritime NSW	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
4.	BR 1 Safety	Rail Safety National Law (NSW) and the Rail Safety (Adoption of National Law) Act 2012	Independent Transport Safety Regulator as the branch office of the Office of the National Rail Safety Regulator	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
5.	BR 1 Safety	Work Health and Safety Act 2011 (NSW)	WorkCover Authority of NSW	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements Manager Health and Injury Management Manager Safety and Environmental Services	Manager HSE Management Systems and Reporting

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Approved By: Acting Chief Operating Officer

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
6.	BR 1 Safety	Work Health and Safety Act 2011 (Qld)	WorkCover Queensland	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements Manager Health and Injury Management Manager Safety and Environmental Services	Manager HSE Management Systems and Reporting
7.	BR 1 Safety	Workers' Compensation Act 1987 (NSW)	WorkCover Authority of NSW	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Health and Injury Management Manager HSE Management Systems and Reporting Manager Safety and Environmental Services	Manager Health and Injury Management
8.	BR 1 Safety	Workers' Compensation (Dust Diseases) Act 1942 (NSW)	Dust Diseases Board	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Health and Injury Management Manager HSE Management Systems and Reporting Manager Safety and Environmental Services	Manager Health and Injury Management
9.	BR 1 Safety	Workplace Injury Management and Workers Compensation Act 1998 (NSW)	WorkCover Authority of NSW	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Health and Injury Management Manager HSE management Systems and Reporting Manager Safety and Environmental Services	Manager Health and Injury Management

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
10.	BR 2 Network	Access to Neighbouring Land Act 2000 (NSW)	Department of Finance & Services	General Manager Network Operations	Governance & Risk Manager	Manager Network Connections/ Network Property Manager	
11.	BR 2 Network	Apprenticeship and Traineeship Act 2001 (NSW)	Board of Vocational Education and Training	General Manager, People Services and	Manager Corporate Programs	Manager Technical Training	
12.	BR 2 Network	Building and Construction Industry Long Service Payments Act 1986 (NSW)(imposes a levy on building work)	NSW Procurement	General Manager Network Development	Governance & Risk Manager	Program Directors	
13.	BR2 Network	Building and Construction Industry Long Service Levy	Long Service Commission NSW	General Manager Network Development	Governance & Risk Manager	Program Directors	
14.	BR2 Network	Competition and Consumer Act 2010 (Cth) (Management of network assets - Responsibility for the processes around access to electricity infrastructure, the transport of electricity and the review of regulatory decisions concerning the electricity distribution network and the liability for defects in the supply of electricity under Part 3-5 of Schedule 2).	Australian Competition and Consumer Commission	Chief Engineer	Governance & Risk Manager	Manager Network Operations/Manager Asset and Network Planning	
15.	BR 2 Network	Electricity Act 1994 (Qld)	Qld Department of Energy and Water Supply	Chief Engineer	Governance & Risk Manager	Manager Secondary Systems	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
16.	BR 2 Network	Electricity Industry Act 2000 (Vic) (Responsibility for compliance with metering services obligations)	Department of Primary Industries (VIC)	Chief Engineer	Governance & Risk Manager	Manager Secondary Systems	
17.	BR 2 Network	Electricity Supply Act 1995 (NSW) (Responsibility for compliance with obligations imposed on distribution network service providers and metering providers)	IPART (NSW)	Chief Engineer	Governance & Risk Manager	Manager Secondary Systems	
18.	BR 2 Network	Environmental Planning & Assessment Act 1979 (NSW)	Department of Trade & Investment Regional Infrastructure & Services	General Manager Network Development	Governance & Risk Manager	Manager HSE Management Systems and Reporting/Manager Safety and Environmental Services/Manager Design	
19.	BR 2 Network	Environmental Protection Act 1994 (Qld)	Department of Environment and Heritage Protection	General Manager Network Development	Governance & Risk Manager	Manager HSE Management Systems and Reporting/Manager Safety and Environmental Services/Manager Design	
20.	BR 2 Network	Essential Services Act 1988 (NSW)	Department of Premier & Cabinet	General Manager Network Operations	Governance & Risk Manager	General Manager Network Development/Regional Managers/ Manager Strategic Asset Management/Manager System Operations	
21.	BR 2 Network	Fair Trading Act 1987 (NSW) (in relation to electrical contractors)	NSW Fair Trading	General Manager Network Operations	Governance & Risk Manager	Manager Network Engineering/Manager Network Connections/Manger Network Connections	
22.	BR 2 Network	Government Telecommunications Act 1991 (NSW)	NSW Government Telecommunications Authority (TELCO)	Chief Engineer	Governance & Risk Manager	General Manager Information, Communication & Technology/Manager Secondary Systems/Manager Telecommunications	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
23.	BR 2 Network t	Home Building Act 1989 (NSW) (regulates 'residential building work' and 'specialist work' which includes electrical wiring work)	NSW Fair Trading	Chief Engineer	Governance & Risk Manager	Manager HSE Management Systems and Reporting/Manager Safety and Environmental Services/Manager Design/Manager Network Connections/ Network Property Manager	
24.	BR 2 Network	Independent Contractors Act 2006 (Cth)	Department of Innovation, Industry, Science & Research	General Manager Network Operations	Governance & Risk Manager	General Manager Network Development/Manager Employee Relations/ Manager Strategic Procurement Operations & Business & Process /Manager Strategic Procurement Category Lead/ Strategic Business Analyst	Governance & Risk Manager
25.	BR 2 Network	Land and Environment Court Act 1979 (NSW) (<i>esp part 3, Jurisdiction of the Court and Class 3 relating to land tenure, rating and compensation matters</i>)	Department of Attorney General & Justice	General Manager, People Services and	Governance & Risk Manager	Manager HSE Management Systems and Reporting/Manager Safety and Environmental Services/Manager Design/Manager Network Connections/ Network Property Manager	
26.	BR 2 Network	National Energy Retail Law (Adoption) Act 2012	Department of Trade & Investment Regional Infrastructure & Services	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	
27.	BR 2 Network	National Measurement Act 1960 (Cth)	Department of Innovation, Industry, Science and Research	General Manager Network Operations	Governance & Risk Manager	Manager Metering Information	Manager Metering Information

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
28.	BR 2 Network	National Vocational Education and Training Regulator Act 2011 (Cth)	Board of Vocational Education and Training	General Manager People and Services	Manager Corporate Programs	Manager Technical Training	
29.	BR 2 Network	Radiocommunications Act 1992 (Cth) <i>(obligation to license any radiocommunications device)</i>	Australian Communications and Media Authority	Chief Engineer	Governance & Risk Manager	Manager Secondary Systems/Manager Network Connections/ Network Property Manager	
30.	BR 2 Network	Roads Act 1993 (NSW)	Roads & Maritime NSW	General Manager Network Operations	Governance & Risk Manager	Manager Network Connections/ Network Property Manager	
31.	BR 2 Network	Rural Fires Act 1997 (NSW)	NSW Rural Fire Service	General Manager Network Operations	Governance & Risk Manager	Chief Engineer/Manager System Operations/Manager Network Engineering Manager HSE Management Systems and Reporting Manager Safety and Environmental Services	
32.	BR 2 Network	State Emergency and Rescue Management Act 1989 (NSW)	Department of Attorney General & Justice	General Manager Network Operations	Governance & Risk Manager	Manager System Operations	
33.	BR 2 Network	Telecommunications (Interception and Access) Act 1979 (Cth)	Department of Attorney General & Justice	Chief Engineer	Governance & Risk Manager	General Manager Information, Communication & Technology/ Manager Secondary Systems/Manager Telecommunications	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
34.	BR 2 Network	Telecommunications Act 1997 (Cth)	Department of Broadband, Communications and the Digital Economy	Chief Engineer	Governance & Risk Manager	General Manager Information, Communication & Technology/ Manager Secondary Systems/Manager Telecommunications	
35.	BR 2 Network	Utilities Act 2000 (ACT) (Responsibility for compliance with metering services obligations)	Justice and Community Safety Directorate	General Manager Network Operations	Governance & Risk Manager	Manager Metering Information	
36.	BR 2 Network	Water Act 1912 (NSW)	Department of Primary Industries (Office of Water)	General Manager Network Operations	Governance & Risk Manager	Manager Secondary Systems/Regional Manager Far West and Water Operations/Manager HSE Management Systems and Reporting/Manager Safety and Environmental Services	Regional Manager Far West and Water Operations
37.	BR 2 Network	Western Lands Act 1901 (NSW)	Department of Trade and Investment (Crown Lands)	General Manager Network Operations	Governance & Risk Manager	Regional General Manager Far West/Manager Secondary Systems	
38.	BR 3 Financial	A New Tax System (Goods and Services Tax) Act 1999 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
39.	BR 3 Financial	Bankruptcy Act 1966 (Cth)	Department of Attorney General & Justice Insolvency and Trustee Service Australia	General Manager People & Services	Manager Corporate Programs	Network Credit	
40.	BR 3 Financial	Corporations Act 2001 (Cth) (In relation to Part 5.4 winding up in insolvency provisions)	ASIC	General Manager People & Services	Manager Corporate Programs	Network Credit	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
41.	BR 3 Financial	Duties Act 1997 (NSW)	Office of State Revenue	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Taxation Compliance Manager	
42.	BR 3 Financial	Energy and Utilities Administration Act 1987 (NSW)	Department of Resources and Energy	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Network Regulation	
43.	BR 3 Finance	Energy Services Corporations Act 1995 (NSW) (Responsibility for financial operations - Part 3, section 15 in Part 4, clause 4 in Schedule 2, all of Schedule 3 and all of Schedule 5).	Department of Trade & Investment Regional Infrastructure & Services	General Manager Finance & Compliance	Compliance and Policy Manager	Financial Controller/ Financial Policy and Reporting Manager	Financial Controller
44.	BR 3 Financial	Fringe Benefits Tax Act 1986 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Taxation Compliance Manager
45.	BR 3 Financial	Fringe Benefits Tax Assessment Act 1986 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
46.	BR 3 Financial	Fuel Tax Act 2006 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
47.	BR 3 Financial	Income Tax Act 1986 (Cth)	The Treasury Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
48.	BR 3 Financial	Income Tax Assessment Act 1936 (Cth) & Income Tax Assessment Act 1997 (Cth)	The Treasury Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
49.	BR 3 Financial	Independent Pricing and Regulatory Tribunal Act 1992 (NSW)	IPART	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Network Regulation	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
50.	BR 3 Financial	Insurance Act 1973 (Cth)	Treasury	General Manager Finance & Compliance	Compliance and Policy Manager	Insurance Manager	
51.	BR 3 Financial	Insurance Contracts Act 1984 (Cth)	Treasury	General Manager Finance & Compliance	Compliance and Policy Manager	Insurance Manager	
52.	BR 3 Finance	Land Acquisition (Just Terms Compensation) Act 1991 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Manager Strategic Asset Management/Network Property Manager/General Manager Finance & Compliance/ Property Portfolio Manager	
53.	BR 3 Finance	Land Tax Act 1956 (NSW)	Office of State Revenue	General Manager People & Services	Manager Corporate Programs	Manager Property Services/Property Portfolio Manager	
54.	BR 3 Finance	Land Tax Management Act 1956 (NSW)	Office of State Revenue	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Property Portfolio Manager	
55.	BR 3 Financial	National Electricity (New South Wales) Act 1997 (NSW)	Department of Resources and Energy	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Network Regulation	
56.	BR 3 Financial	Payroll Tax Act 2007 (NSW)	Office of State Revenue	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Tax Compliance Manager	Taxation Manager/Tax Compliance Manager
57.	BR 3 Financial	Personal Property Securities Act 2009 (Cth)	Australian Financial Security Authority	General Manager Finance & Compliance	Compliance and Policy Manager	Financial Controller	
58.	BR 3 Financial	Public Authorities (Financial Arrangements) Act 1987 (NSW)	The Treasury Audit Office	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Commercial & Decision Support/Treasury Manager	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
59.	BR 3 Financial	Public Finance and Audit Act 1983 (NSW)	The Treasury Audit Office	General Manager Finance & Compliance	Compliance and Policy Manager	Financial Controller/Financial Reporting Manager	Financial Controller
60.	BR 3 Finance	State Owned Corporations Act 1989 (NSW) (Responsibility for financial operations - except Part 3 Divisions 1, 2 & 3 but including sections 20S-20V and except Schedules 5-10).	Department of Premier & Cabinet	General Manager Finance & Compliance	Compliance and Policy Manager	Financial Controller/Financial Policy and Reporting Manager	Financial Controller
61.	BR 3 Financial	Superannuation Contributions Tax (Assessment and Collection) Act 1997 (Cth)	The Treasury Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Payroll Manager/Manager Financial Transactions and Services	
62.	BR 3 Financial	Superannuation Contributions Tax Imposition Act 1997 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Payroll Manager/Manager Financial Transactions and Services	
63.	BR 3 Financial	Superannuation Guarantee (Administration) Act 1992 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Payroll Manager/Manager Financial Transactions and Services	
64.	BR 3 Financial	Superannuation Guarantee Charge Act 1992 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Payroll Manager/Manager Financial Transactions and Services	
65.	BR 3 Financial	Superannuation Industry (Supervision) Act 1993 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Payroll Manager/Manager Financial Transactions and Services	
66.	BR 3 Financial	Taxation Administration Act 1953 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Taxation Compliance Manager	
67.	BR 3 Financial	Taxation Administration Act 1996 (NSW)	Office of State Revenue	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Taxation Compliance Manager	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
68.	BR 3 Financial	Termination Payments Tax (Assessment and Collection) Act 1997 (Cth)	Australian Taxation Office	General Manager Finance & Compliance	Compliance and Policy Manager	Taxation Manager/Taxation Compliance Manager	
69.	BR 4 Compliance	Competition and Consumer Act 2010 (Cth) (Procurement of goods & services from suppliers - Responsibility for the processes around Part IV and Part 2-2 of Schedule 2 and Part V - including complying with prohibitions against price fixing, boycotts, resale price maintenance, third line forcing, market sharing, collusion and refraining from anti-competitive arrangements and obligations to act fairly towards suppliers with respect to purchasing and to avoid misleading or deceptive conduct and unconscionable conduct).	Australian Competition and Consumer Commission	General Manager People & Services	Manager Corporate Programs	Manager Strategic Procurement	
70.	BR 4 Compliance	Energy Services Corporations Act 1995 (NSW) (Responsibility for governance - Part 4 but excepting section 15 and Schedule 2 but excepting clause 4).	Department of Trade & Investment Regional Infrastructure & Services	General Manager Finance & Compliance	Manager Corporate Programs	Manager, Governance Risk and Compliance/Manager Corporate Affairs	
71.	BR 4 Compliance	Government Information (Public Access) Act 2009 (NSW)	Office of the Information & Privacy Commission	General Manager Finance and Compliance	Compliance and Policy Manager	Manager Strategic Procurement/ Manager Governance & Compliance/Assistant Company Secretary/Compliance Manager/ Manager Corporate & Government Affairs	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
72.	BR 4 Compliance	Health Records and Information Privacy Act 2002 (NSW) (To the extent of collecting, holding or using health information)	Ministry of Health	General Manager People & Services	Manager Corporate Programs	Manager Customer Operations Manager Health and Injury Management	
73.	BR 4 Compliance	Independent Commission Against Corruption Act 1988 (NSW)	Independent Commission Against Corruption.	Chief Operating Officer	Head of Audit	Head of Audit	Head of Audit
74.	BR 4 Compliance	Ombudsman Act 1974 (NSW)	NSW Ombudsman's Office	General Manager People & Services	Manager Corporate Programs	Manager CIC/ Manager Customer Operations/Group Manager Customer Relations/Manager Revenue Services/Network Credit Manager/Credit Services Manager	
75.	BR 4 Compliance	Privacy Act 1988 (Cth) (The processes for maintaining privacy in relation to customer records)	Department of Attorney General and Justice	General Manager People & Services	Manager Corporate Programs	Manager CIC/ Manager Customer Operations /Network Credit Manager/Credit Services Manager	
76.	BR 4 Compliance	Privacy Act 1988 (Cth) (The processes for maintaining privacy in relation to employee records - for example personal contact details and tax file numbers).	Information and Privacy Commissioner	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	
77.	BR 4 Compliance	Public Interest Disclosures Act 1994 (NSW)	NSW Ombudsman's Office	General Manager People & Services	Manager Corporate Programs	Head of Audit/ Manager Employee Relations/Manager Strategic Procurement Business & Process/ Manager Risk, Insurance & Compliance/Manager Governance & Compliance/Ethics Programs & Support Manager	Head of Audit

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
78.	BR 4 Compliance	Smoke-free Environment Act 2000 (NSW)	Ministry of Health	General Manager People & Services	Manager Corporate Programs	Health and Well Being Manager	
79.	BR 4 Compliance	Security Industry Act 1997 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Property Services/Security Manager	
80.	BR 4 Compliance	Surveillance Devices Act 2007 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Security Manager	
81.	BR 4 Compliance	State Owned Corporations Act 1989 (NSW) (Responsibility for governance - Only Part 3 Divisions 1, 2 & 3 but excepting sections 20S-20V and only Schedules 5-10).	Department of Premier & Cabinet	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Governance Risk and Compliance	
82.	BR 4 Compliance	State Records Act 1998 (NSW)	State Records Authority	General Manager Finance & Compliance	Compliance and Policy Manager	Manager Governance Risk and Compliance	
83.	BR 4 Compliance	Workplace Surveillance Act 2005 (NSW) (Compliance with computer surveillance obligations)	Department of Attorney General & Justice	General Manager Information, Communication & Technology	Manager IT Contracts & Commercial	Information Security Manager	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
84.	BR 4 Compliance	Workplace Surveillance Act 2005 (NSW) (Compliance with obligations relating to camera surveillance and tracking surveillance)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Property Services/ Security Manager	
85.	BR 5 Reputation	Annual Reports (Statutory Bodies) Act 1984 (NSW)	The Treasury	General Manager People & Services	Manager Corporate Programs	Manager Corporate Affairs	Government Relations Manager
86.	BR 5 Reputation	Community Relations Commission and Principles of Multiculturalism Act 2000 (NSW)	Department of Premier & Cabinet	General Manager People & Services	Manager Corporate Programs	Manager Corporate Affairs/Manager HR Strategy/Manager Employee Relations/Manager Strategic Planning/Manager Customer Service	Government Relations Manager
87.	BR 5 Reputation	Crimes Act 1900 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations/Head of Audit/Security Manager	
88.	BR 5 Reputation	Defamation Act 2005 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Corporate Affairs/Manager HR Strategy/Manager Employee Relations/Manager Strategic Planning/Manager Customer Service	
89.	BR 6 Environment	Aboriginal Land Rights Act 1983 (NSW)	Department of Primary Industries	General Manager People & Services	Manager Corporate Programs	Manager Strategic Asset Management/Network Property Manager /Property Portfolio Manager	
90.	BR 6 Environment	Building Energy Efficiency Disclosure Act 2010 (Cth)	The Department of Climate Change and Energy Efficiency	General Manager People & Services	Manager Corporate Programs	Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
91.	BR 6 Environment	Community Land Development Act 1989 (NSW)	Department of Trade & Investment Regional Infrastructure & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Manager Strategic Asset Management/Network Property Manager/ Property Portfolio Manager	
92.	BR 6 Environment	Community Land Management Act 1989 (NSW)	Department of Trade & Investment Regional Infrastructure & Services	General Manager People & Services	Manager Corporate Programs	Manager Property Services/ Property Portfolio Manager	
93.	BR 6 Environment	Contaminated Land Management Act 1997 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
94.	BR 6 Environment	Conveyancing Act 1919 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
95.	BR 6 Environment	Crown Lands Act 1989 (NSW)	Department of Trade & Investment Regional Infrastructure & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
96.	BR 6 Environment	Dangerous Goods (Road and Rail Transport) Act 2008	Environment Protection Authority	General Manager Health, Safety & Environment	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
97.	BR 6 Environment	Dividing Fences Act 1991	Department of Trade & Investment Regional Infrastructure & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
98.	BR 6 Environment	Encroachment of Buildings Act 1922 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
99.	BR 6 Environment	Environment Protection and Biodiversity Conservation Act 1999 (Cth)	The Department of Sustainability, Environment, Water, Population and Communities	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
100.	BR 6 Environment	Environmentally Hazardous Chemicals Act 1985 (NSW)	Office of Environment and Heritage	General Manager Healthy, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
101.	BR 6 Environment	Fisheries Management Act 1994 (NSW)	Department of Primary Industries	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
102.	BR 6 Environment	Forestry Act 2012 (NSW)	Environment Protection Authority	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
103.	BR 6 Environment	Heritage Act 1977 (NSW)	Heritage Branch – Office of environment and Heritage	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services/Manager Safety and Environmental Services	
104.	BR 6 Environment	Local Government Act 1993 (NSW)	Department of Planning & Infrastructure	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
105.	BR 6 Environment	Mine Subsidence Compensation Act 1961 (NSW)	NSW Trade and Investment, Division of Resources and Energy	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
106.	BR 6 Environment	National Environment Protection Council (New South Wales) Act 1995 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services	Manager HSE Management Systems and Reporting

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
107.	BR 6 Environment	National Environment Protection Council Act 1994 (Cth)	The Department of Sustainability, Environment, Water, Population and Communities	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
108.	BR 6 Environment	National Environment Protection Measures (Implementation) Act 1998 (Cth)	The Department of Sustainability, Environment, Water, Population and Communities	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Management Systems and Reporting Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
109.	BR 6 Environment	National Greenhouse and Energy Reporting Act 2007 (Cth)	The Department of Climate Change and Energy Efficiency	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Corporate Environment/ Environmental & Regulatory Manager	
110.	BR 6 Environment	National Parks and Wildlife Act 1974 (NSW)	Office of Environment and Heritage	General Manager Healthy, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Corporate Environment/ Environmental & Regulatory Manager	
111.	BR 6 Environment	Native Title Act 1993 (Cth)	Commonwealth Attorney-General	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
112.	BR 6 Environment	Native Title (New South Wales) Act 1994 (NSW)	Department of Primary Industries	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
113.	BR 6 Environment	Native Vegetation Act 2003 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager Corporate Environment/ Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management	
114.	BR 6 Environment	Vegetation Management Act 1999 (Qld)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager Corporate Environment/ Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management	
115.	BR 6 Environment	Natural Resources Commission Act 2003 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager Environment, Sustainability and Strategy	
116.	BR 6 Environment	Noxious Weeds Act 1993 (NSW)	Department of Primary Industries	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements General Manager Network Development/ Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
117.	BR 6 Environment	Ozone Protection Act 1989 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Corporate Environment/ Manager Strategic Asset Management Manager Safety and Environmental Services	
118.	BR 6 Environment	Pesticides Act 1999 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements Manager Environment, Sustainability and Strategy	
119.	BR 6 Environment	Plant Diseases Act 1924 (NSW)	Department of Primary Industries	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Corporate Environment/ General Manager Network Development/ Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management Manager Safety and Environmental Services Manager HSE Assurance and Improvements	
120.	BR 6 Environment	Property, Stock and Business Agents Act 2002 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
121.	BR 6 Environment	Protection of the Environment Administration Act 1991 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Environment, Sustainability and Strategy Manager Safety and Environmental Services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
122.	BR 6 Environment	Protection of the Environment Operations Act 1997 (NSW)	Office of Environment and Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Environment, Sustainability and Strategy Manager Safety and Environmental Services Manager HSE Assurance and Improvements	Manager HSE Management Systems and Reporting
123.	BR 6 Environment	Radiation Control Act 1990 (NSW)	Environment Protection Authority (Office of Environment and Heritage)	General Manager Healthy, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Corporate Environment/ Manager Safety and Environmental Services	
124.	BR 6 Environment	Real Property Act 1900 (NSW)	Land and Property Information	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
125.	BR 6 Environment	Property Law Act 1900 (Qld)	Department of Natural Resources and Mines	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
126.	BR 6 Environment	Renewable Energy (Electricity) Act 2000 (Cth)	Office of the Renewable Energy Regulator	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Environment, Sustainability and Strategy Manager Safety and Environmental Services	
127.	BR 6 Environment	Retail Leases Act 1994 (NSW)	Office of the NSW Small Business Commissioner	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
128.	BR 6 Environment	Road Transport Act 2013 (NSW)	Roads & Maritime NSW	General Manager People & Services	Manager Corporate Programs	Manager Property and Fleet	
129.	BR 6 Environment	Soil Conservation Act 1938 (NSW)	Office of Environment & Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Environment, Sustainability and Strategy Manager Safety and Environmental Services	
130.	BR 6 Environment	Strata Scheme (Freehold Development Act) 1973 (NSW)	NSW Fair Trading	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
131.	BR 6 Environment	Strata Scheme (Leasehold Development Act) 1986 (NSW)	NSW Fair Trading	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
132.	BR 6 Environment	Strata Scheme Management Act 1996 (NSW)	NSW Fair Trading	General Manager People & Services	Manager Corporate Programs	General Manager Network Operations/Property Portfolio Manager/Manager Network Connections/Network Property Manager/Manager Property Services	
133.	BR 6 Environment	Threatened Species Conservation Act 1995 (NSW)	Office of Environment & Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements Manager Corporate Environment/ General Manager Network Development/Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management	
134.	BR 6 Environment	Nature Conversation Act 1992	Department of Environment and Heritage Protection	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements Manager Corporate Environment/ General Manager Network Development/Program Director Maintenance/Vegetation Control Manager	
135.	BR 6 Environment	Valuation of Land Act 1916 (NSW)	Land and Property Information	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Property Portfolio Manager	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
136.	BR 6 Environment	Valuers Act 2003 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Property Portfolio Manager	
137.	BR 6 Environment	Land Act 1994 (Qld)	Department of Natural Resources and Mines	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Property Portfolio Manager	
138.	BR 6 Environment	Land Title Act 1994 (Qld)	Department of Natural Resources and Mines	General Manager People & Services	Manager Corporate Programs	Manager Property Services /Property Portfolio Manager	
139.	BR 6 Environment	Waste Avoidance and Resource Recovery Act 2001 (NSW)	Office of Environment & Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements General Manager Network Development/Regional Managers/ Manager Corporate Environment/Manager Strategic Asset Management	
140.	BR 6 Environment	Water Management Act 2000 (NSW)	NSW Office of Water	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements Manager Environment, Sustainability and Strategy	Manager HSE Management Systems and Reporting

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
141.	BR 6 Environment	Wilderness Act 1987 (NSW)	Office of Environment & Heritage	General Manager Health, Safety & Environment	Manager HSE Management Systems and Reporting	Manager Safety and Environmental Services Manager HSE Assurance and Improvements Manager Corporate Environment/ General Manager Network Development/ Program Director Maintenance/Vegetation Control Manager/Manager Strategic Asset Management	
142.	BR 7 People	Age Discrimination Act 2004 (Cth)	Australian Human Rights Commission	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
143.	BR 7 People	Annual Holidays Act 1944 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	
144.	BR 7 People	Anti-Discrimination Act 1977 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
145.	BR 7 People	Australian Human Rights Commission Act 1986 (Cth)	Australian Human Rights Commission	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
146.	BR 7 People	Australian Jobs Act 2013 (Cth)	Department of Industry	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
147.	BR 7 People	Criminal Records Act 1991 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	
148.	BR 7 People	Disability Discrimination Act 1992 (Cth)	Australian Human Rights Commission	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
149.	BR 7 People	Employees Liability Act 1991 (NSW)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
150.	BR 7 People	Employment Protection Act 1982 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
151.	BR 7 People	Equal Opportunity for Women in the Workplace Act 1999 (Cth)	Department of Families, Housing, Community Services and Indigenous Affairs	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
152.	BR 7 People	Fair Work Act 2009 (Cth)	Fair Work Australia	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager Employee Relations
153.	BR 7 People	Government Sector Employment Act 2013 (NSW)	Public Service Commission	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations/Manager HR Operations	
154.	BR 7 People	Industrial Relations (Child Employment) Act 2006 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
155.	BR 7 People	Industrial Relations Act 1996 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
156.	BR 7 People	Jury Act 1977 (NSW) (Only as to section 69 - Employer taking prejudicial action against an employee for being a juror)	Attorney General (NSW)	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	
157.	BR 7 People	Long Service Leave Act 1955 (NSW)	Department of Finance & Services	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	

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#	Related Business Risk Category	Title of Legislation	Government Department/External Authority	Compliance Owner	Divisional Compliance Representative	Relevant Manager(s)	Non Compliance Reporting with External Authorities
158.	BR 7 People	Paid Parental Leave Act 2010 (Cth)	The Department of Families, Housing, Community Services and Indigenous Affairs	General Manager People & Services	Manager Corporate Programs	Manager Employee Relations	Manager Employee Relations
159.	BR 7 People	Racial Discrimination Act 1975 (Cth)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
160.	BR 7 People	Sex Discrimination Act 1984 (Cth)	Department of Attorney General & Justice	General Manager People & Services	Manager Corporate Programs	Manager HR Operations	Manager HR Operations
161.	BR 9 ICT	Electronic Transactions Act 1999 (Cth)	Department of Attorney General & Justice	General Manager Information, Communication & Technology	Manager IT Commercial & Contracts	Information Security Manager	
162.	BR 9 ICT	Electronic Transactions Act 2000 (NSW)	Department of Attorney General & Justice	General Manager Information, Communication & Technology	Manager IT Commercial & Contracts	Information Security Manager	
163.	BR 9 ICT	Evidence Act 1995 (NSW) (Only as to the potential documentation of electronic communications that may be required by a Court in the course of determining a claim)	Department of Attorney General & Justice	General Manager Information, Communication & Technology	Manager IT Commercial & Contracts	Information Security Manager	

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CEOP4304.11

4 DOCUMENT CONTROL

Content Coordinator: General Counsel

5 REVISIONS

Issue Number	Section	Details of Changes in this Revision
2	Annexure A	A number of Legislation's added and removed from all sections.