

Judgment 7 of 1978

IN THE PRIVY COUNCIL

No. 36 of 1974

7/78

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O N A P P E A L  
FROM THE FULL COURT OF THE SUPREME COURT OF SOUTH AUSTRALIA

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B E T W E E N :-

AUSTRALIAN MUTUAL PROVIDENT  
SOCIETY

Appellant

- and -

PETER THOMAS ALLAN and  
LANCELOT JOHN CHAPLIN

Respondents

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RECORD OF PROCEEDINGS

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KNOX & HARGRAVE,  
32 Grenfell Street,  
ADELAIDE, S.A. 5000  
Solicitors for the Appellant

G.C. PRIOR,  
33 Franklin Street,  
ADELAIDE, S.A. 5000  
Crown Solicitor and Solicitor  
for the Respondent Peter  
Thomas Allan

REILLY, AHERN & KERIN,  
153 Flinders Street,  
ADELAIDE, S.A. 5000  
Solicitors for the Respondent  
Lancelot John Chaplin

IN THE PRIVY COUNCILNo. 36 of 1974ON APPEALFROM THE FULL COURT OF THE SUPREME COURTOF SOUTH AUSTRALIA

B E T W E E N :

AUSTRALIAN MUTUAL PROVIDENT  
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7	Advice of Australian currency equivalent of pound Sterling	29th August 1977
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SUMMONS DATED THE 22ND DAY OF  
DECEMBER, 1976.

No. 1  
Summons

22nd  
December,  
1976

Amended pursuant to leave  
granted by His Honour Judge  
Allan 19/4/77  
(Signed) C. Johnston  
Solicitor for the Applicant

SOUTH AUSTRALIA

IN THE INDUSTRIAL COURT  
OF SOUTH AUSTRALIA

1976 No. 187

10 In the matter of a claim pursuant  
to Section 12 (1) of the Long  
Service Leave Act 1967-1972.

Between LANCELOT JOHN CHAPLIN

of 3 Sabina Street, Salisbury 5108 Applicant

and AUSTRALIAN MUTUAL PROVIDENT SOCIETY

of King William Street, Adelaide 5000 Respondent

To the abovenamed respondent:

YOU ARE HEREBY SUMMONED to answer the applicant's claim, of  
which particulars are set out hereunder.

20 If you admit the claim you should forthwith pay the amount  
thereof to the applicant or his solicitor or agent and need  
thereupon take no further action. If you dispute the whole  
or any part of the claim you must:-

- (1) attend either personally or by solicitor or agent  
before the Industrial Court of South Australia, 4th  
Floor, I.M.F.C. House, 33 King William Street,  
Adelaide, at 10.00 o'clock in the Fore noon on the  
Twenty First day of February, 1976;

and

30 (2) file an answer thereto in duplicate in the office of  
the Court at the said address not less than three  
clear days prior to the lastmentioned date.

IF YOU DO NOT ATTEND AND FILE AN ANSWER AN ORDER MAY BE MADE  
AGAINST YOU IN YOUR ABSENCE WITHOUT FURTHER NOTICE.

Note: Either party may at his or its own cost be represented  
by a solicitor or agent.

Dated at Adelaide this 22nd day of December, 1976.

(Signed) R.H. Holland  
Deputy Industrial Registrar

No. 1  
Summons  
22nd  
December,  
1976  
(continued)

PARTICULARS OF CLAIM

\$3266.58

The applicant claims the sum of ~~\$2859.23~~ - which is payable pursuant to:-

The Long Service Act 1967-1972

The grounds upon which the said sum is claimed are:-

The applicant was employed by the respondent pursuant to a single contract of continuous service from 8th May 1967 to 23rd April 1975.

The sum claimed is computed as follows:-

10

(initials)	<del>7.98-weeks-@-\$403.85=-</del> -\$2859.23
C.J.	8.333 weeks @ \$392.00 = \$3266.58

REILLY AHERN & KERIN

Per: (Signed) C. Johnston

Applicant/Solicitor/Agent for the Applicant  
whose address for service is:-  
153 Flinders Street, Adelaide 5000

ANSWER DATED THE 16TH DAY OF FEBRUARY,  
1977.

No. 2  
Answer

16th  
February,  
1976

ANSWER BY RESPONDENT

1. The respondent to the claim in the above matter wholly denies liability to the applicant.
2. The respondent denies that the applicant was employed by the respondent pursuant to a single contract of continuous service from 8th May 1967 to 23rd May 1975 as alleged in the Particulars of Claim or at all.
3. The respondent says that at all material times the applicant was an independent contractor and not an  
10 employee of the respondent.
4. Further or in the alternative the respondent denies that the applicant was, at any material time, a "worker" employed by it within the meaning of that expression in the Long Service Leave Act 1967-1972.
5. The respondent says that this Honourable Court has no jurisdiction to hear and determine the applicant's claim on the ground that at all material times the applicant was not a "worker".

DATED this 16th day of February, 1977.

20

KNOX & HARGRAVE

per: (Signed) D.C. Kennelly  
Solicitors for the Respondent  
whose address for service is  
32 Grenfell Street, Adelaide.

To: The Industrial Registrar.  
And To: The abovenamed Applicant.  
And To: Messrs. Reilly Ahern & Kerin,  
153 Flinders Street, Adelaide.  
Solicitors for the Applicant.

TRANSCRIPT OF EVIDENCE TAKEN BEFORE HIS HONOUR  
JUDGE ALLAN IN THE INDUSTRIAL COURT OF SOUTH  
AUSTRALIA.

Industrial  
Court  
Applicant's  
Evidence  
No. 3 A

Chaplin -  
Examination

LANCELOT JOHN CHAPLIN, (SWORN)  
3 Sabina Street,  
Salisbury  
Land Salesman

XN BY MR. McRAE:

Q. Mr. Chaplin, I think you were born on 23rd August 1934?

A. Yes, that's correct.

Q. I think you attended primary school and then three years  
of secondary school?

10

A. Yes, that's correct.

Q. I think that on leaving school, apart from a short term  
job, you commenced service with the South Australian Railways  
in April 1950?

A. Yes, that's right.

Q. I think that you reached the position of a Class 4 officer  
with the Railways?

A. Yes.

Q. And in that employment you studied and achieved your Town  
Clerk Certificate?

20

A. Yes, that's correct.

Q. You're the applicant in these proceedings?

A. Yes.

Q. I wonder if you could tell the Court how it was that you  
became involved in the insurance field?

A. I was having a friendly discussion with a friend of mine  
one day who was an insurance rep. and he was saying how well  
he was getting on and I had a friend in A.M.P. and so I gave  
this friend of mine a ring.

Q. At about what time was that. About when did that happen? 30

5.

A. From memory, I believe it would be late '66 or early '67.

Q. Who did you talk to at the A.M.P.?

A. The supervisor I spoke to was Mr. Archdall.

Q. As a result of those discussions, did you then do something.

Sorry, as a result of those discussions did you make an application?

A. Yes, I did.

Q. Application for what?

A. To be a representative of the A.M.P.

10 Q. What did you understand that that representative would do?  
What would be the nature of his work?

A. To sell life insurance business for the A.M.P.

Q. This application that you made, was it in writing?

A. Yes, I made an application in writing.

Q. How did you do that. Was there a form or did you write a letter or what happened?

A. I believe it was a form I filled out.

Q. In relation to that application did you have an interview?

A. Yes, I had several interviews.

20 Q. Who were they with?

A. They were with Mr. Archdall except for the last one which was, I believe, with the sales manager of the day.

MR. McRAE: I call for the records of interview.

XN: Q. Looking at the documents now produced to you, do you recognise those sheets?

A. I believe these to be - from what I was told and what I was given and what I was led to believe these'd be correct.

MR. McRAE: I seek to tender that group of sheets. Perhaps if it could be marked as a record of interview.

30H.H.: Any objection?

MR. MATHESON: No.

XN: Q. Following the application that you made and these interviews was there anything else that happened. Was there anything else that you were asked to do in relation to your application?

A. I was asked to have a medical.

Q. Did you do that?

A. Yes, I did.

Q. Was that satisfactory?

10

A. Yes, basically satisfactory. There was one slight query but that was soon cleared up after two or three weeks.

Q. After that delay what then happened?

A. I received a phone call to say that I had been accepted but not to tender my resignation until I received the letter in writing from the A.M.P. to the effect that I had been accepted.

Q. In April 1967 do you recall receiving a letter from the Society indicating that your application had been accepted subject to certain matters?

20

A. Yes.

Q. Have you got the original of that letter in your possession?

A. I may have it in my pocket.

Q. If you look at the letter dated the 18 April 1967, does that appear to be a copy of a letter which you received from the society?

A. Yes, it does.

MR. McRAE: I seek to tender that.

H.H.: Any objection, Mr. Matheson?

MR. MATHESON: No, sir.

30

7.

XN: Q. In that letter reference is made to a booklet, Benefits and Conditions of Appointments as an AMP Representative, and did you, in fact, receive such a booklet?

A. Yes, I did.

Q. Looking at the document now produced marked 'Benefits and Conditions of Appointments as an AMP Representative' as at the 8 May 1967, does that appear to be a copy of what you received?

A. Yes, it is.

10 MR. McRAE: I seek to tender that.

H.H.: Any objection, Mr. Matheson?

MR. MATHESON: No, sir.

DOCUMENT CALLED 'BENEFITS AND CONDITIONS OF APPOINTMENTS AS AN AMP REPRESENTATIVE' TENDERED BY MR. McRAE. ADMITTED AND MARKED EXHIBIT A.3.

XN: Q. In the letter of 18 April, reference is made to a full-time initial training course commencing on the 8 May 1967, did you, in fact, attend that training course?

A. Yes, I did.

20 Q. Were there others present with you?

A. Yes, there were.

Q. About how many others?

A. I believe there were three others.

Q. Who conducted the school, who was in charge of it?

A. Various supervisors came in at various times to conduct the school.

Q. What were the subject matters on which you received instructions?

30 A. Various types of life insurance, what they meant and how to calculate premiums.

Q. During that training course, was reference made to this booklet 'Benefits and Conditions of Appointment'?

A. I can't remember exactly, but I'm sure it would have been.

Q. Was anything said about the question of whether you were being appointed as an independant contractor or an employee?

A. It was strongly emphasised that the position was not that of master and servant.

Q. I think, sorry, following the school, what happened then, did you commence work?

A. Yes, we commenced work and then we had virtually a weekly school for a couple of hours every Monday morning after that for some months.

10

Q. What were you referred to originally after the school when you commenced your work?

A. Consulting Representative.

Q. Did you understand yourself to be under some form of probation?

A. Yes.

Q. What did you understand that to be?

A. We had to prove ourselves to write so much business within a reasonable time.

Q. Were you referred to or were the category of person to whom you belonged referred to in a way different to other representatives, was there some distinguishing name that you had?

20

A. No, we were still called representatives, whether we had passed our probation period or not.

Q. In fact, I think, that you did complete a satisfactory probation period?

A. That's correct.

Q. During that probation period what was the method of payment, how were you paid?

30



A. I was paid in what they termed an advance, once every fortnight.

Q. What did that amount to, can you remember?

A. It would be in the vicinity of somewhere around \$90, or \$100 per week, including other allowances, sorry, \$90 a fortnight.

Q. How did you understand or on what basis did you understand that that money was being paid?

A. It was basically an advance against our expected earnings.

10 Q. Then I think some six months later you received a letter from the society dated the 29 November 1967 and looking at the letter dated the 29 November 1967, is that the letter that you received from the society?

A. Yes, it is.

MR. McRAE: I seek to tender that, sir.

MR. MATHESON: No objection.

LETTER DATED 29 NOVEMBER 1967 TENDERED BY  
MR. McRAE. ADMITTED AND MARKED EXHIBIT A.4.

20 XN: Q. When your confirmation as a representative had been received, what happened to the advances?

A. They ceased.

Q. What method of payment was then used?

A. We were only paid once a month and that was on completions of the business we had put into the society in the preceding month.

Q. The document which is marked A.3. 'Benefits and Conditions of Appointment as an AMP Representative', was that an important document in the carrying out of your work?

A. Yes, I believe it would have been.

30 Q. Was it something, for instance, that you would refer to, or standard information about your position?

No. 3A

A. I don't think that I would refer to it that often.

Chaplin -  
Examination

Q. On completing your probation and being confirmed was there any, firstly, on completing that probation, what fields of insurance were you involved in, what sorts of insurance did you sell?

A. The sort of insurance I sold wasn't any different, except that we had greater access to more people than to persons confirmed.

Q. I'm sorry, I hadn't established actually what you were selling during your probation, what types of insurance were you selling?

10

A. All types of life assurance that were available to the society.

Q. Any sort of insurance apart from life assurance?

A. Fire and general insurance.

Q. Are you saying then that these sales of life insurance and also fire and general insurance continue after the completion of your probation?

A. Yes, they did.

Q. In the period of time that you were with the society, was there some reasonably stable ratio of the volume of sales of life assurance as compared to fire and all other forms of insurance?

20

A. No, I believe in the early period I did not write much fire and general insurance, mainly concentrated on the life field, as I became more experienced my fire register built up.

Q. What would you say to the court, then, in relation to any financial year, what was the highest percentage of fire and general insurance that you sold during your years of engagement with the company?

A. I don't think the fire register as compared to the life 30

11.

insurance register would have exceeded something like eight per cent, roughly.

Chaplin -  
Examination

Q. On completing your probation were there any rules which governed the geographical area in which you could sell insurance?

A. Geographic rules were established right from the very start that we could not go beyond a certain territory, whether we were confirmed or not. We were metropolitan representatives.

Q. I think, in fact, a map was issued to you. Looking at  
10 the document now produced does that represent the geographic area in which you were permitted to sell?

A. Yes, that's correct.

Q. I seek to tender that?

H.H.: Yes.

DOCUMENT REPRESENTING GEOGRAPHIC AREA -  
SELLING AREA, TENDERED BY MR. McRAE.  
ADMITTED AND MARKED EXHIBIT A.5.

MR. McRAE: I'm sorry, in the midst of these documents I  
think we have made a slight error. It's my fault, the parties  
20 are agreed as to the course of events and if we just have a  
minute I think we can get in the rest of the documents on the  
contract.

H.H.: Yes.

MR. MATHESON: I understand that A.3 which has been tendered  
refers to section 6 and 7, is that right?

MR. McRAE: That's right.

MR. MATHESON: Now what do you - what are you wanting from us  
now?

MR. McRAE: The two letters and the amendments which applied  
30 later.

XN: Q. I think may be if we start with these. You've stated  
in evidence that you were firstly appointed on probation and

at that time you received a booklet that was entitled

'Benefits and Conditions of Appointment as an AMP Representa-  
tive', do you remember that?

A. Yes.

Q. Now looking at the letter now produced does that appear  
to be an acknowledgement signed by you of the receipt of parts  
one to four of that book?

A. Yes, it does.

Q. I seek to tender that?

H.H.: Any objection?

10

MR. MATHESON: No.

ACKNOWLEDGEMENT OF RECEIPT OF PARTS ONE TO FOUR  
OF BOOKLET ENTITLED BENEFITS AND CONDITIONS OF  
APPOINTMENT AS AN AMP REPRESENTATIVE TENDERED  
BY MR. McRAE. ADMITTED AND MARKED EXHIBIT A.6.

XN: Q. Subject to your appointment of an ordinary agent  
after probation did you then receive sections six and seven  
of the booklet that I have referred to?

A. I believe I did.

Q. And now looking at the letter now shown to you is that an 20  
acknowledgement that in fact you did receive sections six  
and seven?

A. Yes, it is.

Q. I seek to tender that?

H.H.: Yes.

LETTER OF ACKNOWLEDGEMENT OF RECEIPT OF SECTIONS  
SIX AND SEVEN TENDERED BY MR. McRAE. ADMITTED  
AND MARKED EXHIBIT A.7.

MR. McRAE: The situation is that following the creation of  
the contract and the way that it's been established from time 30  
to time there were amendments in the booklet document and I'm  
grateful to my learned friend for two documents which I now  
seek to tender. One is the booklet 'Benefits and Conditions

13.

of Appointment as an AMP Representative as Up-Dated from time to time'. That is to say this is the booklet as one would have read it the day before this man was dismissed and annexed to that is a ...

MR. MATHESON: Excuse me, that's not right. What you hold in your left hand only contains replacement sheets, sheets that weren't replaced are not in that bundle. That's only replacement sheets.

MR. McRAE: I'm sorry. In other words these are the replacement sheets. Annexed to it there is then a schedule of the amendments as between 8 May 1967 and 23 April 1975.

H.H.: Yes.

REPLACEMENT SHEETS AND SCHEDULE OF AMENDMENTS,  
TENDERED BY MR. McRAE. ADMITTED AND MARKED  
EXHIBIT A.8.

H.H.: Mr. McRae, the benefits and conditions booklet that you've tendered has a Section 8, is that supposed to be attached to it, or included in it?

MR. McRAE: No.

20 MR. MATHESON: Could we, by consent, delete that?

MR. McRAE: Yes, as far as I'm concerned.

XN: Q. Mr. Chaplin you explained that in respect of - sorry, you explained that there was a limitation - a geographical limitation on the area on which you could sell, that in fact was displayed by a map. Did that apply to all insurance or only some. What was the position?

A. The map was confined only to life insurance. I could go outside the boundary to sell fire and general insurance.

Q. Inside the geographical area where you could sell the life insurance, was there any other restriction on your ability to sell?

A. Yes.

No. 3A

Q. What was that?

Chaplin -  
Examination

A. We were not allowed to sign up employees of the Savings Bank of South Australia through the Group Scheme. We were not allowed to go into other Group Schemes that were held by other representatives of the A.M.P., although we could sign up these people if we had cause to, to see that - in their homes and so forth, or some other reason.

Q. What was the method by which you worked. Were you attached to the Society's main office, or to some other place?

A. From the very start I was attached to the Society's Adelaide office. 10

Q. That's the big building up here on North Terrace?

A. That's correct.

Q. Were there any other offices?

A. I was then transferred to North Adelaide sales centre and then later to Wingfield.

Q. Did you know how many metropolitan offices there were in addition to the main office here on North Terrace?

A. I believe there'd be five.

Q. How were those offices structured. What was the management position inside those offices? 20

A. They were all the same inasmuch as they had a supervisor, a secretary and various representatives were stationed there.

Q. What was the function of the supervisor?

A. It was his duty to see that the business was written, to keep an eye on how much business we were writing and how we were working, and have an occasional sales meeting.

Q. And the secretary, was that a stenographer?

A. Yes, that's correct.

Q. And then the representatives, they were, I presume, a number of people with positions similar to yours? 30

15.

Chaplin -  
Examination

A. Yes, that's correct.

Q. Or the same as yours, were they?

A. Yes, they'd be the same as mine.

Q. How many representatives did the supervisor control?

A. That would depend on the individual supervisor. The number varied greatly.

Q. Was it the position that there would be only one supervisor to an office, or more than one supervisor to an office?

A. There was only one supervisor to an office.

10 Q. Who was the last supervisor that you had?

A. Mr. Travers.

Q. Did you have a number of supervisors over the period of your engagement?

A. Yes I did. I believe I had five.

Q. What form did this relationship between the supervisor and the representative take. Could you explain to the court what exactly the supervisor did?

20 A. The supervisor would explain any new alterations in law, any new contracts that the Society brought forward. He would also conduct sales meetings periodically and keep a close check on how much business we were writing, where we were writing it, and the type of contracts that were being written.

Q. At the offices where you were stationed, did you have to supply the Society with any records of what you were doing?

A. Yes, we had to tell the stenographer each week of all the business we had written, and if we had not written any tell her that also.

30 Q. When you say tell her of the business that you had written, quite what does that mean, to what detail were you required to do that?

A. If, for example, we had a policy document or a proposal form as it is known on a person, then we would say that we'd written a guy, 38, who is a toolmaker, contract is \$10,000 basic with - it was 20,000 temporary and maybe disability benefits on it, if it is paid quarterly, half yearly or yearly or if it's paid through a group in the name of the group, and whether that proposal form's on a male or a female.

Q. Would you also give the name of the person seeking insurance?

A. Yes.

Q. Who indicated to you - you've told the court that you were 10 obliged to give these details to the stenographer, who told you that you were obliged to do that?

A. The supervisor.

Q. And these details were given weekly in relation to each of the proposals which you were making?

A. Yes.

Q. Could you explain to the court how you went about dealing with clients?

A. It depends on what sort of business you are intending to write or I believe what type of area you lived in or worked in 20 is the type of people you kept in contact with. The area I was in was mainly new homes, a shifting population and a lot of babies being born.

Q. What sort of life insurance did you sell most of, in the area where you worked?

A. Mostly children's policies and a small basic whole of life with as much temporary, and a reasonably good programme as the client put it forward.

Q. When you say that you sold insurance to the client - sorry, you say that you sold insurance to the client, you also 30 indicated to the court that there was a proposal form. How



17.

Chaplin -  
Examination

did that proposal form work. Were you in fact able to conclude insurance with the client, or did you act in bringing the proposal of business back to the Society?

A. The proposal form had to be filled out by myself or the client and then submitted to the Society to have it verified and see if they would accept it.

Q. You were not in a position to conclude any contract?

A. No, that's right.

Q. This was subject to the Society's approval?

10 A. That's right, that's correct.

Q. In conveying this proposal for insurance, was there any certain procedure that you followed, any standards of procedure which you followed?

A. Sometimes we made appointments.

Q. I'm sorry, I'm thinking more of - how did you see that the proposal forms reached the Society. What did you do?

A. They had to be delivered into our Wingfield office or wherever the representative may be, or they could be paid into the Adelaide office.

20 Q. When you use the word payment, what does that mean. You said 'paid into the Adelaide office', what does that mean?

A. The Society would not accept a proposal form unless there was a first payment with it, except in exceptional circumstances. I had to collect the first payment on that proposal form.

Q. So then in essence you're saying to the Court you would take the proposal form and a month's premium either to the Wingfield office or to the Adelaide office?

A. Yes that's correct, except that if the proposal was a  
30 yearly contract I would pick up the first year's premium.

Q. How would you collect the premium - cash, cheque or what

method?

A. Whatever suited the client, suited me or the Society -  
cash or cheque was quite okay.

Q. And to whom was the cheque drawn, you or the Society?

A. The Society.

Q. Was that an invariable thing?

A. It was always made out to the Society.

Q. Who told the client that that should be so, anybody?

A. I would tell them if they asked, but invariably I was  
never asked, they would just make it out to the Society. 10

Q. And for that purpose, did you have any form of accounting  
procedure?

A. The receipt books we carried were audited periodically.

Q. Who supplied you with the receipt books?

A. The Society.

Q. And whose name appeared on the receipt book?

A. As the signature, mine did.

Q. Who was the person - sorry, was there any name on the form  
of receipt itself?

A. The Society's name was on the receipt. 20

Q. Who conducted the audit?

A. That would be done by somebody in the office.

Q. What was the procedure, did you bring the books in or what  
did you do?

A. If I hadn't completed them in a certain time or we would  
be periodically subject to audit and they would be handed in  
to the office where we were working and sent into town from  
there.

Q. Superannuation policies, did you write any of those?

A. Yes I wrote various forms of superannuation. 30

19.

Chaplin -  
Examination

Q. What forms, what types of superannuation policies did you write?

A. There was three in particular. One was known as Self Employed Persons Superannuation. The other was a s.79 for Employed Persons and the other was Company Superannuation.

Q. One of those three forms is I think the group insurance to which you earlier referred. I think you made reference to group insurance earlier in your evidence?

10 A. Yes, with respect that is different to the three forms of superannuation. We could not write superannuation through a group.

Q. What happened in relation to group insurance?

A. We would be perhaps allotted a group to work or perhaps find our own groups to work but of course this was not done until we were confirmed.

Q. What about in respect of company superannuation, what occurred there?

A. If I was to go out on a company superannuation interview, the supervisor would insist that he would come with me.

20 Q. You referred to sales meetings conducted by the supervisor. How often did these meetings take place?

A. They varied somewhat. They could be once a week or they could be once a month.

Q. What was the longest period that separated these sales meetings?

A. Certainly no longer than a month.

Q. And what would be the average that separated them?

A. Two to three weeks.

Q. Was it obligatory that you attend these meetings?

A. Yes it was.

30 Q. And what happened at these meetings, what was done?

No. 3A

A. It would depend on what type of meeting it was. It might be an instructional meeting, it just might be a review of what was going on in the last fortnight and who was working and who wasn't.

Chaplin -  
Examination

Q. You personally referred to the category of instructional meeting. What sort of instructions were given?

A. A good example would be a section 79 employers superannuation. When I first joined the Society, they did not have this contract, but later brought it on the market and we would have a sales meeting and be instructed over the type of new 10 contract we were to issue.

Q. Then so far as the sales themselves were concerned, what happened there?

A. We could go out and get appointments and ...

Q. No, I'm sorry, at the sales meetings what was said or done concerning sales?

A. We were asked how we were going, what we had coming up. The supervisor had all the details of what we had done previously and for those who weren't going so well, he would ask how they were working, especially those who were going 20 well, how many phone calls or face to face calls or how we were working.

Q. Were you asked questions from time to time on what you were doing?

A. Yes.

Q. And what sort of questions would you be asked, or were you asked, what sort of questions were you asked?

A. Whether I was getting my sales from phone calls or face to face or if I'd had a bad week or two, what was I doing 30 wrong or was I just in a bad spell and not being able to write anybody up.

Q. Was there any sort of target to which you aspired?

A. I believe the Society had a minimum target in mind...

Q. I'm sorry, I don't think you ought to say. Was anything said to you by a sales manager concerning a target?

A. Yes.

Q. What was said?

A. We were expected to write, depending on each individual, so many thousand a year.

Q. Do you know how that figure was calculated?

10 A. No I don't know how it was calculated.

Q. In the internal structure of the Society, were the supervisors in turn responsible to other persons or another person?

A. The supervisors would be under the guidance of the sales manager who in turn I believe would be under the direction of the manager.

Q. And where was the sales manager located?

A. In the Adelaide office.

Q. Did you have any contact with that person?

20 A. Only on rare occasions.

Q. And when you did have contact with him what was the purpose, what brought it about?

A. There may be a complaint from another representative or a client.

Q. In the event of complaints by clients or other representatives, was that matter looked at by the sales manager, supervisor or both, what was the position?

A. They were looked at by both.

30 Q. In fact, did that happen from time to time in relation to you?

A. Yes.

Q. On how many occasions did it happen?

A. I don't remember off hand how many occasions there were.

Q. On the occasions when it did happen, what was the procedure adopted?

A. The procedure adopted was that if it was considered serious enough I would go in and see the sales manager. If it wasn't, then I wouldn't get that far.

Q. It would be dealt with by whom?

A. By the supervisor.

Q. Was there any provision as to the number of hours that you should work per day? 10

A. No.

Q. Or any provision as to a span of hours during the day?

A. No.

Q. Was there any provision for annual leave?

A. No.

Q. When you did in fact take a holiday, did you advise your office that you were doing so?

A. I did.

Q. And did you do that regularly? 20

A. I did.

Q. Was there a system in operation at the Society headquarters by which a representative was available on a regular basis?

A. Yes there was.

Q. And what was that system called?

A. It was called the 'Duty Agents Roster'.

Q. And what did that mean?

A. It meant that if a general enquiry came in from outside, that somebody was seeking new business and they didn't have anyone to contact, the call would be put through to the duty 30

agent and he would either answer their query or in most cases go out and see the people.

Q. And did you carry out that work?

A. I did.

Q. About how often?

A. In 1968, it was about once every six weeks but as more representatives joined the Society and we were in alphabetical order, the period got to about once in three months.

H.H.: Q. Just before you leave that Mr. McRae, who prepared  
10 the roster?

A. I believe it was done by the Sales Manager's secretary.

XN: Q. From time to time did the society send out certain circulars?

A. Yes they did.

Q. That is to the representatives?

A. Yes, that's right.

Q. What was the volume of circulars sent out in a given year, a small number, a large number?

A. A large number.

20 Q. What were the various subject matters with which these circulars were concerned. What sort of things did the circulars deal with?

A. Deal with different matters of the day, what was going on. Perhaps law changes coming up; there were various matters.

Q. Yes. Looking at a circular dated the 22nd June, 1972 do you recall that circular?

A. Yes I do.

MR. McRAE: I seek to tender that circular.

H.H.: Q. Any objections?

30 MR. MATHESON: A. No.

XN: Q. Also looking at the circular now produced dated the  
2nd April 1974, do you recall receiving that document?

A. Yes I do.

MR. McRAE: I seek to tender that.

MR. MATHESON: No objection.

CIRCULAR DATED 2nd APRIL 1974 TENDERED. ADMITTED  
AND MARKED EXHIBIT A.10.

MR. McRAE: I'm afraid I'm starting to reach the stage where,  
for all our good efforts at keeping this thing unconfused,  
I'm in some difficulty. I'm just wondering whether you'd be 10  
prepared to adjourn at this stage. The evidence is not all  
that much longer but I think I would like the opportunity of  
being a little clearer as to what's coming.

H.H.: Have you any objection to that course, Mr. Matheson?

MR. MATHESON: No objection.

ADJOURNED 12.34 P.M.

RESUMING 2.18 P.M.

XN: Q. In the course of your engagement with the society did  
you continue to carry out any other study, you refer to an 20  
initial period of training of two weeks, was there any other  
study which you carried out?

A. Yes, I remember going to a seminar on superannuation one  
weekend and also I studied for my diploma.

Q. What diploma was that?

A. It was the diploma for the life insurance field staff which  
consisted of about seven subjects.

Q. What organisation issued that diploma?

A. The Insurance Institute of Australia.

Q. How did one register for that diploma?

A. The society had application forms which we could fill out 30  
and send back to the society with our fees and we would later



be advised of our numbers and so forth and time and place of the exam.

A. And you did that, I take it, did you?

A. Yes, I did.

Q. And how many subjects were there in the diploma?

A. I think there were seven.

Q. And how many subjects did you in fact - or did you succeed in passing any subjects?

A. I passed two subjects.

10 Q. Apart from the representative in the structure of the organisation was there any other position apart from the staff of the society. In other words was a representative able to move to any higher position except with the staff of the society?

A. Yes, there was a position referred to by management as being a senior representative.

Q. And what did one have to do in order to gain that position?

A. I don't know precisely but I believe it ensued writing about 10 million dollars worth of insurance and passing your  
20 exams and being a fire chief of some degree or perhaps the rules would be changed slightly if you were there for 20 years and did some of those things.

Q. Now fire chief, what does that mean?

A. It means the person would have to write so many thousand dollars worth of fire commission in any one year.

Q. In the time that you were with the society was there a superannuation scheme available to representatives?

A. Yes, there was.

Q. And did you in fact join that superannuation scheme?

30 A. Yes, I did.

Q. How did you pay the money?

No. 3A

A. The money was taken out of my monthly pay cheque.

Chaplin -  
Examination

Q. On your authorization I take it?

A. Yes.

Q. Was it a scheme to which the society contributed?

A. Yes.

Q. I call for the superannuation deed between the society and representatives?

A. Which one?

Q. I don't know?

A. Well there are three of them, three discovered, so which one? 10

Q. Better take the whole three. Do you know the name of the scheme to which you were contributing?

A. I can't recall its exact name.

Q. Looking at the three documents now produced, one entitled 'AMP Ordinary Agents Retirement Benefits Plan Trust Deed and Rules', the next entitled 'AMP Ordinary Agents Retirement Benefit Plans Trust Deed and Rules as Amended on 11 February 1970', the third entitled 'AMP Ordinary Agents Retirement Benefits Plan Trust Deed and Rules as Amended on 11 February 1970', are you able to say whether you were a beneficiary under any and if so which of those deeds? 20

A. I couldn't say for sure which one it would be.

Q. You have never seen those deeds before?

A. No.

Q. By what means did you become a party to a superannuation scheme?

A. I believed that once my agency was confirmed I was invited to join the superannuation scheme.

Q. Was it, to your knowledge, a scheme in which the society contributed, or otherwise? 30

A. The society did contribute to it.

Q. How did you know that?

A. I believe they termed it by way of credits depending on how much business we wrote.

Q. Were you aware in turn of what that meant?

A. I believe as the time went on the superannuation scheme would grow bigger by the more business we wrote and also that if we basically wrote more business then the amount of contributions from us would increase also.

10 Q. As far as you are aware, without seeing the documents, it was a scheme by which both the society and yourself, as a representative, contributed?

A. Yes.

Q. On dismissal from the society did you in fact receive a payment from the superannuation scheme?

A. Yes.

Q. Do you recall what that was?

A. I believe the amount was somewhere in the vicinity of \$2,200.

20 Q. Do you recall the amount which you contributed in the period of time that you were a representative?

A. No I do not.

Q. In the time that you were a representative did you hold any agency for any other life insurance office?

A. No.

Q. Were you permitted to under the terms of your engagement?

A. No.

Q. Did any other representative of the A.M.P. that you knew hold any agency for any life office other than the A.M.P.?

30 A. No.

Q. You refer to work in the fire and general insurance field,

was that agency in your name or some other person's name?

Chaplin -  
Examination

A. Originally it was in my name but I transferred it to my wife's name at a later stage.

Q. Do you recall when that stage was?

A. Not offhand, at a guess 1971/1972.

Q. Relating that to your former evidence does that mean as from 1972 the whole of the work done in your own behalf was related to the life insurance field?

A. Almost the whole of it. The reason for the fire and general being done was that my wife would do a lot of office work concerning the fire and general business and that was the reason for transferring the register. I would still write up the clients when I came across them. 10

Q. When you made application (and I am referring Your Honour to Exhibit A.1, section 3) for employment - sorry, for engagement with the society do you recall being asked whether you would become a member of the Representatives Association?

A. Yes.

Q. Did you become a member of the Representatives Association?

A. Yes. 20

Q. What is the Representatives Association?

A. It's a body of A.M.P. representatives who try and keep a very close liaison with the office to iron out problems and have a better harmony.

Q. Do they have any industrial role? That is, are the Representatives Association concerned with the wages and conditions of employment of representatives?

A. Yes.

Q. In what way do they carry that role out?

A. Each State has a body of - as you've just described - and there is also a Federal President; and every so often the 30

respective presidents and secretaries get together and discuss ways and means of improving the conditions for the representatives. Examination

Q. And again, Exhibit A.1, section 3, Your Honour, at the time you were interviewed was literature issued to you in the form of a booklet called "A Career"?

A. I can remember a small booklet being given to me, I believe that was the wording of it, or very similar to it.

WITNESS SHOWN BOOKLET.

10 Q. Looking at the booklet now produced entitled "A Career with the A.M.P.", is that a booklet similar to the one produced to you?

A. Yes, it is.

MR. McRAE: I'd seek to tender that, sir.

H.H.: Any objection, Mr. Matheson?

MR. MATHESON: No.

BOOKLET ENTITLED "A CAREER WITH THE A.M.P."  
TENDERED BY MR. McRAE. ADMITTED AND MARKED  
EXHIBIT A.11.

20 XN: Q. Again referring to this question of the Fire and General Insurance, was the latter category available to you at all times during your engagement with the A.M.P.?

A. Yes.

Q. Of a representative of an A.M.P. Society company?

A. Yes.

Q. Were all representatives restricted to acting for the Society or a related organization in respect of fire and general insurance?

30 A. Yes, except that some of the longest standing reps. had ties with other fire and general offices before the A.M.P. Fire and General was established; and they were allowed to retain those Agencies.

Q. Whereas persons of not such long standing engagement were required to transact business only for the A.M.P., in relation to fire and general?

A. That's correct.

Q. You also have referred to the meetings that were held, which various propositions were made to you - or assistance given - were you required to carry out the various suggestions made or guidance that was given?

A. We were asked to do things in a certain manner particularly if we, for example, our attitude on the telephone was different, or it could be improved, we'd be asked to try something different.

Q. When you dealt with clients how did you describe yourself?

A. As a consulting representative of the A.M.P.

Q. Was that a title which you, yourself, decided on; or did the Society determine that?

A. The Society preferred we call ourselves a consulting representative as long as we did not call ourselves a consultant.

Q. In respect of ethics were you required to follow out the code of ethics established by the Society?

20

A. Yes.

Q. Did that relate specifically to relations with competing Institutions?

A. Yes.

Q. That, I think, from the booklet 'Benefits and Conditions of Appointment' referred to the way in which you should or should not compare the merits of the Society as against other organisations?

A. That's right.

Q. Were you set any sales targets?

30

A. Yes.

Q. How was that done?

A. The supervisor of the day would tell us what our target would be for the year but how that was actually calculated I don't know.

Q. Did you endeavour to keep to that target for the year?

A. Yes.

Q. On dismissal from the Society did you return all its property?

A. Yes.

Q. Could you tell me exactly what property you did return?

10 A. Proposal forms, receipt books, training manuals, policy holders cards and also policy holders cards that I prepared myself.

Q. Are you saying that some of the material that you've referred to was in fact prepared wholly by yourself as distinct from being issued by the Society?

A. Yes.

Q. Were you asked to return that property?

A. Yes.

Q. How was that done?

20 A. I delivered it to the Wingfield sales office.

Q. How were you asked, orally or by letter or what?

A. Orally.

Q. While you were employed by the Society did you place any advertisements for business?

A. Yes.

Q. How was that done?

A. The majority of the advertisements were placed in the local paper, there were some others in magazines but I had an ad. in the local paper for some years.

30 Q. Was that advertisement entirely of your own making or was it checked by the Society?

No. 3A

A. It was checked by the Society.

Chaplin -  
Examination,  
Cross  
Examination

Q. Did you understand that to be a general principle that the advertisement should be checked by the Society?

A. Yes.

Q. Right back at the very beginning when you were doing this training course of two weeks, did you receive a wage in that period?

A. Yes.

Q. What was that?

A. I believe it was about \$40.45 a week, but I believe we 10  
had to be there the whole fortnight to receive that.

Q. Was it your understanding that if you had not continued with the Society that you would have still retained that money?

A. Yes, that's correct.

Q. In the time that you were attached to the regional office, I think that Wingfield was the last one you were with was it?

A. That's correct.

Q. How often, on average, taking an average week, how often would you have been physically present in that office?

A. Two to three times a week. 20

NO FURTHER QUESTIONS.

XXN BY MR. MATHESON:

Q. When you first started as probationary representative of the A.M.P. Mr. Chaplin, I think you lived at Glen Osmond?

A. Yes, that's correct.

Q. When you left the A.M.P. I think you lived at Salisbury?

A. Yes, that's right.

Q. Can you remember when you moved from Glen Osmond to Salisbury?

A. Yes, it was the day before the Melbourne Cup in 1969. 30

Q. Throughout the whole of the time that you were at Salisbury



you conducted most of your business from an office in your own house, didn't you?

A. I don't know. You say 'conducted'. I made phone calls from the house. I very rarely had a client in there but most of the phone calls that I made on behalf of A.M.P. business was made from my own home.

Q. Did you have an office in your home that was your office?

A. Yes I did.

Q. Perhaps I should have said did you have a room in your own  
10 home that was your office?

A. Yes I did.

Q. And was that the same position at Glen Osmond, that you had a room in your home that was your office?

A. Yes that's correct.

Q. And during the time that you were at Glen Osmond, most of the business that you did for the A.M.P. certainly by telephone was done from your office at home?

A. Yes that's correct.

Q. During the period that you were with the A.M.P. as a  
20 representative, I think you had a total of three sub-agents at different times?

A. Yes, I can remember two off hand, there may have been three.

Q. Was Mr. J.W. Robertson appointed as sub-agent by you in about March 1970?

A. Yes that's correct.

Q. How long was he with you?

A. I don't know how long he was with me on paper, I know he never wrote very much business.

Q. Was a Mr. H.B. Gunther appointed as sub-agent by you on  
30 22 March 1971?

A. Yes that's correct.

Chaplin -  
Cross  
Examination

Q. Had Mr. Robertson left by that stage?

A. I think Mr. Robertson was still there at that stage.

Q. At some stage you did have two sub-agents, didn't you?

A. Yes, I have thought of the third one at this stage I believe.

Q. Was a Mr. I.M. Campbell appointed on 3rd April 1974?

A. That's right, yes.

Q. Just to be clear about this. Are you saying that Mr. Robertson and Mr. Gunther were working for you as sub-agents at the same time?

10

A. I suppose so, yes that would be so.

Q. For how long were they working for you together?

A. They weren't working together, they were each in their own individual rights.

Q. For how long were they working for you at the same time?

A. I cannot recall off hand. Mr. Gunther's agency was still in existency at my dismissal and I believe Mr. Robertson had handed in his rate books and so forth some year or perhaps two years before hand. I can't remember the period.

Q. Was Mr. Robertson still working for you as a sub-agent when Mr. Campbell was appointed?

20

A. I think not.

Q. It seems to amount to this, that after the appointment of Mr. Robertson - I beg your pardon. Yes, after the appointment of Mr. Robertson as a sub-agent in March 1970, you always had a sub-agent working for you?

A. Yes I believe that would be correct.

Q. And during a lot of the period since that date you had two sub-agents working for you?

A. No, I don't think so. Mr. Robertson may have been on the books but I don't think he hardly ever did very much work.

30

Q. He was - for a period here Mr. Gunther was working for you as sub-agent, for a longer period Mr. Gunther and Mr. Campbell were working for you at the same time as sub-agents?

Chaplin -  
Cross  
Examination

A. But Mr. Campbell would not have been there very long I don't think.

Q. He was appointed on 3rd April 1974?

A. Yes.

Q. So he was with you at least a year, wasn't he?

A. Yes.

10 Q. And you paid the sub-agents commission out of your own income?

A. Out of the business that they had written, I did.

Q. They didn't receive any commission or any other remuneration from the Society, did they?

A. No, that's right.

Q. Did you have any clerical help during the period that you were a representative of the A.M.P.?

A. Yes.

Q. What?

20 A. My wife did a lot of work in the office for me.

Q. Anyone else?

A. My sister-in-law did for a very short period at one stage I recall.

Q. What's her name?

A. Jane.

Q. What?

A. Her maiden name was Robinson, her married name is Mudge.

Q. And did you pay her?

A. Yes.

30 Q. When was that?

A. It was when she stayed at our place for a couple of days

some years ago.

Chaplin -  
Cross

Q. Can you be a bit more specific than that?

Examination

A. No I can't. It would have been when she was staying at our place for a couple of days, perhaps around 1972-1973 or some stage like that. It was quite a while ago and it was only for a two day period.

Q. Anyone else?

A. No I can't recall anybody else.

Q. According to the statements of your nett life agency income presented to the Society, you paid your wife Jill Chaplin 10 \$2,000 in the years ended 30th June, 1972 and 30th June 1973. Do you agree with that?

A. Yes.

Q. Was that the only period during which she was paid?

A. Yes I believe that's so.

Q. I suppose as far as commission paid to sub-agents and salaries paid to your wife and your sister-in-law, you claimed deductions for those things in your own income tax return?

A. All except what I gave my sister-in-law. That was virtually only pocket money. 20

Q. You claimed the commission that you paid the sub-agents and the salaries that you paid your wife as deductions in your respective returns, income tax returns?

A. Yes.

Q. Did you have any other clerical assistance besides what you've mentioned, stationery, anything of that sort, library?

A. I didn't have any other clerical assistance from what I can remember.

Q. Could - did you incur any expense for stationery during that period that you were with the A.M.P.? 30

A. Yes I did.

Q. Did you claim a deduction for that?

A. Yes.

Q. I supposed you'd claim all your telephone calls?

A. Yes.

Q. Telephone rental?

A. Yes.

Q. Something each year for entertainment?

A. Yes.

Q. Did you have your own library?

10 A. No.

Q. Throughout the whole period, you ran a car registered in your name?

A. Yes.

Q. I suppose you claimed car registration and insurance?

A. Yes.

Q. Petrol and oils?

A. Yes.

Q. Depreciation on your car?

A. When I was allowed to claim depreciation, I did.

20 Q. When weren't you allowed to claim it?

A. When I had the car under lease.

H.H.: Q. Did you claim the lease payments in those circumstances?

A. Yes.

XXN: Q. Did you do your own tax?

A. No I didn't.

Q. Who did?

A. Mr. Goldsworthy.

Q. Which Mr. Goldsworthy is that?

A. Mr. David Goldsworthy, Glynburn Road, Tranmere.

30 Q. I suppose he's got copies of your returns during the relevant period, has he?

A. Yes.

Chaplin -  
Cross  
Examination

Q. I suppose you'd use the Form "B" Business and Professional Return, wouldn't you?

A. Yes.

Q. I don't want to give you the impression that I'm a spy for the Income Tax Commission or anything of that sort which I'm certainly not, but are you prepared to make those available for inspection?

A. Yes.

Q. I suppose you're aware that the society has never paid 10 any of its representatives in Australia long service leave, to this date?

A. I believe so.

Q. Are you also aware that the society does not include representatives in its workmen's compensation cover?

A. Yes, I believe that.

Q. Are you also aware that the society permits, or accepts, some of the more successful representatives to incorporate?

A. Yes, I believe so.

Q. Indeed, I think, a member of your unit, Mr. Hepplewhite, 20 incorporated, didn't he?

A. I don't know exactly, but it wouldn't surprise me if he did.

Q. It is a fact, is it not that the income of a particular representative fluctuates substantially from year to year?

A. Yes, within reason, it could do that.

Q. Yours certainly did, didn't it?

A. It depends what you mean by fluctuate, it increased with experience, I don't believe it ever decreased a terrible amount.

Q. It certainly went backwards from between 1968 to 1969, 30 didn't it?

A. That was my second year, that's correct.

Q. What I'm putting to you is you made more in 1968 than you made in 1969?

A. Yes, that's a common practice.

Q. The income of representatives fluctuates widely amongst different representatives, doesn't it?

A. It could well do ...

Q. Some might earn, for instance, as much as \$200,000 and some as little as \$13,000?

10 A. Certainly as little as \$13,000, I don't know how high a representative's earnings could go.

Q. Just before I leave expenses, when you use the telephone at the A.M.P. head office, or at the branch office at North Adelaide or Wingfield, you would pay for your own calls, wouldn't you?

A. Yes.

Q. And also for your own stationery?

A. That I had printed myself I would pay for.

Q. You say, do you, that when you finished with the Society,  
20 your wife sold the fire and general insurance register, do you?

A. No, I sold it.

Q. I thought you said it was her business at that stage?

A. Yes, that was an oversight.

H.H.: Q. What was the oversight, the sale by you, or the fact that the register had been transferred?

A. The register had been transferred, yes, she was a party to the signing of the agreement and everything else in spoken words.

XXN: Q. She was a party to what agreement?

30 A. The two representatives from A.M.P. came to the house and we did the signing up there for what we'd agreed to sell the

register for.

Chaplin -  
Cross  
Examination

Q. Are you saying that she signed that agreement, are you?

A. No, she didn't sign it but she knew how much it was for and so forth.

Q. Looking at the copy agreement dated 16 May 1975, Mr. Chaplin, are you a Lancelot John Chaplin named therein?

A. Yes, I am.

MR. MATHESON: I tender that document.

H.H.: Any objection?

MR. McRAE: No objection.

10

COPY AGREEMENT DATED 16 MAY, 1975 TENDERED.  
ADMITTED AND MARKED EXHIBIT B.12.

XXN: Q. How was the consideration of \$1,750 fixed?

A. It was a round table discussion between two representatives and Mr. Travers and myself at Wingfield sales office one day.

Q. What you were purporting to do really, in lay terms, was to sell to those people named in that agreement your general insurance business?

A. Yes.

Q. Or, to put it more accurately on your evidence, your wife's general insurance business?

A. Yes.

Q. You said the Fire and General - perhaps we'd better retain the same language - the general insurance business was in your name but you later transferred it to your wife in 1971. That's what you said earlier today, didn't you?

A. Yes.

Q. That's not correct, is it?

A. Well, I believe it to be correct.

Q. Wasn't your wife Gillian Chapman, the original applicant for the agency?

30



41.

Chaplin -  
Cross  
Examination

A. No, I don't believe so.

Q. Would you look at the application, please?

A. I don't remember this. All I can say is that she was never given an agency. The agency was in my name until, as I said, it was transferred some time late ...

Q. Well, could it be that you thought it was in your name? Are you saying that you can't remember her signing that document?

A. I have no doubt that she signed it on about this time.

Q. What are you saying - that notwithstanding that she was  
10 the applicant, the business was transferred to you?

A. I am saying that this was never approved then; because all the cheques were made out to me until such time as the business was transferred to her.

Q. And was there some documentation at the time you say the business was transferred?

A. There may be some somewhere.

Q. Have you got any?

A. Not that I can recall.

Q. Was there any consideration for the transfer from you to  
20 your wife?

A. No.

Q. And do you say that any income that was received was included in your return up to the time of the transfer to your wife in 1971?

A. Yes.

Q. And thereafter it was included in your wife's return, was it?

A. Yes; well, it would be included by way of wages and so forth.

30 Q. I beg your pardon?

A. It's included by way of wages, salary for the office work

she did for the Fire & General.

Chaplin -  
Cross  
Examination

Q. All right, let's follow it up. So this is the position throughout the whole of the time that she worked for the - well, from 1967 to 1975 you included any income that you received from the Fire & General business as income in your return but in the years ended 30 June 1972 and 1973 you paid your wife \$2,000 not for clerical work she did but as some token for the fact that during those years she owned the business?

A. It was actually pay for the work that she did in the office.10

Q. Didn't she do any work before '72 in the office?

A. The Fire and General register wasn't big enough.

Q. What happened after 30th June 1973?

A. I would have thought that I would have still continued to pay her.

Q. This is something we can perhaps resolve when we see your copy of tax returns.

Q. I would think so.

MR. MATHESON: I tender that document.

H.H.: Any objection?

20

MR. McRAE: No.

APPLICATION TENDERED. ADMITTED AND MARKED  
EXHIBIT B.13.

XXN: Q. Did your wife lodge returns through the same - throughout this period, 67 to 75?

A. Not early in the years she didn't have any income. Later on she did lodge returns.

Q. From '72 on, did she?

A. Yes.

Q. Are they prepared by Mr. Goldsworthy too?

30

A. Yes.

Q. You'll have to get her permission, of course, but subject to her permission, would you bring copies of those returns also to Court if we resume again?

A. Yes.

Q. You said that you assess sales targets, don't you really mean that targets were fixed by agreement between you and the supervisor after you had some consultation with him?

A. Yes, that would be the final outcome.

10 Q. He would always listen to what you thought was a fair target, wouldn't he?

A. Yes.

Q. That was taken into account before a target was set?

A. Yes.

Q. There was a customer, if that's the right word, perhaps still is with the society that if a representative sold a thousand dollars worth of business in one year - I beg your pardon, a million dollars worth of business in one year, he got a blue ribbon award?

A. Yes.

20 Q. You, yourself, set yourself that target in at least two years, didn't you?

A. Yes.

Q. You're not suggesting in those years that target was set by your supervisor, are you?

A. I think after general discussions we could never come out and make an outrageously impossible target.

Q. In those two years you were, in fact, setting yourself a target higher than that suggested by your supervisor, weren't you?

A. I don't think so.

30 Q. Are you saying that the supervisor set a target of a million dollars in those areas?

No. 3A

A. I think it was with mutual discussion in some cases with a figure that we arrived at?

Chaplin -  
Cross

Examination

Q. You mentioned inserting advertisements in the paper yourself, is that typical of the advertisements that you'd insert?

A. In the local paper it is, yes.

MR. MATHESON: I tender that.

H.H.: Any objection?

MR. McRAE: No objection.

ADVERTISEMENT TENDERED. ADMITTED AND MARKED  
EXHIBIT B.14.

10

XXN: Q. You said that you would tell the stenographer at your unit office details of policies that you'd written. Wouldn't you in fact give her the proposal to get the necessary information from?

A. No, I'd read them off to her.

Q. You say you'd never given her the proposal?

A. I may have done on some occasions.

Q. You don't suggest that a requirement that the first premium payment should accompany the proposal, was invariable, do you?

20

A. It was invariable under exceptional circumstances.

Q. What about those cases where a medical examination is required?

A. We were still asked to try and get the first premium.

Q. You may have been asked to try and get the first premium Mr. Chaplin, but it wasn't obligatory was it?

A. We had to try first and then see what the client said.

Q. As far as superannuation prospects are concerned, you don't suggest that your supervisor would insist on going with you, do you?

30

A. For company superannuation, yes.

Q. Who do you say insisted on going with you, which supervisor?

A. Mr. Travers.

Q. Anyone else?

A. Mr. Farmer strongly suggested that he should go with me at one stage.

Q. Anyone else?

A. Yes, Mr. Bycroft wanted me to take him out to a place at one stage.

Q. One place?

10 A. Yes, considering the area I lived in I did very little company superannuation.

Q. Isn't this the position that it's not really correct to say that the supervisors insisted on going with you, but they encouraged you to take them with you, wouldn't that put it more accurately?

A. In the first two cases that could be correct, but in the latter case it is not.

Q. You mean ...

A. Mr. Travers.

20 Q. The case of the last supervisor?

A. Yes.

Q. As far as attendance at meetings is concerned, you said it was obligatory to attend meetings, but again that's not strictly correct is it. It was merely that you were encouraged to attend them?

A. I had already had my ear chewed by one supervisor because I told him I had made an appointment on a Monday morning and he had only given me three days notice for the meeting, and he told me that I should know that there was a meeting on on

30 Monday morning and I had to attend.

Q. What would have happened if you hadn't?

No. 3A

A. He'd have probably asked me where I was and what I was doing.

Chaplin -  
Cross

Examination

Q. There was no compulsion about it, was there, really?

A. I can remember ...

Q. The fact of the matter is that most representatives wanted to attend for educational reasons?

A. Not all the sales meetings were educational.

Q. Let me be clear about this. Are you saying that they were compulsory?

A. Yes.

10

Q. Who told you they were compulsory?

A. We were just told there was a sales meeting on and we were expected to be there.

Q. Who told you that they were compulsory?

A. The supervisor, whoever we had.

Q. Do you say that all five supervisors that you had told you that the meetings were compulsory, do you?

A. We were all told that we were expected to attend.

Q. Answer my question if you don't mind. Are you saying that all five supervisors that you had, at one time or another during your association with the A.M.P., said that they were compulsory?

20

A. No, they wouldn't say that word.

Q. They did encourage you to attend?

A. Yes.

Q. As far as your annual leave is concerned, you picked the time when you took your leave didn't you?

A. Yes.

Q. Since you left in 1975 you've continued to receive payments of deferred commission?

30

A. Yes.

Q. In fact you continued to receive them up until December last year didn't you?

A. That's correct.

Q. As far as this duty agents' roster is concerned, that wasn't compulsory was it?

A. No.

Q. Indeed a number of agents declined to be on the roster didn't they?

A. I don't know how many you'd call a number but I know two or  
10 three declined to be on it.

Q. In actual fact it was of great advantage to the agent to attend his duty roster wasn't it?

A. It depends on what sort of day it was, it could be.

Q. You had other part time occupations during this period didn't you?

A. Yes.

Q. What were they?

A. I worked on a racecourse on Saturday afternoon.

Q. Bookmaker's assistant?

20 A. Yes.

Q. I suppose that was metropolitan and in the country?

A. Metropolitan only.

Q. Several years now there've been race meetings during the week in the metropolitan haven't there?

A. Yes.

Q. You would assist at those?

A. No.

Q. Who did you work for?

A. In those days it would have been a Mr. Snell.

30 Q. Over what period?

A. I started with him in February 1965 and was with him until

No. 3A he handed in his licence.

Chaplin - Q. Which was when?

Cross A. That's hard to say, perhaps 4 years ago.

Examination

Q. '73, surely you must know roughly - were you still working for him when you finished up at the A.M.P.?

A. No Mr. Snell had handed in his licence because of heart problems I believe ...

Q. 1973?

A. I believe it was before then.

Q. Have you worked for any other bookmaker since then? 10

A. Yes, I think I had a 12 months' gap after he stopped working and then I went back on the course for a few months and then I had another break for ...

Q. With whom?

A. With a Mr. Jones, he had a heart attack also and I deferred a break. I deferred the break for so many months, perhaps 6-12 months and then I went back on the course again.

Q. And worked with whom?

A. Mr. Crosby.

Q. Are you still with him? 20

A. I was with him on the course up until about 7 weeks ago and I won't be working at the races any more now, I'll only fill in at the trots if I'm absolutely required.

Q. Didn't any of those bookmakers that you've mentioned field in the country?

A. Mr. Snell didn't. Mr. Crosby is only a new bookmaker and I'm not sure about Mr. Jones, I don't think he did.

Q. At any rate for most of the time that you were with the society you had a part-time job as a bookmaker's assistant?

A. Yes. 30

Q. Any other jobs?



A. No, not that I can recall.

Q. Didn't you breed greyhounds or something of that sort?

A. No.

Q. You had nothing to do with dogs?

A. Not from a racing proposition.

Q. Breeding?

A. I didn't. My wife had a Doberman that had a few pups but that's about all.

Q. Well you know many other representatives who have part-time  
10 jobs, don't you?

A. I don't know what other representatives do part-time unless it's on the course.

Q. Race course you mean?

A. That's about the only time I'd come across a representative having a part-time job.

Q. Don't you know of other reps. who've got jobs as accountants, tax agents and jobs of that sort?

A. I'm not familiar with those.

Q. You would please yourself what hours you worked during the  
20 period you were with the society?

A. Yes.

Q. Some weeks you might work sixty hours, some weeks you might only work twenty?

A. I'd disagree with the latter.

Q. What's the most you ever worked?

A. I don't suppose I could ever get past sixty or seventy hours.

Q. Well, I repeat, some weeks you worked sixty hours a week?

A. Yes that's quite so.

30 Q. And some weeks you'd work as little as twenty?

A. I don't believe I could work as little as twenty hours a

week, unless it interfered with my holiday period.

Chaplin -  
Cross  
Examination

Q. Now, you stood as a candidate for the State House of  
Assembly seat of Salisbury, did you not, in July 1975?

A. Yes.

Q. And you were pre-selected by the Liberal Party in February  
1975?

A. I don't know of my exact date of pre-selection but I was  
selected by them.

Q. During the period prior to pre-selection I suppose you did  
quite a lot of lobbying amongst the relevant financial members 10  
of the Liberal Party?

A. No I didn't.

Q. No work at all?

A. Not before then, no.

Q. Not before your pre-selection?

A. Well, in fact I believe there was no, in fact, pre-selection;  
I believe I was the only applicant.

Q. Well, after your pre-selection I suppose you did spend a  
lot of time campaigning in the seat of Salisbury, did you?

A. I didn't do a lot of campaigning, no.

20

Q. Not at all?

A. I did a few letter boxing. I believe we had two meetings.

Q. You didn't think it was necessary to get permission from  
the A.M.P. to do that, did you?

A. No.

Q. And in fact you didn't?

A. No.

NO FURTHER QUESTIONS.

NO RE-EXAMINATION.

H.H.: Q. Just one or two things. You've told us about the 30  
sub-agents that you employed or that sold business and you paid

51.

them a commission?

A. That's correct.

Q. Did you have to get or did you get permission from the Society in order to enter into the arrangement with these people?

A. Yes I did.

Q. In each case prior to entering into the arrangement with them?

A. That's correct.

Q. Was it your understanding that that was necessary?

10 A. Yes. It was.

Q. Did you ever receive a written instruction to that effect?

A. I can't remember the actually written instruction but there was a standard form to be prepared for submission to the Society.

Q. To your knowledge were any of the three people who entered into this arrangement with you interviewed by representatives of the A.M.P. Society?

A. Yes, they would have been at some stage because all were former reps. so there was no real reason to re-interview them  
20 once they'd applied to be a sub-agent.

Q. Well to the best of your knowledge was it the practice of the society when anybody applied to become a sub-agent for them to be interviewed by the society?

A. I really can't answer that, I suppose that they would make some sort of investigation over somebody if he wasn't very well known.

Q. You told us that during the training period - the initial training period - you were paid 40 to \$45 a week?

A. That's correct.

30 Q. Was that ever deducted from any commission earned by you?

A. No it was not.

Chaplin -  
Cross  
Examination

Q. Was there any discussion between you and any representative of the society as to whether it would be deducted or not?

A. Yes, we were told that at the end of the fortnight's school we were quite prepared to walk out and that would be the finish, if it so happened we would still be paid for the fortnight.

Q. The supervisors in the various sales offices, for want of a better expression, that you've referred to, do you happen to know from where they were appointed?

A. I believe the first supervisor, Mr. Archdall, was a former 10 representative.

Q. Such as yourself?

A. Yes, that's correct. The second one was a former office boy or collector agent who had been appointed as a supervisor. The third one had come from New Zealand and I cannot speak for him. The fourth one was a former representative and the fifth one had come from Tasmania as a supervisor and I can't speak for him.

Q. And this was all in the Wingfield area?

A. All my sales units were Adelaide, North Adelaide and Wing- 20 field.

Q. And the office that you used to attend to was where?

A. In the latter stages in the Wingfield sales office.

Q. Some questions were put to you by both Mr. McRae and Mr. Matheson as to your working habits at home, the calls that you would make. Were you ever required by the supervisor at any of these offices to report at specified times as to your whereabouts or whatever you were doing?

A. I can't recall that.

Q. You can't recall being given any instruction to that effect?

A. I can in a similar case I believe so. I wrote up a new born child on a certain type of new contract. The father said that he wanted all his other children to have the same type of contract and cancel what he already had on them. I succumbed to his request and when I took them to the office I was told that they would not be accepted. I should take them back to the client and explain that he should retain the old contracts and not take out the new ones. The client refused and sent me back to the office and said it was his business, he wanted the new contracts.

Chaplin -  
Cross  
Examination

Q. You said that you weren't permitted to hold any agency for any other life office?

A. That's correct.

Q. If you had wished to do so is there a procedure whereby you could obtain or endeavour to obtain the consent of the A.M.P. Society?

A. I don't believe it ever would have been given.

NO FURTHER QUESTIONS.

MR. McRAE: Before the gentleman's release from cross-examination we have this problem of the tax matters.

MR. MATHESON: We can proceed though, can't we?

MR. McRAE: I'm not saying that the case shouldn't go on but I suppose subject - well I'm not sure what my friend intends to do. My client's offered to produce certain tax documents and with the permission of his wife certain other tax documents. Now I think we ought to be clear at this stage what is proposed. Is it then said that there may be further cross-examination or is it assumed from that. I'm not quite sure what's being put.

HIS HONOUR: Can you give us an indication?

MR. MATHESON: I don't think I know until I see them but if in fact we had another witness of course there wouldn't be any

problem, I'd just simply ask you to get the witness stood down until he got the documents, but I think it's probable that I'll seek to put those copy returns in and possibly also seek to ask some further questions but I didn't want to waste the hour. I really doubt whether my friend will be embarrassed in any way if we do proceed with my case if he has got no other witnesses.

MR. McRAE: I'm not claiming I would be embarrassed, I am just trying to work out what the procedure would be.

HIS HONOUR: Perhaps I will release the witness subject to the 10 production of the income tax returns, if they are produced under those circumstances any questions that Mr. Matheson wants to put him about the documents, subject to your re-examination of them.

WITNESS RELEASED.

MR. McRAE: In relation to quantum I'll seek an order pending a decision on liability that the court proceed without giving evidence on quantum. It's extremely complicated I might say to work it out, it seems a rather pointless exercise until liability is decided one way or the other.

20

HIS HONOUR: Yes, I have no objection to that course. Have you any, Mr. Matheson?

MR. MATHESON: No.

MR. McRAE: That being the case that's the case for the applicant.

MR. MATHESON CALLS:

DONALD CHARLES PARRY BROWN, (SWORN)  
22 Godfrey Terrace,  
Leabrook.  
Sales Manager.

30

XN BY MR. MATHESON:

Q. Mr. Brown, I think that the A.M.P. Society is a Mutual

Assurance Society?

A. It is.

Brown -  
Examination

Q. And the A.M.P. Fire and General Insurance Company Limited is a wholly owned subsidiary?

A. Yes, it is.

Q. And that Company carries on business as a general insurer?

A. Yes.

Q. Is the sale of assurance and insurance for the Society and for the A.M.P. Fire and General Insurance Co. Limited almost  
10 wholly arranged through commission agents?

A. Yes, it is almost wholly arranged through that medium.

Q. Are there two types of agents, ordinary outdoor representatives and collector agents?

A. Yes, that would be a fair description of the two types.

Q. What's the difference between the two?

A. Well, the collector agent collects renewal premiums on existing business perhaps for 30 percent of his time, and the collector agent for the balance of whatever he chooses to work procures both collector new business, which is life insurance  
20 which is collected on a monthly basis - the premium - and he can also sell ordinary business. The ordinary agent, of course, has no responsibility - in fact part of his benefits and conditions are that he is not to collect renewal premiums on ordinary business.

Q. Perhaps this is obvious, but Mr. Chaplin was regarded as an ordinary outdoor representative?

A. He was always an ordinary representative.

Q. As far as collector agents are concerned are they regarded by the Society as employees?

30 A. They are.

Q. In fact I think there's an Industrial Award fixed in relation

Brown -  
Examination

to them?

A. There is.

Q. When did you join the A.M.P.?

A. In 1953.

Q. From 1953 to 1959 were you a salaried officer working in various administrative capacities?

A. Yes, I was.

Q. Part of that period were you employed at Regional Sales Offices?

A. Yes, in New South Wales part of my very junior service was 10 in regional offices in country parts of New South Wales.

Q. During that period would you work with ordinary outdoor representatives?

A. Yes, the atmosphere was such that you had a lot to do with them.

Q. From 1959 to 1963 were you a collector agent - superintendent of collector agents, and assistant regional manager?

A. Yes, I was.

Q. In all those jobs were you directly involved in sales?

A. Very directly.

20

Q. In 1963 to 1968 were you supervisor of ordinary agents in Sydney?

A. I was.

Q. From 1968 to 1970 were you a divisional sales manager in New South Wales?

A. I was.

Q. From 1970 have you been Manager sales in South Australia?

A. That's so, late 1970 until now.

Q. What is the organisation of the sales division of the Society in South Australia?

30



A. We have a manager who is the branch manager of all activities of the A.M.P. in South Australia and the Northern Territory and then in my particular division, sales division, I'm the manager of that division and I report to the Manager of the Society. My main functions would be to, in consultation with the Manager, determine the sales objectives which we seek in our branch, the best means by which they can be achieved and through that consultative process arrive at a plan, a sales and marketing plan which I then achieve through the recruitment and development and further training of agency managers which we've termed supervisors - they're the same people and regional managers in the country and through those people we achieve our marketing and sales aims. My major function would be in the training and development of the agency managers in their management task.

Q. How many agency managers are there in South Australia?

A. There would be eight in South Australia and the Northern Territory.

Q. I think at a time the sales offices were in the head office in King William Street?

A. Yes, before I came here in 1970.

Q. What's the position now?

A. There is still one and a half sales units in King William Street, the great majority of our representatives and our agency managers work from metropolitan sales offices in places like Edwardstown, Wingfield, Greenhill Road, Wayville and so on.

Q. What's the responsibility of the agency manager?

A. The major responsibility of the agency manager is to achieve his sales objectives as determined between he and I and he would do that through the recruitment and continual

development of his sales force.

Brown -  
Examination

Q. Could you elaborate a bit on what you mean by continual development?

A. Yes, it would be our belief and a belief commonly held in the industry that representative looks for and needs continual training and development at least - and concentrated in the first five years of the service, but that training and development doesn't cease at five years, we're in a dynamic business and socially it's a very dynamic situation, things keep on changing, legislation keeps on changing so the agency manager 10 certainly has to continually try to keep his agents up to a reasonable professional mark.

Q. Could you tell His Honour about the procedure for recruitment of a new agent?

A. Yes, recruitment is basically a matter of selection Your Honour, of course first you've got to find the prospective agent and that most generally occurs through other agents, existing agents of the Society and I think this occurred in Mr. Chaplin's case, existing agent might well suggest to a friend or somebody he's met that this could be a career that interests 20 him or he may make the suggestion to the agency manager, either the prospective agent or the agency manager makes the approach, a process of interview and selection interview takes place which would normally extend over a period of at least a month, probably a fairly typical situation with the six or seven weeks of interviewing, discussion, what the career is all about, what's the requirements to be successful in a business like ours, getting to know one another, the abilities and strengths, there would be at least five or six interviews over five or six weeks of time. Then, of course, we're also interested in 30

the medical health of the applicant. Most generally the agency manager has the right of hire and provided the applicant is medically quite healthy, then he would receive a letter of appointment which we would issue from our King William Street office appointing him an agent and inviting him to attend a two week training school.

Q. What remuneration did he receive during that period?

A. During the two week training school the new agent is paid what virtually amounts to a salary for the two week period, a training allowance, is the terminology I think we use.

Q. What does he learn during that period?

A. He may well have started to learn before that training school because he might well have had some training in how to handle the rate book and calculate simple premiums before he went to the school, this might have been, in fact, the last part of the selection process to see whether he can cope with some of the minor technicalities. But when he arrives at the training school I guess our basic intention is that he learn about 30 per cent of what he'll ultimately know, hopefully, and it's basic selling skill, the basic contracts that we have, one would term the bread and butter contracts that we have and how to present them well and ethically, that would be the main intent of the course. There's also, perhaps, a small segment on how to run your agency and so on.

Q. Does this training go on after the two week period finishes?

A. Yes, when the agent exits from the two week training course, he, of course, returns to the, most generally, agency manager who recruited him and takes his place in that unit. There would be at least an hour a day of training in the form of what we would term a clinic, four mornings a week, so that there'd be four hours, at least, of training each week for perhaps nine

Respondent's

Evidence

No. 3B

Brown -  
Examination

to thirteen weeks, the first nine to thirteen weeks in the unit. I say in the form of a clinic because it very much takes the part of, well, what did you do yesterday and what sort of problems did you have, what do you plan to do today and what sort of problems do you anticipate, let's go over and build skills on your actual experience and what you anticipate will be your actual experience. In addition we structure it a little more and there is some very definite and planned cementing into action of the training which took place in the first two weeks at the school.

10

Q. Is a new agent usually appointed an agent of the A.M.P. Fire and General Company?

A. Invariably.

MR. MATHESON: Can the witness be shown that application signed by Mr. Chaplin, I think I've got the number handy - D.13?

XN: Q. You heard Mr. Chaplin's evidence about that?

A. Yes.

Q. Is it possible that Mr. Chaplin was appointed the agent notwithstanding that his wife signed the application?

A. I wouldn't believe so because this application has on it an AMP date stamp, you know, a postal date stamp which was the 15 May 1967 which would, to me, indicate that this was the only application we received at that time and it's quite common practice for agents' wives to be the agent for the fire and general.

Q. Do you know whether or not the cheques for commission would have been sent out in her name or in her husband's name?

A. No, I don't know, I could make an assumption, but I don't know.

Q. What would you expect to be the ...

30

A. I would expect the cheques to issue in Mrs. Chaplin's name.

Q. Is there some sort of record then that as far as the Society's concerned of the general insurance business written by the ...?

A. I wonder if you'd mind repeating that?

Q. Is there some sort of register or other document recording business written by an agent for the A.M.P. Fire & General Company?

A. And this material prepared by the agent - is that what you're meaning?

10 Q. Well, either prepared by the agent or by the Company?

A. Well, certainly the company - the A.M.P. Fire Company - does in a computer form retain records of all the contracts written by each agency and at any time the agent can request - or any interested office person - can request a computer print-out.

Q. That's all, is it?

A. That would be the basic register, if you like, of the fire agency held by the A.M.P.

20 Q. Has an agency manager any authority to give directions or orders to an agent?

A. None at all.

Q. Does an agency manager sometimes accompany an agent when he visits a prospective purchaser of insurance?

A. Quite frequently and most particularly in the early months or maybe year or two of the agent's service, whilst he's building knowledge because that is a major part of the agency manager's role, to help the agent build knowledge and skills.

30 Q. If the agent declines to visit any particular prospect, has the agency manager got any power or authority to compel him to do so?

A. No.

No. 3B

Q. What would he do if a particular agent refused?

Brown -  
Examination

A. Well, he might be annoyed but - in fact, I imagine he would well be annoyed, but he has no sanctions.

Q. Would he ask somebody else?

A. Yes, that's what I would do, certainly. The interests of the prospective client are the paramount interests and we would want a service here. If Agent A refused, then you'd turn to Agent B.

Q. What are the reasons that motivate the termination of the appointment of agents from time to time?

10

A. The major motivation which would bring such an event about - and I use the term 'major' in terms of how often it would occur - would be substandard performance of the agent, that he doesn't over quite a lengthy period attain what we set as minimum standards of production.

Q. Is there some policy reasons as far as the Society that underlies that?

A. Yes, as we mentioned earlier, we're a Mutual Society and we are concerned about the costs of all of our operations and the direct sales costs of an agency which doesn't produce to a reasonable standard of production are inordinantly high and beyond that which our policy holders should pay, so the first concern would be the cost of the operation.

20

Q. Do you happen to know whether many agents have other occupations?

A. Yes, from my personal observation of agents I would know of a good many that would have some other forms of occupation.

Q. Can you produce some examples?

A. Yes, I would know of one or two agents who are tax agents - in fact, qualified accountants who still practise in some degree. I would know of others who are in the property

30

development field, generally, in a limited degree. I would know of others who own and run nursing homes, administered nursing homes, another in the transport business. Yes, perhaps 20% would have some other form of occupation, and sometimes because they have acquired capital from their agencies and that has brought about a business interest.

Q. I think the Society from time to time sends circulars and memorandums to agents?

A. Yes.

10 Q. Dealing with the circulars firstly, about how many a year would go out in this State?

A. I would think around 100, it would be a reasonable figure.

Q. And a memorandum?

A. I would hope a lesser number, 40 or 50.

Q. What sort of things do these circulars and memorandums deal with?

A. Changes in our policy conditions, in fact the nature of the contracts which we issue, changes in the law, changes in our administrative processes, the way we handle the business once  
20 it's lodged in the office and so on. I think in that order, policy changes, law changes, administrative changes.

Q. Do you happen to know that the Society's solicitors, Messrs. Knox, and Hargrave have made available for inspection to the solicitors for the applicant circulars and memorandums to agents during the years 1967 to 1975?

A. Yes.

Q. You heard the evidence that's been given about the appointment of sub-agents, do you interview sub-agents before they are approved?

30 A. No, we don't. We don't interview sub-agents.

Q. What does an agent have to do to get a sub-agent approved?

A. He would have the sub-agent make application and in the same form the principal agent also makes application for the sub-agency to the Society and there are a couple of references called for, the occupation of the sub-agent, addresses, personal detail like that and rather meagre personal detail, and almost invariably those sub-agency applications are approved.

Q. What's the position about incorporation by Society agents?

A. Since 1970, I think early in 1970 the Society has allowed the incorporation of high performing agencies. There are a 10 number of requirements, however, in this State, for instance, there would be perhaps eight or ten of our agencies which are incorporated and perhaps another five or six who could if they so chose.

Q. Is a Mr. Hebblewhite incorporated?

A. Yes.

Q. Is he a member of Mr. Chaplin's unit?

A. He was, yes, at one time.

Q. Who has he incorporated with?

A. He's incorporated ...

20

Q. Who are the other members?

A. The Society has one shareholding, preference shareholding, but his incorporation might well include members of his family, his wife and his children. I'm frankly not aware.

Q. The point I seek to make is that the Society doesn't require that every member of any incorporated body must be an agent?

A. No.

Q. Does mail come to the head office, or the unit office, addressed to an agent from time to time?

30



A. Yes, it would come to both, both points.

Q. Is that opened by the Society?

A. No, that's the agent's mail.

Q. You've heard Mr. Chaplin's evidence about duty agents roster?

A. Yes.

Q. Is there any compulsion on an agent to be rostered?

A. No, none at all, in fact as was mentioned in that evidence, in that examination, a number of them declined.

10 Q. Is there any reason why the agents are permitted to be members of the superannuation scheme?

A. There's every reason why they could be admitted and that is that the Society has, for many years, back beyond my memory, had a form of superannuation for representatives to which they may or may not join. The majority will join.

Q. The fact is, is it not, that the Society is a life office, underwrites benefits, superannuation benefits for a very large number of superannuation schemes?

A. Yes, and I suppose it would seem strange if we didn't seek  
20 to superannuate to all those people within our family that ...

Q. Is there any restriction on agents contacting particular groups?

A. Group assurance groups?

Q. Group assurance groups?

A. Only where the employer - the group employer so requires it of the Society.

Q. I'm not sure that I understand that?

A. Yes, well we don't place any requirements of our doing, on our initiative ...

30 Q. But a particular ...?

No. 3B

Brown -  
Examination

A. But a particular employer who provides group facility for his employees may not want to have numerous A.M.P. representatives calling on his premises. He might well say 'I only want one agent', or he might go further and say 'I only want one agent, Mr. X'.

Q. Does an agent usually dictate details of insurance that he's written to a stenographer in his particular unit, or what is the practice to your knowledge?

A. The practice to my knowledge, and my most particular knowledge, would be that the proposals are almost invariably - 10 there's one exception in South Australia. The proposals are lodged at the sales office, the sales unit with that particular girl, and there'd be no point in the agent reciting the detail to the girl because she can pick it up very easily from the proposal papers. It's a waste of time to recite it.

Q. What's the practice about requiring a first premium with the proposal?

A. Our practice is that we certainly encourage agents to collect all first premiums on proposals, however in the case of proposals which are known to require a medical examination, 20 and we can know that by the amount of the sum assured and the age of the person, we, in the case where we know a medical is required, don't necessarily require the agent to lodge the premium. We'd like it to be so, but it's by no means a requirement.

Q. What's the position as far as - what's the practice of supervisors with regard to superannuation prospects?

A. The supervisor would seek to accompany an agent on a superannuation call if he felt that he could add to the agent's chances of being successful, but it would be at the agent's 30 invitation. It's the agent's prospect, it's not the agency

manager's or the supervisor's prospect. It's the agent's right to elect whether he wants the supervisor.

Brown -  
Examination,  
Cross  
Examination

Q. Is it compulsory for an agent to attend meetings convened by an agency manager or supervisor?

A. No it is not, and in fact I think it would be a very rare meeting indeed where you had a full attendance.

Q. The Society no doubt has taken out a policy to cover its employees for liability under the Workmen's Compensation Act. Does that include representatives?

10 A. No.

Q. What's the position with regard to fixing targets?

A. It's a very consultative process because unless the target is really the agent's target then it's a rather meaningless exercise. If it's something imposed upon him, something that he himself doesn't accept, something that he didn't take part in determining, then it's rather a useless exercise, so it's a very consultative process and it could well take place over a couple of weeks and a couple of discussions.

NO FURTHER QUESTIONS.

20XXN BY MR. McRAE:

Q. You regard the representatives as a member of the A.M.P. Family do you?

A. After 23 or 24 years in the Society, I - yes, that's true, I do.

Q. You'd see them as an integral part of the whole organisation I suppose?

A. I would see them as an integral part of the whole organisation.

Q. That would be one of the reasons no doubt why the A.M.P.  
30 does contribute towards the superannuation scheme?

A. I couldn't comment on the motives which led the Society at

No. 3B

some stage well before my service to introduce a superannuation

Brown -  
Cross

plan for agents or for that matter for the staff beyond to

Examination

conclude that since that's our business, provision of long term benefits for people, there'd be a natural inclination to do it wherever one could.

Q. You would see your representatives as being people well qualified to deal with the public?

A. In the main, yes.

Q. No doubt it would be your objective to hold them out as being people that are competent to deal with the public? 10

A. It would certainly be one of my major objectives to have them achieve that level of competence.

Q. And that is in fact what you do hold them out as don't you - your society does in fact hold out its representatives as people who are competent to deal with the public?

A. Yes, in a general sense that's certainly what we do.

Q. Very specifically I'm putting to you that your society does hold out its representatives as being people who are competent to deal with the public, particularly in relation to life insurance? 20

A. We for instance have an advertisement which says "Your AMP man is a good man to know" and certainly implies confidence, but I as the Sales Manager and any other responsible officer of the Society wouldn't dream or imagine that all of our agents are all the time at an acceptable level of competence.

Q. The only way to achieve that of course is to see that they're kept up to the mark?

A. That's right.

Q. That's the reason for the unit meetings at the regional offices isn't it? 30

A. Yes, and a number of other means by which we would seek to

present and invite the agent to develop his technical knowledge and his skills, seminars and so on.

Brown -  
Cross  
Examination

Q. You say that it's not compulsory for the representatives to attend the sales meeting?

A. I would say it's not compulsory.

Q. Let's assume that a hypothetical agent Brown, or representative Brown, is asked by his manager to attend a meeting and he does not, what do you envisage happening in that situation?

10 A. To Brown?

Q. Yes?

A. I would imagine that the agency manager or the supervisor, as we'd term it, would certainly at his next opportunity ask Brown, "You didn't attend the meeting, what was the problem?".

Q. And in turn would I also imagine that the supervisor would send you a memo as to what went on?

A. No.

Q. Let's assume that Brown's explanation was not satisfactory, say that Brown said that he'd been to the races instead of  
20 attending the sales meeting, what would the manager then do?

A. The manager would probably say to the agent, "Well, I'm a bit disappointed that you think that going to the races was more important than this meeting", if the meeting was on a fairly important subject and generally they would be because ...

Q. Let's say it happened more than once, Brown having been asked to attend a meeting once and not doing so and not having a satisfactory explanation, he's again asked to attend a meeting on the next week and again does not attend, what do you say would happen there?

30 A. I would say much the same, in fact you could continue for umpteen meetings unattended.

No. 3B

Q. When do you say that when you imagine that the patience of the manager would become exhausted?

Brown -  
Cross

Examination

A. That would depend upon the temper of the manager I'd suggest.

Q. What stage would he start sending you memos?

A. In my service I don't think I've ever had a memo from an agency manager saying that Agent X doesn't attend meetings as a matter of habit.

Q. But you have had memos concerning the sales performance of various representatives haven't you?

10

A. Their sales performance, yes.

Q. And of course non attendance at the meetings is directly related to sales performance isn't it?

A. It could well be related to sales performance, in other words because the meeting wasn't attended the knowledge perhaps was lacking and so therefore perhaps the sales were lacking, yes, there could be that pattern.

Q. You see, I put it to you that what in fact would happen is that if a particular representative was - I don't say just on the one occasion but on numerous occasions made a pattern, a certain pattern of behaviour of not attending these sales meetings, that he would be dismissed?

20

A. I would say definitely not so.

H.H.: Q. What if he attended none at all?

A. If he attended none at all he would not be dismissed for that reason.

XXN: Q. What you're postulating really is this is it not - that it is possible for a person to be a very good representative who could keep up his sales target without ever attending a meeting?

30

A. It is possible.

Q. Very unlikely though isn't it?

A. I would say it is unlikely but I have seen it happen.

Brown -  
Cross  
Examination

Q. It would be a very small percentage of people wouldn't it?

A. Yes.

Q. Let us take - by the way, do you have a high turnover of representatives?

A. No, in my view.

Q. What is the total number of representatives engaged by your  
10 Society in South Australia now?

A. 152, ordinary agents. When I say in S.A. I'm also including some agents in N.T. who come under our branch.

Q. What percentage of those representatives would have been engaged by the society in excess of 7 years. In other words what percentage of the total group has worked for more than 7 years with the Society?

A. You'd have to allow me an educated guess on that, I would say 70 of the 150 odd agents would have more than 7 years of service.

20 Q. And how many representatives left the service last year, perhaps I'll withdraw that question. What was the turnover of staff - sorry, what was the turnover of representatives last year?

A. Could I give you another figure, that at the end of 5 years from the point of recruitment I would think that 25 to 30% of those men would still be with the society. After 5 years there would be 25% of the appointees from 5 years ago still with the society, a figure like that.

30 Q. That you would regard as a good turnover figure, a small turnover figure?

A. It is in the industry.

Q. Comparing your society with the rest of the insurance

No. 3B

industry. Is that because the representatives regard their positions as a career with the Society?

Brown -  
Cross

Examination

A. Certainly successful agents would consider that they had a very successful business which they wouldn't lightly give up.

Q. Yes, but specifically do they see the work that they are doing as constituting a career for themselves?

A. Yes, in the general and very broad sense of career yes. It's a vocation, a life long vocation.

Q. As distinct from a life long vocation your own Society issue a booklet entitled 'A Career with the A.M.P.'?

10

A. Yes.

Q. You're familiar with that, aren't you?

A. Yes.

Q. What do you take the word 'career' to mean in that context?

A. I would take 'career' to mean a long term vocation. What one sees as one's path in a business life or a professional life.

Q. It's a long term position with the A.M.P. is it not, that's the truth ...?

A. It's a long term connection with the A.M.P.

Q. Position with the A.M.P.?

20

A. I wouldn't use the term position.

Q. Connection with the A.M.P. is very general because no doubt the man who delivers the milk is connected. It's a position with the A.M.P., isn't it?

A. It's an agency with the A.M.P.

Q. I take it that you do have contact with the supervisors that we've been talking about?

A. Myself, yes. Close contact.

Q. You are in fact their immediate superior as I understand it?

A. Yes.

30

Q. Are there cases known to you through these contacts where



supervisors have reprimanded agents or representatives for not attending sales meetings?

A. Yes.

Q. How many cases are known to you?

A. When one says reprimand there would be certainly numerous instances where an agency manager or supervisor would want to know why it was that an agent didn't attend a particular training session which the agency manager or the supervisor had gone to considerable lengths and trouble to prepare.

10 Q. And which he expected the representative to attend?

A. He would have an expectation that the representative would attend such a meeting unless there was good reason in the agent's mind as to why he shouldn't.

Q. And likewise the representative would reasonably believe that he was obliged to attend that meeting?

A. Not in my view.

Q. You don't see it that way?

A. No, I do not.

Q. Well what if I suggested to you that if a representative  
20 continually failed to attend those meetings he would be dismissed?

A. I would say not so.

Q. What if I suggested to you that in combination with an unrealised sales target and failure to attend to the meetings he would be dismissed?

A. No, representatives would never be dismissed for the non-realisation of their sales target. They certainly may well be counselled out of the business, invited to resign if they failed to attain the minimum retention standards which we  
30 require of all agents, which would be quite different to his target.

No. 3B

Q. Now the situation is this, is it not, that you yourself are consistently having discussions with representatives because of their failure to reach given targets?

A. Consistently, no.

Q. Quite often?

A. May be 10, 15 times a year.

Q. Is not the truth of the matter that if the representative in question is consistently not reaching a given target he is given the opportunity to resign rather than have the Society dismiss him?

10

A. I hope you don't think that we're playing with words but target is something which in my mind is a level of performance which the agent seeks to attain in consultation with his agency manager. An agent would never be terminated for not attaining that.

Q. Do you remember a Mr. Keith Smith?

A. Yes.

Q. A representative?

A. Yes.

Q. Now is it not the truth that you - is it not the truth that the Society obtained from Smith an undertaking signed by him that if he did not reach a certain target set out in the undertaking he would resign?

A. Yes he did enter into that.

Q. His option was alternatively dismissal was it not?

A. Yes I believe that would be so. His 'target' as you put it was, as I recall, and I would have to check the facts, but as I recall, was below or very close to around our minimum retention standard. So I would make the point again, it was a minimum retention standard and not a target.

30

Q. Do you know whether the Society still has that document?

A. What, the details in that particular agent's case?

Q. Yes, the undertaking signed by him?

A. I am sure we would.

Q. Are you prepared to produce it?

A. Certainly.

Q. Do you know of other cases where representatives have signed similar documents?

A. Yes.

Q. How many other cases are you aware of?

10 A. Several, two, three.

Q. So the fact is that the sales target I have been referring to is a very real thing, is it not?

A. No it isn't. The sales target that you have been referring to is what we call (I think is what we call) the retention, the minimum retention standard, the point at which we are not prepared to retain an agency.

Q. How do you determine that minimum retention standard?

A. It's a management determination based upon what we know to be our direct sales cost per agency which we then relate to the  
20 amount of sum assured we're talking about. It's a rather technical calculation.

Q. No doubt, but included in that calculation there is a requirement on your part, is there not, that an agent should be spending something in excess of 40 hours a week regularly gaining business for the Society?

A. There is no such requirement. The Society really couldn't care very much whether he spent 40 hours, 30 hours or 60 hours, and certainly there would be agencies who do all those hours.

Q. Yes, I can appreciate that some representatives might be  
30 extremely successful but spread on average included in that computation I'm putting to you that there is an estimate worked

No. 3B

out by your Society which is related to the number of hours

Brown -  
Cross

which an agent might reasonably spend in the work available?

Examination

A. In our determining of what our retention levels might be.

Q. Yes?

A. No it wouldn't enter into it.

Q. Perhaps we will just go through the features you say do enter into it. Could you give me the features that do enter into it?

A. Yes. The Society has fixed costs and variable costs in its sales operation, commissions, the salaries of the sales personnel, costs of recruiting, training development and all of these costs. When one apportions those costs on a per agency basis one would find that the agency that produced two million dollars business might have a direct sales cost of \$2 per thousand, the agency which produces five hundred thousand dollars business might have a direct sales cost of \$8 or \$10 per mil. That cost is more than our policyholders should pay for the production of new business. 10

Q. I have assumed throughout that no representative is paid anything but commission. I am right in saying that? 20

A. Yes.

Q. So that the Society cannot conceivably lose if it is only paying commission on actual sales?

A. Yes it can.

Q. I am sorry. In respect of that agent, in respect of the representative who is paid only by commission on what he actually sells. I am putting to you that it can't lose on that account?

A. Yes it can.

Q. In what way are you saying? 30

A. The agent who is less successful would have a tendency, in

my fair experience, to take more of the agency manager's time and more of management's time than the more successful agent. All agents have to bear the costs all the Society's use of running a large sales organization or any organization.

Brown -  
Cross  
Examination

Q. Perhaps we're at cross purposes, I'm not disputing that. All I'm saying is, I can understand your point, that the stenographer employed at the Regional Office is an employee paid under an Award, is that right?

A. Yes.

10 Q. The supervisor at the regional office, as I understand it, is a person who gets a cut from the commission of the representatives in his area - is that right?

A. No, your understanding is incorrect.

Q. Not correct. Could you tell me what it is?

A. Over the period of Mr. Chaplin's service the arrangements of earnings for agency managers or supervisors have changed a number of times. You'd like me to express what it is now?

Q. No, what it was at the time of Chaplin's dismissal.

A. The supervisor would receive a bonus which would have  
20 nothing to do with the agents - it would not come from the agent's earnings - it comes from the Society; and it's related to the agent's performance, his sales performance. For example, to give you a picture, if the agent was in his second year of service and produced a million dollars of business the agency manager might well receive a bonus of, say, \$700.00. If the agent was in his second year of service and only produced \$700,000 of business then the agency manager might only receive \$400.00. It does not come from the agent, the bonus, it comes from the Society.

30 Q. But it is in some ways determined upon the success of the representatives in that particular region?

No. 3B

A. I'd put it another way, it's partially determined by that and it's very strongly determined by the agency manager's success in developing the agent to that success.

Brown -  
Cross  
Examination

Q. Except, I suppose, in the case of customers defaulting the agent or the representative on commission does not represent a potential loss?

A. I wonder if you'd mind expressing that ...

Q. See, I'm trying to look at this regional office - as the way you've explained it to me, you've got to pay the stenographer because she's on award rates, the supervisor or the manager (whichever he's called) gets a bonus which the Society pays - and you've explained ...?

A. And a salary as well.

Q. And a salary, all right. The commission agent himself, as I understand the position, the representative only receives sums of money which are related directly to what he sells?

A. Yes, he does receive small expense allowances, as they're expressed - but they're quite small - \$20.00 a month, say, in the metropolitan area.

Q. So what I'm putting to you is the whole success of the regional office, or any regional office for that matter, depends upon the success of the representative?

A. I wouldn't argue that at all.

Q. That being the case ...?

A. But may I enlarge on that?

Q. Yes?

A. But of course, it is the supervisor or the agency manager who finds and develops and helps assist to success the agent - so it's not only the agent, or the group of agents success, it also is the supervisor's success.

Q. I think I appreciate all that. That's really why I'm putting

to you that the supervisor of the particular region has very good grounds indeed to ensure that the representatives in his region are keeping up to the mark?

No. 3B  
Brown -  
Cross  
Examination

A. Most certainly.

Q. If for no other reason than pride in his own work and also because his own total return - monetary return - is related to their performance?

A. Yes. And lots of other factors such as he's probably had quite a long relationship with his agent, he brought him into the business, he wants him to succeed.

Q. You see because of situations like that I'm putting it to you that there would be very strong likelihood indeed that what Chaplin said in evidence about the obligation to attend those meetings - whether it's a legal obligation, I'd ask you not to worry, I'm putting to you it is very true as Chaplin said that there is in fact an obligation on the representatives to attend those meetings?

A. I think that the word obligation, as I understand the word obligation is far too strong, I would rather say that - and I would say - the agents should know that the agency manager expects him to attend those meetings that he can conveniently attend and I would also say that the agent expects the agency manager to from time to time conduct meetings so that he the agent does get well equipped to do his role, there's an expectation both ways.

Q. What sort of percentage of representatives in the region would normally attend the particular meeting?

A. That can vary depending upon the abilities of the agency manager and the atmosphere in the unit, there would be some units, I'm sad to say, where the attendance might be as little as 30 or 40%, there would be others where the attendances would

be almost 100%, it really would depend upon the skill of the agency manager and the spirit in the unit and so on and of course the subject, some agents wouldn't be interested in that subject.

Q. That, I think, I can understand, but then would you holding your position be happy with the situation where the percentage of persons attending the particular - the meetings of a particular region was as low as 30 or 40%?

A. I would not be unhappy with the agent but be inclined to be unhappy with the regional manager or the agency manager whoever it was who was conducting the meeting, he's obviously either ill chosen the time or ill chosen the subject.

Q. Are you aware of an agency where the rate of attendance is as low as that?

A. I have been aware.

Q. What did you do about it?

A. Nothing.

Q. You did nothing at all about it?

A. I would only hear it in passing because I would only hear about it if the agency manager or the regional manager happened to tell me about it. It isn't one of the matters on which I would get regular reporting. 20

Q. Is it one of the matters with which you are concerned?

A. I would certainly be concerned if I believed that there was a pattern developing in a unit or region that agents generally were attending only 30 or 40% of the meetings and my concern basically would be about the manager concerned.

Q. But didn't you say that that was an actual case, that you knew an actual case where only 30 to 40% ...?

A. I have known of them, in my service, yes. 30

Q. What, before you were manager, is that what you're saying?



81.

A. I've known of them as recently as a year ago and I've known them before that, it has happened.

Q. When you say as recently as a year ago, were you sales manager then?

A. Yes, I was.

Q. I won't ask you the name of the particular region or agency, but how did you know that it was 30 to 40%?

A. Because the agency manager in this case came to me and said 'I think I'm on sort of a wrong training track' and we  
10 discussed what he had recognised, I'm glad to say, as an obvious problem.

Q. Were you aware of it before he came to you?

A. No.

Q. What did you do?

A. I discussed it with him.

Q. Did you follow it up to see whether he had success in improving it?

A. Yes, a month or so later I had made sort of a diary note to raise the matter with him in a consultative sort of a way  
20 to see whether he was happy with the attendance now.

ADJOURNED 4.30 P.M. SINE DIE.

MR. McRAE: Mr. Chaplin has produced copies of tax returns for the last five years of the relevant period save in one case. By way of explanation it ought to be said that the firm in question have prepared the tax returns at some point. Preparation of these returns changed to a micro-film process of storing the records and we are advised that the middle year of the five year period is not available for that because one of the micro-film segments can't be placed. What is produced  
30 in court is in some cases photo copies of what was sent to the Department and in the latter two cases is a hand written

description of what is recorded in the micro-film.

Brown - HIS HONOUR: Yes, thank you.

Cross  
Examination MR. MATHESON: I apply to re-open my cross-examination in the  
light of these returns.

HIS HONOUR: Any objection to that at this stage, Mr. McRae.  
You had not, I think, finished your cross-examination of  
Mr. Brown?

MR. McRAE: To keep this matter flowing in an orderly matter  
I would prefer to complete my cross-examination of Brown. I  
might also indicate - I should indicate that following my  
learned friend's question as to whether Chaplin would produce  
his wife's income tax return copies and upon Mr. Johnston  
asking that Mrs. Chaplin ... those documents are not produced. 10

HIS HONOUR: All right. I think we'll resume with Mr. Brown's  
cross-examination, Mr. Matheson, and proceed following that.

MR. MATHESON: In that event I do ask leave to re-open my  
examination-in-chief on two points which, of course, my friend  
will have a chance to cross-examine on. I wanted to - perhaps  
Mr. Brown can leave the court room for a moment.

(WITNESS BROWN LEAVES COURT ROOM).

20

MR. MATHESON: I omitted to ask him whether it's not a fact,  
as I'm instructed it is, that the Society has a number of  
company superannuation schemes in which non-executive  
directors are members, that's one topic I seek leave and I  
could call somebody else from the A.M.P. to give the same  
evidence if you were against me because I haven't closed my  
case, and the other thing that I wanted to ask him was whether  
it's common for him as sales manager actually to send invita-  
tions to representatives to attend meetings conducted by him  
and to produce a specimen copy of such an invitation. 30

HIS HONOUR: Any objection to that course, Mr. McRae?

MR. McRAE: No, in view of the procedural requirements under the Act I haven't.

HIS HONOUR: All right.

Brown -  
Cross  
Examination,  
Further  
Examination

(WITNESS BROWN RETURNS TO COURT ROOM).

FXN BY MR. MATHESON (BY LEAVE).

Q. Is it a fact that the Society has a number of schemes for public companies in which non-executive company directors are members?

A. There are a number of public companies that I know of that  
10 have superannuation plans for such directors.

Q. And just in case there's any confusion about my use of the phrase 'non-executive' I mean directors who are not employed in the true - in the common lay sense of the word full time with that company?

A. Yes, I understand.

Q. Could you just list a few?

A. Yes. I understand that the Bank of Adelaide would have such a plan, S.A. Gas would have such a plan, Adelaide Wallaroo Fertilizers would have such a plan. There would be perhaps  
20 others too.

Q. Now I think that when you have sales meetings convened by yourself as sales manager do you send invitations out to representatives?

A. Yes.

Q. I think from your records you produced a typical invitation that you sent?

A. Yes.

Q. Is that the specimen?

A. Yes, that is.

30 Q. I tender that.

H.H.: Any objections?

MR. McRAE: No objections.

Brown -  
Further  
Cross  
Examination

SPECIMEN OF INVITATION TENDERED. ADMITTED AND  
MARKED EXHIBIT B.15.

NO FURTHER QUESTIONS.

FXXN BY MR. McRAE:

Q. I think you will recall on the last occasion we had discussed, among other things, these sales meetings. In fact just through your counsel you put in a standard form of invitation to a meeting conducted by yourself?

A. Yes.

10

Q. I think you recall telling me on the last occasion that it was not obligatory for representatives to attend sales meetings?

A. I did say that, yes.

Q. Would you say that that is always the case, it is never obligatory to attend a sales meeting?

A. I would say so.

Q. Are you certain of that?

A. In my knowledge I am certain of that, within my knowledge.

Q. Now do you recall an occasion in 1973, 13 September 1973, when certain bonus changes occurred?

20

A. Frankly, no.

Q. Do you recall that there was a special meeting called of all representatives?

A. No.

Q. Now we have on the last occasion been talking about Mr. Keith Smith?

A. Yes.

Q. And you undertook to produce certain information?

A. Yes.

Q. Certain documents, looking at the documents now produced are those the documents which you undertook to produce?

30

A. They are.

Q. I seek to tender those?

H.H.: Any objection?

MR. MATHESON: No.

BUNDLE OF DOCUMENTS TENDERED. ADMITTED AND  
MARKED EXHIBIT A.16.

MR. McRAE: I call for a memo to all representatives dated  
13 September 1973.

MR. MATHESON: Well we'll produce it. We weren't given any  
10 notice of this and as Your Honour's heard there are hundreds  
of them.

MR. MATHESON: Well, I don't think this is what's called a  
memorandum in the sense that ... (RUSTLING PAPERS OBLITERATE  
WORDS).

FXXN: Q. Well, Mr. Brown, the document I now produce, which  
is headed 'Memo - K. Smith. Special Meeting all Representatives'  
Do you now recognize that document?

A. No, I've never seen the document before.

Q. Do you remember the meeting that's referred to there?

20 A. No.

Q. You did notice, I take it, at the foot of that document the  
words, 'Attendance at this meeting should be regarded by  
yourself as obligatory'?

A. I do.

Q. And you also see 'Attention, Special Meeting all Repre-  
sentatives'?

A. I certainly do.

Q. And that the words 'All Representatives' are underlined?

A. May I? Yes, it is underlined.

30 Q. Now have you any reason to doubt the authenticity of that  
document?

Brown -  
Further  
Cross  
Examination

No. 3B

A. None at all. I recognize the signature of the officer concerned.

Brown -  
Further  
Cross  
Examination

Q. Who was - or is?

A. Well, the signature is Archdall - Mr. M.N. Archdall - and it's signed by him for B. Welch.

Q. So might it be reasonable for the Court to assume that at least on one occasion all representatives were obliged to attend a meeting?

A. Certainly the notice says that, doesn't it?

MR. McRAE: I seek to tender that.

10

HIS HONOUR: Any objection, Mr. Matheson?

MR. MATHESON: No, sir.

MEMO REGARDING SPECIAL MEETING ALL REPRESENTATIVES  
TENDERED. ADMITTED AND MARKED EXHIBIT A.17.

FXXN: Q. I wonder if you'd look at A.16, Mr. Brown. Firstly the last document in A.16, which is headed 'Memorandum to Agency Managers, Regional Managers'. Now, as I understand the position, that is the minimum retention which you set for that particular year?

A. That's correct.

20

Q. And that except in certain cases, which are outlined in that letter, if a person did not reach those standards, then he would be asked to resign or dismissed?

A. Yes, if he didn't reach them within six or twelve months - a reasonable period.

Q. Then turning to the second-last document dated 25 May 1975, the letter from yourself to a Mr. Saultry at Unley, again headed 'Substandard Agencies' - would I be right in assuming that the original of that document was one of a series of Roneoed documents?

30

A. Yes, it's along that line.

Q. And therefore would I also be right in assuming that in order for these Roneoed documents to be prepared that there were quite a number of persons being subjected to review?

Brown -  
Further  
Cross  
Examination

A. There were a number.

Q. In order to be able to do that, did you have access to the sales performance of the various representatives at the time you sent out these memos or letters?

A. Yes.

10 Q. And it was from that that you decided whether or not a particular representative was in danger of falling below standard or had, in fact, fallen below standard?

A. Yes.

Q. Now then, turning to the first document on the list, you'll see an acknowledgement by Smith that he has received the letter dated 21 August and will tender his resignation should he not meet the required objective?

A. Yes.

Q. Was that a common practice - that sort of letter or undertaking a common practice?

20 A. It would be relatively common in these unusual events.

Q. How often would you have - by the way, who prepared that letter; did the Society or did Smith?

A. I have no way of knowing.

Q. You don't know. Have you known in other cases whether it's been the Society or the representative who's prepared this form of offering to tender a resignation in certain circumstances?

A. I've known of it happening on a small number of occasions and I would normally assume that the letter was prepared by the agent.

30 Q. Now you still maintain that it's not obligatory to attend these sales meetings?

No. 3B

A. I certainly do, yes.

Brown -  
Further  
Cross  
Examination

H.H.: Q. Which ones are you referring to, Mr. McRae, the regional ...?

MR. McRAE: The sales meetings at the regional office.

FXXN: A. It is not obligatory to attend any A.M.P. meetings.

Q. Except that you admit that there appears to have been one meeting in 1973 when it was?

A. ' There certainly appears to have been one.

Q. But you don't know the circumstances of that meeting?

A. No.

10

Q. Then I might help you by suggesting that it might have been the occasion where bonuses to policy holders had to be reduced because of certain tax ...?

A. Certainly that - there were two such events and I think one of them was very probably in 1973 but I'm very much relying on a vague memory.

Q. Would you agree with me if I put it to you that whether it was obligatory or not to attend these meetings, in fact the great majority of representatives did attend the meetings?

A. As I said in previous evidence, it would be a rare meeting 20 where one had a full attendance. If you're asking me this particular meeting - a meeting which we concluded was on a bonus reduction - then that's the sort of meeting where I'd expect a pretty full attendance, because it's an important subject.

Q. It was more than that wasn't it. It was not only something where you expected a full attendance, it was something where you ordered a full attendance on the face of it?

A. No.

Q. But you've looked at the document, it does say there, does 30 it not, that 'attendance is obligatory'?



A. That notice does say that attendance is obligatory.

Q. And hence would be reasonable to expect that every representative would have attended that meeting?

A. I'd be indeed surprised if they did.

Q. Can I put it to you that at the very least your Society reserves the right to insist that certain representatives do attend sales meetings?

A. No.

Q. Can I put it to you that all unconfirmed representatives  
10 are required, are obliged to attend all sales meetings?

A. No.

Q. You deny that outright?

A. I do, I deny it outright.

Q. Can I put it to you that there are in fact certain representatives who of recent years have been required to attend the sales meetings?

A. No.

Q. Do you know a Mr. Slape?

A. Yes.

20 Q. Do you admit that for two years past he has been required to attend sales meetings?

A. I do not admit that.

Q. Do you deny it?

A. I deny it.

Q. Do you know a Mr. Malone?

A. Yes.

Q. He is a person, I think, who has been with the Society for twenty years?

A. I would think, at least.

30 Q. A long time anyway?

A. Mm.

No. 3B

Q. I put it to you that he was required to attend sales meetings, that he was obliged to attend sales meetings?

Brown -  
Further  
Cross  
Examination

A. No.

Q. This is recently?

A. No.

Q. Do you recall that Mr. Malone was nominated as the A.M.P. representative for the Savings Bank?

A. Yes.

Q. When was that?

A. That's three years ago.

10

Q. I put it to you that immediately prior to him being nominated to that position he was required to attend a number of sales meetings?

A. No, I just don't believe we would do that.

Q. We were talking about the group situation on the last occasion. As I understood you, and please correct me if I'm wrong, you denied that there was such a thing as a 'closed group', that is to say where one agent had a monopoly?

A. No, I'm afraid your understanding isn't my understanding.

Q. I see. Are you saying that there are certain groups, or certain companies, where only the one agent may have dealings with that company?

20

A. Yes, at the employers request, it's restricted.

Q. You nominate the person don't you?

A. Well in some instances, in some instances the employer would nominate - would certainly influence the person.

Q. In the case of Mr. Malone and the Savings Bank you nominated Mr. Malone didn't you?

A. We did.

Q. And that had the effect, did it not, that no other A.M.P. representative could attempt to sell a policy inside the

30

Savings Bank?

A. In the metropolitan area.

H.H.: What do you mean by that Mr. McRae, to be totally employed by the Savings Bank?

MR. McRAE: Yes, sorry.

FXXN: Q. Could you explain Mr. Brown?

A. I'm sorry ...

Q. I'm putting it to you that because of the group situation and nomination at the Savings Bank, no metropolitan representative would - apart from the nominated representative -  
10 could attempt to sell insurance to any employee of the Savings Bank in the metropolitan area?

A. He could sell it but he wouldn't receive commission for it.

Q. That's right, so it would be pointless for him to be involving himself in it?

A. Mm.

Q. There are in fact a number of situations like this are there not?

A. The savings Bank situation would be unique I would believe  
20 in the society.

Q. Do you recall that you yourself requested that Mr. Chaplin pays specific attention to the Peters Ice Cream Company?

A. No, I don't recall.

Q. Do you have any knowledge that Chaplin in fact was requested to attend at Peters Ice Cream where - the company that is - where a group scheme was apparently running into difficulties?

A. No, I have no knowledge of Mr. Chaplin's association with that group.

30 Q. If a representative, that is to say, does not maintain a retention level the practice is to invite that person to resign,

Brown -  
Further  
Cross  
Examination

No. 3B

or alternatively to dismiss that person?

Brown -  
Further  
Cross  
Examination

A. Yes.

Q. And similarly if a representative has a situation developing where there are too many lapses in policies the same applies?

A. Yes, when very reasonable time has been given to correct the problem.

Q. And in fact there is a computer print-out from which lapses can be determined?

A. Yes.

Q. Do you say that your representatives are free to engage in 10 outside activities, apart from their work in selling insurance policies for the Society?

H.H.: Outside business activities?

MR. McRAE: No, any time. Perhaps I'll start in this way.

FXXN: Q. When we last discussed this topic I think you said to me that it was rather immaterial to you provided a certain standard was maintained, whether a representative worked 20 hours a week, 40 hours a week, or 60 hours a week?

A. Yes.

Q. In saying that do you mean that it's also immaterial to you<sup>20</sup> whether at any time, business hours or otherwise, a representative engages in other work?

A. In a general sense it is not material to us. There would be a number of exceptions.

Q. The exceptions being what?

A. Where the society held that the other activity was not compatible with the society's activity.

Q. Could you give us an example of that?

A. There are a number in the benefits and conditions of the agents appointment. For instance, activity for competing institutions.

Q. Yes, I'm sorry. Perhaps I should make it clear that in asking you the question I have assumed that the agent will be honouring his contract and not selling competing institutions. What I'm really asking you is what categories of 'second jobs' if you like to keep this neutral, would be disapproved of by the society?

A. A publican activity where there was actual engagement in the activity of the hotel, book making, hard to think of others.

Q. And there have been a number of cases, I think, over the last few years where persons who have obtained bookmakers licences have in fact been asked to resign?

A. They have been asked to make a decision whether they wish to remain A.M.P. representatives or to pursue bookmaking as a vocation.

Q. But they've been told they can't do both?

A. They can't do both.

Q. What other activities fall into this category, bookmaking, publicans activities, where direct sales, I think you said, were involved?

A. Direct involvement. Quite frankly can't think of any others.

Q. I think the normal practice is that taxation is deducted from the representative's pay?

A. From his commission.

Q. From his commission, I'm sorry. And so is superannuation contributions deducted from his commission?

A. Yes.

Q. You were in court and heard Chaplin's evidence, weren't you?

A. Yes.

Q. You heard him say that there is an A.M.P. Contributory Superannuation Scheme?

30 A. Yes.

Q. Do you agree with his evidence?

A. I agree there is an A.M.P. Contributory Representatives Plan.

Q. That is to say that the society itself matches, in some way, the payments into the scheme made by the contributors?

A. Yes, at least matches.

Q. And is it true that superannuation entitlements vary according to years of service?

A. Yes, years of service certainly affects the end result.

Q. In fact, this concept is known as service credits, is it not?

10

A. Yes.

Q. Now, is it also not a fact that the Society will not enrol its representative in its self employed persons superannuation scheme?

A. I am not sure.

Q. Well, if I put it to you that the Society in fact as a matter of policy will not enrol its representatives in a self employed persons superannuation scheme, would you deny that?

A. I am not sure. I think it would have something to do with the tax situation in the superannuation plan that we have for 20 agents.

Q. Now I think as part of the Society's policy there are files kept on agents?

A. Yes.

Q. These are kept at the regional office or at head office?

A. Both.

Q. And these files contain details of sales?

A. They would contain details, yes, of sales.

Q. Also details of attitude to work?

A. Some would.

30

Q. Competence in work?

A. Yes.

Q. Any complaints received against the agent?

A. Yes.

Q. Any breaches or alleged breaches of ethical positions?

A. Yes.

Q. What other matter would these files contain?

A. Anything considered significant.

Q. Now I think you told us you have been with the Society  
23 years yourself?

10 A. Yes.

Q. Have you ever been a representative yourself in that period?

A. Yes.

Q. How long have you been on staff. You told us you are on  
staff now?

A. Well, really I have always been on staff.

Q. That is to say you have always been an employee as distinct  
from an agent, is that right?

A. Yes.

Q. But do you know enough about representatives to know what  
20 the common practice in the industry is?

A. I believe so.

Q. Have you ever sold insurance yourself?

A. Yes.

Q. But only as an employee?

A. I was a member of what is called the sales training cycle  
which meant that for a period of three to five years the  
intention was that I do all the activities of the field force  
from collector agents through to regional manager and so on.

Q. There is in existence a manual related to a field man for  
30 the A.M.P., is there not?

A. There are a number of manuals.

Brown -  
Further  
Cross  
Examination

Q. Is there one that specifically deals with the A.M.P. field man?

A. Many years ago there was.

Q. Are you not sure?

A. No.

Q. Well, now, when you were engaged in these sales, what was the position. Were you receiving salary only, or part salary and commission, or wholly commission?

A. I received commission.

Q. Wholly commission?

10

A. Yes.

Q. At that time, did you make taxation claims for deductions for stationery?

A. I would do so, yes.

Q. You did, can you remember?

A. Yes.

Q. Telephone?

A. Yes.

Q. Did you have sub-agents?

A. No.

20

Q. Did you make taxation claims in respect of a motor vehicle?

A. Yes.

Q. Are you married?

A. I wasn't at that time.

Q. Did you pay any salary to any person for bookkeeping assistance?

A. No.

Q. Is it the practice of representatives in the industry to seek deductions of the type we have just discussed?

A. Certainly.

30

Q. Are you now employed on staff as sales manager. Does that



mean to say you are wholly remunerated by salary?

A. Yes.

Q. In your last tax return, did you make any claim for an entertainment allowance?

A. I received an entertainment allowance.

Q. Who from?

A. The A.M.P. Society.

Q. That is in addition to the salary?

A. Yes.

10 Q. In your last tax return, did you make any claim in respect of telephone expenses?

A. No.

Q. Did you receive any telephone expense allowance from the Society?

A. No.

Q. In your last tax return, did you make any claim in respect of salaries paid to any other person?

A. No. Not in connection with my A.M.P. income.

Q. Not in respect of the insurance industry?

20 A. Yes.

Q. Is it common practice in the industry for representatives to have a room in their home as an office?

A. Quite common.

Q. Is the nature of the work in the industry such that most of the work is carried out by calls made on the prospective client at that person's home or office?

A. Most generally.

Q. Would it be true to say that there would be a very small percentage of time spent at one's home doing work as distinct  
30 from being out on the road interviewing people and so on?

A. It would vary a great deal, but I would think in a general

Brown -  
Further  
Cross  
Examination

sense you are correct.

Brown -  
Further  
Cross  
Examination

Q. Turning to sub-agents, what control does the A.M.P. have over sub-agents?

A. We have no direct control over sub-agents.

Q. But it is a fact, is it not, that you demand the same standards of sub-agents as you do of agents?

A. Ethical standards?

Q. Yes?

A. Yes, but it is required that the principal exercise those demands upon his sub-agent. 10

Q. But the sub-agent pays the money to the Society, any money he collects the sub-agent pays that money to the Society, not to the agent, doesn't he?

A. I would believe not. I would believe he would pay it to his principal.

Q. Isn't it a practice that in the same way as the representative pays in his premium to his regional office or head office, that the sub-agent does so?

A. No, in my knowledge a sub-agent would deal through his principal. 20

Q. But it is correct, isn't it, that before a sub-agent can be designated by an agent that person has to be approved by the Society?

A. Yes.

Q. And in fact you approved of each of Mr. Chaplin's sub-agents?

A. I assume we did.

Q. It is also a fact that many sub-agents are normal confirmed agents of the Society?

A. Some would have been. 30

Q. There is an association of representatives of the A.M.P., is

there not?

A. Yes.

Q. That has direct dealings with the Society?

A. Yes.

Q. Both state and nationally I think?

A. Yes.

Q. It refers to the Society as a management, does it not?

A. Yes, they seem to.

Q. That is a common form of describing the Society, the  
10 representatives to describe the Society?

A. Yes.

Q. And I think the Association conducts negotiations on behalf  
of the representatives relating to matters such as commission?

A. Yes.

Q. And the rate of commission?

A. Yes.

Q. I believe there is also agreement between the Association  
of the Society nationally and in the states as to what matters  
will be handled nationally and what matters will be handled at  
20 state level?

A. Yes I believe so.

Q. I think also that the association has been involved in  
negotiations concerning motor car advances?

A. Yes.

Q. I think the fact is that the society makes advances some-  
where in the vicinity of \$4,000 interest free for the purchase  
of a motor vehicle?

A. Yes.

Q. And that that sum of money is changed from time to time?

30 A. Yes.

Q. I believe that the society also makes certain special

No. 3B

provisions for home mortgage loans?

Brown -  
Further

A. Yes.

Cross  
Examination

Q. Directed to representatives?

A. Yes.

Q. And again the conditions of those loans are varied from time to time?

A. Yes.

Q. Now you recall Chaplin I think after cross-examination concerning the agency which Mrs. Chaplin had relating to General and Fire Insurance?

10

A. Yes.

Q. Is this not a common thing in the industry that if a representative of the society is married that his wife may well be the applicant for the fire and general agency?

A. Very common.

Q. And the reason is tax advantage isn't it?

A. I imagine so.

Q. That is bluntly the truth isn't it; it is a tax dodge?

A. It would be difficult for me to use your terminology.

Q. You would not deny that too heavily though would you?

20

A. I think I would.

Q. But you don't seriously suggest that there was anything underhand in the fact that Mrs. Chaplin held an agency of that kind?

A. No, if Mrs. Chaplin genuinely worked at the servicing of that register, then I would believe there was nothing underhand in it.

Q. In fact do you know that the contract for the sale of that agency was prepared by the society?

A. I certainly do not know that.

Q. Isn't it a practice that upon the sale of the register relating to fire and general insurance that the society prepare

30

the form of contract transfer?

A. No.

Q. You deny that?

A. I deny that. It might well be that Mr. Chaplin or the other parties sought some help from, say, a fire inspector who might have had a previous copy of a contract which had fallen into his hands; that could happen; but certainly the society has no real attitude in the purchase and sale of a fire register beyond to approve the incoming agent.

10 Q. Quite so. Well I don't want to delay this matter, but you heard Chaplin, I think, cross-examined at quite some length about this arrangement between he and his wife for the fire and general agency. What I am trying to ascertain from you is, do you say that there was anything wrong in what he did; is there a complaint that is inherent in that arrangement?

A. Not in my knowledge.

NO FURTHER QUESTIONS.

H.H.: Q. Mr. Brown, when a life assurance representative is terminating his arrangement with the society, and his wife has  
20 to the society's knowledge - for want of a better expression - a fire and general business - I think you call it a register - does the society require as a matter of practice the wife of that life assurance representative to dispose of that agency?

A. No your Honour, not as a matter of practice.

Q. For instance in this case of Chaplin, if Mrs. Chaplin had decided she wished to retain that fire and general agency, the society's attitude would have been, well good luck to her?

A. Your Honour I cannot say because it is hypothetical. As far as I can assume she did not wish to retain it.

30 Q. But if she had wanted to?

A. We would have to consider whether she had the expertise to

Brown -  
Further  
Cross  
Examination

No. 3B continue it and give good service to the clients concerned.  
Brown -  
Further If she had that expertise it is certainly possible that we  
Cross  
Examination, would have allowed her to continue it.  
Re  
Examination H.H.: Q. Any re-examination?

MR. MATHESON: Two questions please.

RE-XN BY MR. MATHESON:

Q. As far as the deduction of taxation instalments is concerned,  
Mr. Brown, was that made as a result of the definition of  
salary or wages in section 221(A) of the Income Tax Assessment  
Act which included payments by way of commission to an insurance or time payment canvasser or collector? 10

A. I understand so.

Q. What was the reason for regarding direct involvement in  
bookmaking and the business of a publican as incompatible with  
the ...?

A. The society has long held that such an activity was incompat-  
ible with our business. We are in the business of creating  
safeness and of bringing protection to people and we ...

H.H.: Q. Publicans and bookmakers are in the business of taking  
it away from them? 20

A. Yes, thank you your Honour.

MR. MATHESON: I think in fact he was going to say that.

NO FURTHER QUESTIONS.

WITNESS RELEASED.

MR. MATHESON: I am only going to call one witness, and I  
have sent him back to the A.M.P. with a copy of document A.17  
to try and get a bit more background on it. I suggest we go  
on with Mr. Chaplin.

H.H.: Any objection?

MR. McRAE: No.

H.H.: Mr. Chaplin, can you come back into the witness box

please. You are still under oath.

WITNESS L.J. CHAPLIN RECALLED.

RE-XXN BY MR. MATHESON:

Q. Mr. Chaplin, you were given throughout your association with the A.M.P. books with, on the cover, 'Looking Ahead', weren't you?

A. Yes that is correct.

Q. And amongst the pages in those books were pages headed, 'My record of business expenses'?

10 A. Yes that is correct.

Q. Did you use that page for recording your business expenses?

A. No I did not.

Q. When you saw Mr. Goldsworthy about preparing your tax return presumably you produced some records to him of the business expenses you had incurred in the last financial year?

A. Yes.

Q. Where did you keep those records - in some sort of ledger or where?

A. No, I made them up; most times I made them up at the end of  
20 the year.

Q. Didn't you keep any sort of book in which you put headings such as 'Petrol', 'Entertainment', 'Stationery', 'Telephone'. You must have had something like that?

A. Most of the petrol and oils ...

Q. Please answer the question: didn't you keep some book or ledger like that?

A. No.

Q. Never?

A. I don't believe so.

30 Q. Forget the stage at which you were about to see Mr. Goldsworthy: what records did you keep as the year proceeded

No. 3A

Chaplin -

Re Cross

Examination

for petrol and telephone and entertainment - did you have bits  
and pieces of paper here and there?

A. All the petrol and oils and telephones were off accounts.

Q. Are you saying the only records you kept were accounts and  
odd pieces of paper on which you would make a note?

A. That is correct.

Q. I think you have produced copies of your business and  
professional income tax returns for the years ended 30 June 1971,  
1972, '74 and '75?

A. Yes.

10

MR. MATHESON: I have permission, I think, to go to the witness  
box because we haven't got copies of these documents?

H.H.: Yes.

RE-XXN: Q. Amongst the business expenses you have claimed in  
the year ended 30 June 1971 a deduction of \$576.04 for motor  
vehicle expenses?

A. Yes, that is correct.

Q. I won't go through them all but just pick out some:  
advertising, \$351.25?

A. Yes.

20

Q. What form did that take other than just advertisements of  
which Exhibit D.14 was an example?

A. The other advertising would have been in the local journals  
such as the Salisbury Journal, the Elizabeth Journal and other  
journals I happened to come across in which I believed an  
advertisement may be advantageous.

Q. You have claimed \$72 for the M. & W. Association. What is  
that?

A. That should be included in the advertising because it is a  
journal.

30

Q. Allied Publishers?



105.

A. That is another journal.

Q. That is also advertising?

A. Yes.

Q. Telephone and telegrams: was that sum including rental?

A. Yes, it includes rental. 'telephone and telegram' is office terminology for telegrams sent.

Q. Again I don't mean this critically, but is that your total expense for telephone and telegrams for the year or just so much as relates to the AMP?

10 A. I believe they should have been so much for the year but on second thoughts it may be a bit low for that year.

Q. I don't understand what that means?

A. I first noticed it yesterday when I had a look at it and I thought, 'Maybe they should be more than that'. It could have been low for that particular year.

Q. That doesn't help me in understanding the situation because I want to know whether that is your total expenses for telephone and telegrams including for the AMP or whether it is your total for telephone and telegrams only for the AMP?

20 A. That's the grand total.

Q. Newspapers, \$48?

A. Yes.

Q. What is that for?

A. News and Advertiser and other publications I buy.

Q. Subscriptions - one of them is to the A.I.M.A.?

A. That is a subscription to ...

Q. The South Australian Government Gazette?

A. Yes.

Q. Why did you buy that?

30 A. That contains names of people in positions whereby I could telephone them and obtain appointments.

No. 3A  
Chaplin -  
Re Cross  
Examination

Q. Depreciation, in the 'Depreciation Schedule'?

A. Yes, that is correct.

Q. And in addition to the obvious inclusion of your car you have included the furniture in your office?

A. Yes.

Q. Wages \$1200?

A. Yes. That was paid to my wife.

Q. In '70/71?

A. I believe that is so.

Q. Entertainment \$350?

10

A. Yes, that is correct.

Q. Returning to entertainment, is that to entertain existing clients or potential clients of the Society?

A. Both.

Q. Calendars and cards?

A. Yes, that is correct, \$120. We had the small pocket calendars which had 18 months on them and also the large yearly calendars we buy to give to clients and prospective clients.

Q. Gas and electricity - was that a proportion of your house gas and electricity used in your office? 20

A. That is correct.

Q. You had a gas stove in your office?

A. No, I think that should have been just plain electricity and no gas.

Q. Then you set up commission paid to sub-agents?

A. Yes.

INCOME TAX RETURN YEAR ENDED 30 JUNE 1971 FOR  
L.J. CHAPLIN, TENDERED BY MR. MATHESON. NO  
OBJECTION MR. McRAE. ADMITTED AND MARKED  
EXHIBIT B.18.

30

Q. Coming to the return for the year ended 1972 you have

included amongst your income commission from AMP Fire and  
General?

A. Yes.

Q. I won't go through all the business expenses again but they  
include \$2080 for wages?

A. That is correct.

Q. To whom was that sum paid?

A. To my wife.

Q. Also \$116.66 for a telephone answering service?

10 A. That is the lease. That is correct.

Q. What is that. What was the answering service?

A. The answering service - anybody could ring the house at  
any stage and the answering service would be switched on for  
people to leave a message.

Q. Entertainment and advertising are very substantially up in  
that year: do you know why that was?

A. I was spending more money and seeing more customers.

Q. You also claim \$20 for dry cleaning; what was that for?

A. It is always my belief that we should look as best we can  
20 when we see people and that was the reason for that.

Q. During the year ended 30.6.72, you also carried on business  
as a market gardener?

A. Yes.

Q. Where was that garden?

A. It was run by my father at McLaren Vale.

DOCUMENT TENDERED BY MR. MATHESON. ADMITTED AND  
MARKED EXHIBIT B.19.

Q. Coming to the return for the year ended 30.6.74 - I notice  
you have again included 'Fees, Commission, Fire and General  
30 Insurance, \$1420'?

A. Yes.

Q. Bearing in mind you have claimed that in 1974 in part of your income and in 1972 as part of your income, do you think it is probable you also included it as part of your income in 1973?

A. Yes.

Q. In that financial year you paid commission to three sub-agents?

A. Yes.

Q. And \$3040 for wages?

A. Yes.

10

Q. To whom was that paid?

A. My wife.

Q. And you included \$84.70 for florists?

A. Yes.

Q. What was that for?

A. For flowers I would send to clients on the birth of a baby.

DOCUMENT TENDERED BY MR. MATHESON. ADMITTED AND  
MARKED EXHIBIT B.20.

Q. Return for the year ended 30.6.75 - there does not appear to be any mention of 'Fees Commission for AMP Fire and General'?

A. That's right; there was a mistake made on the return and I have since paid about \$150. Item six in 'income' I believe was put in incorrectly, \$124 tax should not have been paid and the fire and general was left out. Which means I had to pay about \$150 extra.

Q. You say that subsequently you advised the Commissioner that you had omitted to include income from AMP Fire and General during 1975?

A. No. The Commissioner picked it up.

Q. You confirmed it?

A. Yes. He was correct.

30

Q. And in that year you claimed a total of \$1221 for advertising expenses?

A. That's correct.

Q. Was that solely during the period that you were a representative for the AMP?

A. Yes.

Q. You also claimed \$35 for parking. It is the first time that seems to appear. What is that for?

A. Parking meters around town and that sort of thing.

10 Q. You claim \$3040 for wages?

A. Yes.

Q. Who was that paid to?

A. My wife.

DOCUMENT TENDERED BY MR. MATHESON. ADMITTED  
AND MARKED EXHIBIT B.21.

Q. At least as far as the years 1971 to 1975 inclusive are concerned, you received all the income from AMP Fire and General Insurance?

A. Yes.

20 Q. And when the register was sold your name appeared therein as the vendor?

A. Yes.

Q. And you received the \$1750?

A. Yes.

Q. You paid that into your own bank account?

A. Yes.

Q. Whatever the true position at the commencement of the AMP Fire and General agency, throughout that period 1971 to 1975 at any rate, the AMP Fire and General agency was part of your

30 business?

A. Yes.

NO FURTHER QUESTIONS.

No. 3C  
Archdall -  
Examination

MR. MATHESON CALLS:

MERVYN NUGENT ARCHDALL (SWORN)  
17B Fyffe Avenue,  
Torrens Park.  
Agency Manager.

XN BY MR. MATHESON:

Q. I think you are now the agency manager of what is called  
City Sales Unit number one, of the A.M.P. Society?

A. That is correct.

10

Q. And you have been with the Society in one capacity or  
another since 30.3.53?

A. That is correct.

Q. In fact you are the longest serving agency manager with  
the A.M.P. Society in South Australia?

A. I would think that would be the case.

Q. I think it was, in fact you had recruited Mr. Chaplin  
through a former agent called Mr. Robertson?

A. That is correct.

Q. During his training course, would you have worked as one  
of the instructors?

20

A. Yes.

Q. Do you remember Mr. Chaplin during that period?

A. Not particularly.

Q. At any rate, upon completion of his full time training,  
I think he was posted to your sales unit?

A. That is correct.

Q. And he remained with your unit until your agency was split  
up in the middle of 1968?

A. That would be correct.

30

Q. Did you ever give Mr. Chaplin or any other representatives,  
orders?

A. No.

Q. Did you give them advice?

A. Yes.

Q. Did they always follow your advice?

A. No.

Q. Is there some particular advice you have made a habit of giving agents about organising themselves?

A. Yes.

Q. Could you tell His Honour something more about that?

10 A. I am sorry?

Q. Could you tell His Honour what advice you give to an agent about organising himself?

A. We would ...

Q. Just you?

A. I would endeavour to indicate the most favourable method of operation in order that the men would be able to produce business in a most economic and time saving fashion.

Q. And did you ever use words to the effect, 'the onus is on you'?

20 A. I don't remember.

Q. Was that the sort of thing you would say?

A. That would be something of that nature, I would not remember those particular terms.

Q. Do you recall giving any orders to Mr. Chaplin?

A. No.

Q. I think, at my request, since the court resumed this morning, you were handed a copy of Exhibit A.17?

(SHOWS EXHIBIT TO WITNESS)

A. Yes.

30 Q. I think that you have been back to the Society since you were shown that to find out what that related to?

No. 3C

Archdall -  
Examination

A. That is correct.

Q. And your enquiries suggest it relates to changes brought about or proposed in 1973 Federal Budget?

A. Yes, it would appear that the meeting was conducted around this subject?

MR. MATHESON: I tender that document.

H.H.: What is it exactly?

MR. MATHESON: It is a message to fieldmen from the general manager concerning the 1973 Federal Budget, and a circular from the Federal President to all fieldmen.

10

MESSAGE TO FIELDMEN FROM THE GENERAL MANAGER;  
CIRCULAR FROM THE FEDERAL PRESIDENT TO ALL  
FIELDMEN, TENDERED BY MR. MATHESON. ADMITTED  
AND MARKED EXHIBIT B.22.

XN: Q. You will notice that that particular memorandum includes the sentence, 'attendance at this meeting should be regarded by yourself as obligatory'. Are you aware of any other notice in connection with any sort of meeting where those words were used?

A. I do recall the words being used but at no particular meeting.

20

Q. As far as you yourself was concerned, as an agency manager, did you regard attendance at the meeting obligatory?

A. I would have regarded the attendance at a meeting, for myself, as a compulsory thing, but the terms referred to there were ...

Q. You are talking about this meeting?

A. I am sorry, I would have regarded the instruction for myself to attend as an instruction from the office.

Q. When you yourself called meetings of representatives in your own unit, did you regard them as compulsory?

30

A. From the point of view of the representatives you mean?

Q. Yes?



A. No.

Q. Did representatives always attend your meetings?

A. No.

No. 3C  
Archdall -  
Examination,  
Cross  
Examination

NO FURTHER QUESTIONS.

XXN BY MR. McRAE:

Q. You mentioned that you had heard the word 'obligatory' used in a context, other than that 1973 meeting?

A. Yes, I believe I would have used the term.

Q. Who to, the representatives?

10 A. Yes, I would say it would have been used to the representatives but it would have been prefaced with other words.

Q. But the truth of the matter is that if you thought that a representative needed to be at the meeting, you would tell him he should get there and it was obligatory?

A. No, I would tell him that he should regard it as being obligatory from his own point of view.

Q. Were there certain agents who perhaps were falling behind in standards of work or attitude to work who were in fact required as a matter of obligation to attend meetings?

20 A. No.

Q. Were there people who were in the situation where, if they did not improve their sales, they would be dismissed?

Were there people in that position?

A. No, the Society has not dismissed agents.

Q. Were there people in the position who, because their standard had fallen, unless some improvement was shown, would be asked to resign?

A. Yes.

30 Q. In respect of those people was it the custom to make attendances at your sales meetings obligatory?

A. No.

No. 3C

Archdall -

Cross

Examination

Q. You have never known that to happen at all?

A. No.

Q. As a matter of practice what percentage of the representatives would attend the sales meetings?

A. The percentage would vary in accordance with the agent's interest in the particular subject.

Q. An average would be?

A. I would hope that we would average, say, an 80 per cent attendance.

Q. Which agencies have you managed in your career with the A.M.P.? 10

A. With regard to the ordinary or the industrial department or all departments?

Q. The representatives, in relation to representatives?

A. The ordinary department representatives?

Q. Yes?

A. The people in question at the present time?

Q. Yes, starting off with your present position, which I think is city number 1?

A. That is right. 20

Q. What has been the average attendance of meetings there, 80 per cent?

A. I would not know the exact percentage, I would say it would fluctuate between 60 and 80.

Q. How long have you been at the City No. 1 Branch?

A. Since 1971.

Q. Where were you before then?

A. I was posted to sales division attending to matters relating to group insurance production.

Q. How long before that were you concerned with ordinary representatives? 30

A. Prior to June or July, 1968.

Q. What was the average standard of attendance at meetings at that time?

A. I do not recall.

Q. Was it in the same range - 60 to 80 per cent?

A. I cannot answer that.

NO FURTHER QUESTIONS.

NO RE-EXAMINATION.

CASE FOR RESPONDENT.

No. 4

REASONS FOR DECISION OF HIS HONOUR  
JUDGE ALLAN DATED 15TH APRIL, 1977.

Industrial  
Court

No. 4  
Reasons  
for  
Decision  
of His  
Honour  
Judge  
Allan  
15th  
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1977

In this case the applicant claims payment of a sum of money in lieu of long service leave to which he alleges he is entitled pursuant to the provisions of the Long Service Leave Act 1967-1972 (hereinafter called "the Act").

The applicant, by his application, alleges that he was employed by the respondent pursuant to a single contract of continuous service from the 8th May, 1967 to the 23rd April, 1975. By his answer the respondent denies that the applicant was so employed, or indeed, that he was employed by the respondent at all. The respondent alleges that the applicant was, at all material times, an independent contractor. Further, the respondent denies that the applicant was, at any material time, a "worker" within the meaning of that expression in the Act.

It is convenient to here set out certain of the provisions of the Act relevant to the issues arising for determination herein. In subsection (1) of s.3 an "employer" is defined as:

"... a person employing a worker or workers, but does not include the Crown:"

A "worker" is defined as:

"... a person employed under a contract of service and includes a person so employed who is remunerated wholly or partly by commission."

Subsection (1) of s.4 provides:

"Subject to this Act, every worker shall be entitled to long service leave or payment in lieu thereof in respect of his service with an employer." 30

Subsection (5) of s.4 provides:

"Subject to subsection (8) of section 5 of this Act, where a worker completes a period of not less than seven years' service but less than ten years' service with an employer, and his service is terminated after the commencement of this Act -

(a) by the employer for any cause other than serious and wilful misconduct;

or

(b) by the worker if he has lawfully terminated his contract of service;

or

(c) by the death of the worker,

the worker, or his personal representative, if the worker is deceased, shall be entitled to a payment in lieu of long service leave calculated on the basis that the worker is entitled to that proportion of thirteen weeks' leave that the number of years' service completed by the worker with the employer bears to ten years."

Reasons  
for  
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of His  
Honour  
Judge  
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10 Subsection (8) of s.5 provides:

(continued)

In the case of a worker who commenced service with an employer before the first day of January, 1972 and, after the commencement of the Long Service Leave Act Amendment Act 1972, completes a period of not less than ten years' service with the employer or whose service having commenced as aforesaid is terminated after the commencement of that Act and after the worker has completed at least seven years' service with the employer in a manner that would entitle the worker to payment in lieu of long service leave under sub-section (5) of section 4 of this Act, the long service leave or payment in lieu thereof to which the worker is entitled shall be calculated on the following basis:-

- 20
- (a) that the worker is entitled to a period of leave that bears to thirteen weeks the same proportion as the period of service, if any, completed by the worker with the employer prior to the first day of January, 1966, calculated to the nearest complete week of service, bears to twenty years;
- 30
- (b) that the worker is entitled, in addition, to a period of leave in respect of any period of service completed by the worker with the employer during the period commencing on and including the first day of January, 1966 and concluding on and including the first day of January, 1972, that bears to thirteen weeks the same proportion as that period of service, calculated to the nearest complete week of service, bears to fifteen years;
- 40

and

- (c) that the worker is entitled, in addition, to a period of leave that bears to thirteen weeks the same proportion as the period of service completed by the worker with the employer after the first day of January, 1972, calculated to the
- 50

nearest complete week of service, bears  
to ten years."

Subsection (1) of s.12 provides:

"Subject to subsection (2) of this section, where  
the Industrial Court of South Australia is satis-  
fied that a worker or a deceased worker had not  
been granted, or had not received payment in lieu  
of, the whole or any part of the long service  
leave to which he was entitled under this Act  
the court may, on the application of -

10

- (a) the worker;
- (b) in the case of a deceased worker, the  
personal representative of the deceased  
worker;

or

- (c) a registered association within the meaning  
of the Industrial Conciliation and Arbi-  
tration Act, 1972, of which the worker is  
a member

by order direct that the leave be granted or  
the payment made by the employer or former  
employer of the worker liable under this Act to  
grant the leave or make the payment, as the case  
may be.

20

(2) Where the service of the worker the subject  
of an application under subsection (1) of this  
section has terminated, the Industrial Court  
shall not have jurisdiction to hear and determine  
any such application that is made after the  
expiration of three years from the day of that  
termination.

30

(3) The Industrial Conciliation and Arbitration  
Act, 1972, shall mutatis mutandis apply and have  
effect as if an application under subsection (1)  
of this section were a claim under paragraph (d)  
of subsection (1) of section 15 of that Act.

(4) An application under section 12 of this Act  
as in force immediately before the commencement  
of the Long Service Leave Act Amendment Act,  
1972, may be heard and determined by the Industrial  
Court in all respects as if this section were in  
force at the time that it was made and it were  
an application under this section."

40

There is no doubt that the respondent is an "employer"  
within the meaning ascribed to that term in the Act. In  
those circumstances, and bearing in mind the relevant

provisions of the Act, the short issue arising for determination on the pleadings is whether, at all material times, there existed between the applicant and the respondent the relationship of employee and employer. The determination of that issue will also determine the issue of whether the applicant is a "worker" within the meaning of the Act. It was agreed between the parties that the determination of the issue of quantum should be left until the determination of the issue as to liability.

- 10 Having heard the witnesses and after careful consideration of the evidence, including the exhibits, I find the following facts.

The applicant is aged 42 years. He commenced service with the South Australian Railways in April, 1950, shortly after leaving school. In late 1966 or early 1967, at a time when he was still employed by the Railways, he became interested in becoming an insurance representative. He contacted Mr. Archdall, an employee of the respondent. Following his discussion with Mr. Archdall he made application for a position with the respondent as a representative in the form provided by the respondent for that purpose. The applicant understood that the nature of his work as a representative would be to sell life insurance for the respondent. Subsequently, he had several interviews with employees of the respondent. On the material before me it is clear that these interviews were extensive; they included a visit to the applicant's home by an employee of the respondent for an interview with the applicant and his wife. The applicant, amongst other things, provided the respondent, at the respondent's request, with the names of referees and the respondent apparently enquired of the referees and of other people known to the respondent who also knew the applicant, as to the fitness of the applicant to be a representative of the respondent. After the interviews had been conducted, the applicant, at the request of the respondent, underwent medical examinations.

By letter dated the 18th April, 1967, the applicant was advised that, subject to the satisfactory completion by him of a training course, he would be appointed as a representative of the respondent on probation as from the 8th May, 1967. The letter provided as follows:-

18th April, 1967.

"Mr. L.J. Chaplin,  
6 Woodley Road,  
GLEN OSMOND.

Dear Mr. Chaplin,

I have pleasure in advising that, subject to satisfactory completion of a Training Course, you will be appointed as a Representative of the Society on probation as from 8th May, 1967.

Industrial  
Court

No. 4

Reasons  
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Decision  
of His  
Honour  
Judge  
Allan

15th  
April  
1977

(continued)

The enclosed Booklet, 'Benefits and Conditions of Appointment as an A.M.P. Representative', sets out the terms of your appointment.

Please note that the Initial Full-Time Training Allowance outlined in paragraph 39 of Section II will only be payable on satisfactory completion of the full Course, particulars of which are shown below. It should also be clearly understood that payment of the allowances and advances mentioned in paragraphs 40, 41 and 43 of the same section is contingent upon you applying yourself satisfactorily to the development of your agency and the Training Courses arranged by the Society, and that these allowances and advances may be terminated at any time at the Society's discretion.

10

Section II of the booklet sets out the methods by which commission may be credited to your account. Please note that until further notice you will be credited with commission in accordance with the method shown under the heading 'Policies Procured in Second Year of your Agency' in the schedule on page 8, i.e. 80% in the month a policy is issued and 20% deferred as described.

20

If you are in agreement with these terms and conditions, I should be glad if you would sign the attached acceptance and undertaking.

You have also been appointed an Agent for A.M.P. Fire & General Insurance Co. Ltd. in terms of Section III of the booklet, subject to completion of the enclosed application. The Society has no objection should you wish the Agency registered in the name of your wife, who should in that event, sign the application form, and whose name should appear as Agent in all correspondence and on all proposals etc. relating to the Agency. We would, however, treat the Agency as if it were registered in your name.

30

Your medical assessment for purposes of the "Death, Permanent Disablement and Retirement Benefits Plan" described in Section IV of the booklet, is Standard. Application for membership of the Plan is attached.

40

A full-time initial Training Course of two weeks' duration will commence on Monday, 8th May 1967, and I shall be pleased if you will attend at 8.30 a.m. on that date, in the 5th Floor Training Room, Paringa Building, 13 Hindley Street.

The following are also enclosed :



- 1. Booklet entitled 'Insurance and the A.M.P.'
- 2. Rates and Options Book
- 3. Information Manual.

These publications will be studied during your initial training, but it will undoubtedly be of benefit if you are able to familiarise yourself with the broad outline of their contents in the meantime.

10 Please accept my congratulations on your appointment to this most important role in the Society's field organisation and best wishes for success and happiness in your new career.

Yours faithfully,

P.F.A.

for ASSISTANT MANAGER  
(SALES)"

Enc.

The various booklets and documents referred to in the letter were enclosed with the letter.

20 The applicant signed the document headed "Acceptance by Ordinary Representative of Probationary Appointment" and returned it to the respondent. The full context of that document was as follows:

"ACCEPTANCE BY ORDINARY REPRESENTATIVE  
OF PROBATIONARY APPOINTMENT

The Manager,  
A.M.P. Society,  
ADELAIDE.

Dear Sir,

30 I have received and read the booklet entitled 'Benefits and Conditions of Appointment as an A.M.P. Representative', containing Sections I-V inclusive, and agree to be bound by the same.

I acknowledge that

- (a) all information about the policy and practices of the Society is strictly confidential and not to be divulged to any person outside

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Industrial  
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No. 4  
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of His  
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Judge  
Allan

the Society without its consent,  
and

(b) any particulars supplied to me of  
a policy on the life of a person  
assured with the Society are not  
to be discussed with anyone other  
than a member of the Society's  
staff or the owner of the policy.

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1977

... I enclose completed application for  
membership of the Ordinary Agents' Retirement  
Benefits Plan and application for  
agency with A.M.P. Fire and General  
Insurance Co. Ltd.

10

(continued)

Yours faithfully,

Full Name LANCELOT JOHN CHAPLIN

Signature L.J. CHAPLIN

The application for appointment as an agent for  
the A.M.P. Fire and General Insurance Co. Limited which  
was enclosed with the letter of the 18th April, 1967,  
was completed and signed by the applicant's wife and  
returned to the respondent. That document provided as  
follows:

20

"APPLICATION FOR AGENCY 07129-0  
19-4-1967  
Resigned 23/4/75

To  
A.M.P. FIRE & GENERAL INSURANCE COMPANY, LIMITED  
Incorporated in Canberra A.C.T.

Name of Applicant ..... JILLIAN CHAPLIN .....  
3 SABINA ST., SALISBURY  
Address ..... ~~6 WOODLEY ROAD, GLEN OSMOND~~ .....  
30

Profession or Occupation ..... HOME DUTIES .....  
How long resident in the District? .....  
Name any other Insurance Co. you represent ...

Names and Addresses of two Referees .DR. H. WELCH, 84 DEVEREUX.  
RD., BEAUMONT.

MRS. S.H. LEWIS, 394 GLYNBURN RD.,  
KENS. GDNS.

Being desirous of securing the appointment as  
representative for A.M.P. Fire & General Insurance  
Company, Limited, I hereby undertake, if appointed

40

to act loyally, and to the best of my ability,  
in the interests of the said Company.

Yours faithfully,

J. CHAPLIN

UNDERTAKING

10 In the event of my appointment as Agent of A.M.P.  
Fire & General Insurance Company, Limited, I  
hereby undertake that I will not directly or  
indirectly allow the whole or any portion of my  
remuneration to any Insured, or to any Person  
or Firm, nor to any partner of either of them;  
nor to any Company or Society Registered as a  
Company, nor to any partner of either of them;  
nor to any Municipal or Public Body, corporate  
or unincorporated; nor to any public or private  
religious or philanthropic Fund, Mission, Society  
or Institution whatsoever (and this notwith-  
standing I am, or may be the employer or  
20 employee of any of them); and that the same  
is for my personal remuneration as such Agent.

Signature J. CHAPLIN

Approved 16/5/67  
P.F.A.

"

30 For some reason, which is not clear on the material  
before me, the A.M.P. Fire and General Insurance Co.  
Limited agency was conducted in the name of the appli-  
cant notwithstanding the application received by that  
body related to an agency in the name of the applicant's  
wife. It was apparently the applicant's intention at  
one stage that the agency should be conducted by his  
wife but, as will appear later herein, it was apparently,  
at all material times, conducted in his name. I attach  
little significance to the name in which this agency  
was conducted for the purpose of determining the issues  
before me as, in my opinion, the relationship between  
the applicant and the A.M.P. Fire and General Insurance  
Co. Limited is separate and distinct from the relation-  
ship between the applicant and the respondent.

40 The applicant embarked on the training course on  
the 8th May, 1967. During this period he was instructed  
in the basic methods relating to the sale of life  
insurance. It was strongly emphasised to him that the  
relationship which existed between himself and the  
respondent was one of principal and agent and not  
that of master and servant. He was paid an allowance  
for that period.

After the training period was completed the  
applicant embarked on the probation period and, during

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for  
Decision  
of His  
Honour

Judge  
Allan

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(continued)

Industrial Court  
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Reasons for  
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Allan

this time, engaged in selling all forms of life insurance for the respondent and, where possible, selling fire and general insurance pursuant to the agency with the A.M.P. Fire and General Insurance Co. Limited; that company is a fully owned subsidiary of the respondent. The applicant attended for two hours each week for further tuition from employees of the respondent in the art of selling. He received advances of \$90 to \$100 per fortnight. 10

15th  
April  
1977  
(continued)

The applicant apparently made progress satisfactory to the respondent and by letter dated the 29th November, 1967 from the respondent the applicant was informed that his appointment as an ordinary representative was confirmed with effect from the 24th November, 1967. I set out hereunder the contents of that letter:

"AUSTRALIAN MUTUAL PROVIDENT SOCIETY.  
(Incorporated in New South Wales)

South Australian Branch 20

21 King William St.,  
ADELAIDE

29th November, 1967.

Mr. L.J. Chaplin,  
A.M.P. Society,  
ADELAIDE. 5001.

Dear Mr. Chaplin,

I have pleasure in advising that the Branch Board at its meeting on 24th November 1967, confirmed your appointment as an Ordinary Representative with effect from 24th November, 1967. 30

Enclosed is Section VI of the booklet 'Benefits and Conditions of Appointment as an A.M.P. Representative'. Should you have any questions concerning this Section, I am sure your Supervisor will be glad to answer them.

I advise that you will continue to receive an Expense Allowance of \$18 per month, and commission on A.M.P. Fire business will be paid direct to you in future in lieu of being credited to your Life commission account. 40

Fortnightly advances have now ceased, and the credit balance in your

account at October 1967, less any advance paid to you during the month of November 1967 and appropriate taxation deductions, will be paid into your Bank Account today.

Particulars of the application of the credit balance in your account as at 31st October 1967 are as follows:

	Cr. Balance as at 31.10.67	\$994.08
10	<u>Less</u> Advance 8.11.67	\$94.39
	" 22.11.67	94.39
		188.78
		<hr/>
	Balance	\$805.30
	<u>Less</u> Tax	25.40
		<hr/>
	Balance	\$779.90
	<u>Less</u> Further Tax	151.20
		<hr/>
	Total	\$628.70
		<hr/>

Industrial Court  
No. 4  
Reasons for Decision of His Honour Judge Allan  
15th April 1977.  
(continued)

The credit for \$628.70 was made to your Bank Account today.

20 Congratulations on the progress you have made and my best wishes for your continued success.

Yours faithfully,

P.F. ATKINSON

for ASSISTANT MANAGER  
(SALES)

Enc.

"

30 From that time until his relationship with the respondent was eventually terminated the applicant engaged himself in the activity of selling life insurance for the respondent. The advances which he had been receiving whilst on probation ceased and there- after and during the continuance of his relationship with the respondent he was paid by commission which he received monthly. I do not think it is necessary for the purpose of determining the issues to describe in detail the manner in which the commissions were received by the applicant from time to time except to say that, once a proposal for insurance was accepted by the respondent and a policy issued, the respondent paid a commission to the applicant in relation to that policy. The payment of the commission, as best as I

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can determine, was made by three separate instalments. Of all insurance business transacted by the applicant, about 8% was in relation to fire and general insurance.

The respondent divided its sales force into various units. Initially, the applicant worked out of the Adelaide office of the respondent but was subsequently transferred first to the North Adelaide sales office and then later to the Wingfield sales office. Apart from the designation of the sales unit to which he was to belong, the applicant was restricted in relation to the area in which he could operate. On his appointment he was provided with a map which outlined that part of the State in which he could operate and a perusal of that map, which was tendered in evidence, indicates that his area was largely the metropolitan area. In addition, the applicant was not permitted to attempt to sell life insurance to certain individuals. For one reason or another certain types of people were not open to him as prospective buyers of insurance although my impression of the evidence is that such limitations were not substantial.

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In charge of each sales office was a supervisor employed by the respondent. Each sales office also had a stenographer or secretary, employed by the respondent, in attendance. The duties of the supervisor included, as the title would suggest, the overview of the insurance being written by the various representatives and the method of work of the individual representatives and the conduct of occasional sales meetings at which he explained to the representatives, amongst other things, changes in the terms of the policies issued by the respondent and in the law applicable to the insurance industry. According to the applicant the impression he was given by his various supervisors was that attendance at the sales meetings was obligatory. Mr. Brown, the Sales Manager of the respondent, said that attendance at such meetings was not obligatory, albeit desirable, and that the attendance thereat by representatives was requested rather than ordered. In this he was supported by Mr. Archdall. The impression I gained from the evidence was that, notwithstanding that the supervisor did not directly order a representative to attend such meetings, it was impressed upon the representatives that the respondent considered such attendance important and should only be avoided for reasonable cause. I have no doubt that, in order for the representatives to properly carry out their function, it would have been desirable for them to attend such meetings because of the nature of the information which would be distributed to them at that time and for the purpose of a discussion as to methods of selling and problems encountered by

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individual representatives. It is clear that, on at least one occasion, the attendance by representatives at a sales meeting was made known to the representatives as being obligatory. On the evidence before me on this aspect, I am satisfied that the respondent, through its employees, conducted itself in relation to these meetings in such a way that the applicant was justified in regarding attendance at such meetings as a part of his contract with the respondent.

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Each week the applicant, on the instructions of the supervisor, furnished to the stenographer in the sales office details of all business transacted by him during the preceding week. This information was then relayed to the head office of the respondent. It was the decision of the respondent in each case whether it would accept a proponent for a policy. The application for a policy of insurance, signed by the proponent, was handed in by the applicant to the respondent generally via the sales office. Similarly, all first premiums, which the respondent urged the applicant to obtain from a proponent at the time of the signing of the proposal form, were handed in to the respondent. The applicant issued a receipt from a book provided by the respondent for that purpose. Effectively, therefore, no money was actually paid, by way of premiums, by the proponent to the applicant. The applicant collected premiums on behalf of the respondent.

Occasionally, the applicant was accompanied by his supervisor on an interview with a prospective purchaser of insurance. The attitude of supervisors to accompanying representatives on such occasions varied from one to the other and according to the type of insurance in which the prospective purchaser might be interested. At least in the case of one of the applicant's supervisors, namely Mr. Travers, it was regarded by that supervisor as necessary for him to accompany the applicant when the applicant was endeavouring to transact business involving company superannuation. According to Mr. Brown no direction was issued to supervisors to accompany representatives. However, it is not unreasonable to expect that in some circumstances supervisors would accompany representatives as the income of a supervisor was, to some extent, dependent on the performance of the representatives working out of his particular office. A supervisor received a bonus calculated according to sales made through his particular office.

From time to time targets were set by the respondent for sales by the individual representatives. I am satisfied that these targets were fixed after consultation between the representative and the respondent. This impresses me as being a prudent course for the respondent to adopt as it would have been useless to set a target for a representative

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which he considered he did not have the capacity to meet; the incentive of the representative could thereby suffer. However, I am also satisfied that if a representative did not reach the target which was set for him his position in relation to the respondent was likely to be adversely affected. The evidence indicates that if, in the absence of some explanation acceptable to the respondent, the applicant did not reach the targets set by the respondent, he would have been called upon to resign. 10  
It appears that the respondent, rather than unilaterally terminating its relationship with a representative in those circumstances, would have extracted an undertaking from him that, in the event of his not reaching the target set for him, he would resign. I am satisfied that, regardless of the method adopted, if the applicant had not been performing satisfactorily in that he did not reach his sales targets, and in the absence of a reason satisfactory to the respondent, his relationship with 20  
the respondent would have been terminated.

From time to time complaints were made to the respondent by members of the public concerning the applicant. On such occasions the complaints were dealt with by the supervisor or, depending on the seriousness of the complaint, by the sales manager.

In the terms of the applicant's contract with the respondent, no provision was made as to the hours to be worked by the applicant. Such an exercise would probably, in any event, have proved to be fruitless because of the very nature of the activity in which the applicant was engaged. He was required to work during hours when most people were at their leisure as that was probably the best time for him to make contact with prospective purchasers of insurance. I am satisfied that the applicant worked up to sixty hours per week in the pursuit of business. Also, no provision was made for annual leave, although, prior to taking his leave, the applicant was required to give notice thereof to the respondent. 40

From time to time the applicant was rostered to be in attendance at the respondent's premises for the purpose of dealing with enquiries from the public for or in relation to insurance. The roster was prepared by the respondent so that an agent would be in attendance at all relevant times. This roster was prepared alphabetically and it meant that initially the applicant was in attendance about once every six weeks and later about once every three months. The applicant regarded such attendance as obligatory. However, Mr. Brown indicated that such attendance was not obligatory and there were in fact some representatives who did not participate in the roster. The attendance by a representative at the respondent's premises for the purpose I have 50



described was no doubt of considerable importance to the respondent. It might also have been to the advantage of the individual representative. In those circumstances I think it likely that the management of the respondent was not particularly concerned as to the identity of the agent in attendance so long as one of them was on duty. In any event, I accept the evidence of the applicant that he was obliged to participate in the roster. Whether other representatives were not so obliged is not for me to determine.

From time to time circulars emanated from the Society to the various representatives. I have no doubt that there were a considerable number of them; probably in excess of one hundred per year. The circulars kept the representatives informed as to changing circumstances within the insurance industry generally and the respondent's business in particular. Two of such circulars were tendered in evidence and each contained instructions for representatives on certain matters. I attach little significance to the content of these circulars in determining the issues. It was necessary and desirable from the respondent's point of view to keep the lines of communication open to all persons associated with it, including representatives, and this suggests itself to me as one obvious way of doing so.

Depending on the period of time over which the applicant was a representative of the respondent and his performance during that time, he could aspire to be appointed as a senior representative. Also depending on the amount of his sales in a particular period or periods, he could have bestowed upon him by the respondent various awards. In each case the bestowal of a title or award would be recognition by the respondent of service and performance.

It is clear that the respondent went to some lengths to impress upon the applicant that the relationship which existed between them was, as far as the respondent was concerned, that of principal and agent and not master and servant. I have already referred to the emphasis placed on this aspect of the relationship between the applicant and the respondent during the two weeks' training period undertaken by the applicant. The booklet "Benefits and Conditions of Appointment as an A.M.P. Representative" is also specific in this regard when it states:-

"The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant."

The booklet went on to say:-

"For all purposes associated with your agency you should designate yourself as the Society's 'Agent' or 'Representative'.

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These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:-

'Consulting', 'New Business', 'Field', and 'Metropolitan' or 'District' (as appropriate)."

I will refer later herein to the effect, if any, of the respondent's view of the nature of the relationship.

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The applicant was bound in his work as a representative by a code of ethics prescribed by the respondent. He was also obliged to conduct the business transacted by him in a manner approved by the respondent.

The relationship between the applicant and the respondent was subject to termination by either party at any time.

All documents supplied by the respondent to the applicant remained the property of the respondent and, in addition, any document or record compiled by the applicant in relation to the conduct of his occupation as a representative of the respondent became the property of the respondent. On termination of the relationship, either by the applicant or the respondent, such documents had to be delivered by the applicant to the respondent.

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The applicant was not permitted to use any literature or letterheads, for the purpose of transacting or attracting business, other than those supplied by the respondent, without first obtaining the consent of the respondent. The applicant was obliged to display on any letterheads used by him the name of the respondent in a prominent form. He was not permitted to advertise in any way without first obtaining the consent of the respondent both as to the form and substance of the advertisement. The consent of the respondent was also required before the applicant could enter into partnership in connection with the respondent's business or an arrangement which provided for commission earnings to be shared with another representative of the respondent. Similarly, the applicant was not permitted to have his name endorsed on any proposal for insurance obtained by another representative without the respondent's consent.

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The applicant was not permitted to engage in the transaction of business involving any of the respondent's competitors or to disparage any competing institutions.

On his appointment the applicant joined the Death, Permanent Disablement and Retirement Benefits Plan established by the respondent for the benefit of

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representatives. Contributions were made by both the applicant and the respondent pursuant to the provisions of the plan and, on his relationship with the respondent being terminated, the applicant received a payment of about \$2,200 pursuant to that plan. The applicant was entitled to retire on reaching age 65 and the terms of the contract between him and the respondent provided that he shall retire, at the respondent's request, at that age or after that age.

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10 On appointment the applicant became entitled to various "fringe" benefits. The respondent, if the applicant so desired, would assist in making available finance for the purchase of a car or a home at preferential rates of interest. He was also entitled to become a member of the medical benefits plan conducted by the respondent for the benefit of representatives. He became entitled to concessional premium rates on insurance policies held by him with the respondent and also the benefits of decreasing temporary insurance.

20 During the probationary period, to which I have earlier referred, the respondent made available to the applicant, at its premises, what was called an agent's room in which desk and telephone facilities were available to him. He also had the use of the staff luncheon room, the staff canteen, and access to the advice of the Staff Welfare Officer. Following his confirmation as a representative, the nature of the applicant's activities altered to the extent that he operated largely from a room in his own home set aside for that purpose; he called at the sales office to which he was attached for the time being only when necessary. Subsequent to his confirmation as a representative he was not obliged at any time to report to either the supervisor, or any other person for that matter, as to his whereabouts and activities at any one time.

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40 With the consent of the respondent the applicant was permitted to appoint "sub-agents". The appointment by the applicant of sub-agents was subject to the consent of the respondent after the sub-agents had gone through a process of assessment similar to that undergone by the applicant on making his application for appointment as a representative of the respondent. From about March, 1970 onwards the applicant had at least one such sub-agent working with him. Any commission to which the sub-agents were entitled because of sales of insurance was paid by the applicant. The applicant was responsible to the respondent for the conduct of the sub-agents insofar as it related to

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The respondent placed no restriction on the applicant conducting a business other than that associated with the business of the respondent. Mr.

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Brown, in evidence, gave examples of various representatives of the Society engaged in other business activities. It is clear from the evidence that the applicant, during the course of his relationship with the respondent, worked, on a part-time basis, as a bookmaker's clerk. I suspect that this would not have met with the approval of the respondent as, according to Mr. Brown, the respondent would not permit its representatives to work as bookmakers or publicans. The reason for the respondent's objection to representatives engaging in those two industries was apparently that the respondent held the view that it was in the business of saving money for people whereas the two businesses to which I have referred were engaged in taking money from people. In considering the issues which I am called upon to determine, I attach no significance to the respondent permitting representatives to engage in other business activities. It is common for people to engage in part-time work with the object of producing income in addition to that which they derive from their major occupation without thereby altering the nature of the contract relating to the major occupation.

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Mr. Brown also gave evidence that some representatives of the respondent were, with the consent of the respondent, permitted to incorporate companies for the purpose of carrying on the business of selling insurance on behalf of the respondent. This evidence was no doubt led with a view to showing that the relationship between the respondent and its representatives was that of principal and agent. It might well be that other considerations apply to companies operating pursuant to an arrangement with the respondent but that is not a matter which I am called upon to determine in this case. It is interesting to note that in the event of incorporation of such companies the respondent took up what I take to be a significant share portfolio in the companies.

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The respondent did not insure against liability for workmen's compensation. I attach no significance to that. Similarly, I attach no significance to the fact that the respondent has not in the past paid long service leave to any of its representatives.

The terms of the contract existing between the applicant and the respondent were altered from time to time. Those alterations were incorporated in amendments to the booklet "Benefits and Conditions of Appointment as an A.M.P. Representative". I have no evidence before me to enable me to determine whether such alterations came about as a result of negotiation between representatives on the one hand

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and the respondent on the other, or whether they resulted from unilateral decisions of the respondent. However, the applicant was a member of "The Federation of Associations of A.M.P. Society Representatives (O.D.)" which concerned itself with, amongst other things, the conditions of the contract existing between the representatives and the respondent. I think it reasonable to presume that some at least of the alterations to the contract would have come about as a result of consultation and negotiation between that body on the one hand and the respondent on the other. The applicant was not covered by any industrial award.

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The people chosen by the respondent to act as its representatives were selected largely because they were, in the opinion of the respondent, well qualified to deal with the public. The meetings conducted from time to time at the various sales offices were designed to keep the representatives up to a standard satisfactory to the respondent. I am satisfied that the respondent was concerned to promote in the minds of representatives, including the applicant, that, subject to the representatives complying with the requirements of the respondent, a fruitful and satisfying career with the respondent would result. To this extent a booklet was prepared by the respondent and issued to every applicant entitled "A Career with A.M.P.". Mr. Brown gave evidence that approximately 70 of the 150 representatives of the respondent in South Australia would have been with the respondent for periods in excess of seven years. I am satisfied that the respondent attaches considerable importance to the work and function of its representatives. It would be unreasonable to expect otherwise as, to a large extent, the first contact a member of the public would have with the respondent would be through one of its representatives. This attitude would be one reason for the respondent being concerned to see that representatives regularly attended the meetings conducted at the various sales offices. In fact Mr. Brown indicated that there were cases known to him where supervisors had reprimanded representatives for failing to attend such meetings.

When it considered it desirable for its benefit and, presumably with the consent of a representative, the respondent would transfer a representative to the salaried staff of the respondent.

From time to time correspondence was received at the respondent's offices addressed to the applicant. According to Mr. Brown this correspondence was treated as being that of the applicant and was not interfered with by the respondent.

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The applicant was required to pay for the use made by him of the telephones in the respondent's offices. This matter seems to me to be of little significance but it leads me to a consideration of the taxation returns filed by the applicant during the period of his association with the respondent.

I do not propose to go into the taxation returns in detail. It suffices to say that a perusal of them indicates that, for taxation purposes, the applicant treated himself, and was apparently so treated by the Taxation Department, as a person conducting business on his own account. I attach little significance to this. The business expenses claimed by him as deductions in his return could not have been claimed by him if allowances had been made to him by the respondent in relation thereto: for example, if the respondent had paid for the applicant's telephone he would not have been entitled to a deduction therefor. It might well be that one of the attractions of the applicant describing himself as a "consultant" in his taxation returns and giving the impression of being in business on his own account was that it enabled him to claim for payments made to his wife in relation to his business activities, thereby splitting his income. However, whatever the applicant described himself as being to the Taxation Department and whatever view the Taxation Department took of his status, it is my opinion in relation to those matters which, for the purposes of this case, must prevail.

On termination of the contract between the applicant and the respondent, the applicant had no business in the nature of a life insurance agency to sell. I am uncertain as to whether the same position applied to the agreement existing between the applicant and the A.M.P. Fire and General Insurance Co. Limited. As I have indicated earlier herein, the applicant, when the opportunity presented itself, transacted business on behalf of that Company. He was paid a commission in relation thereto. It appears that, as the policies concerned were renewed from time to time, further commission in relation to that renewal was paid to him. The applicant kept a register of those policies. By an agreement dated 6th May, 1975, the applicant purported to sell the register for the sum of \$1,750. I have no material before me to demonstrate the manner in which, or the basis on which, the sum of \$1,750 was calculated. However, in my opinion, the existence and purported sale of that register does not, in any relevant sense, affect the contract between the applicant and the respondent.

I turn now to consider the law to be applied to

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the facts as I have found them. Both Mr. McRae, for the applicant, and Mr. Matheson, Q.C., for the respondent, referred me to a number of cases which they considered to be relevant. I will not, in these reasons, refer to all of them although I have given each of them consideration.

My task "... is to apply the principles which have been involved in determining, over the years, whether the relationship between an employer and those engaged in work before him is that of master and servant or employer and independent contractor".  
 10 The Commissioner of Taxation of the Commonwealth of Australia v. Barrett and Others (1973) 129 C.L.R. 395 per Stephen J. at p.400. In Barrett's Case Stephen J. was called upon to determine whether salesmen employed by a firm of land agents in South Australia were employees of the firm with a view to determining whether payments of commission to the salesmen by the firm were wages within the meaning of the Payroll Tax Assessment Act, 1941-1969. He found that the relationship of employer and employee existed between the firm and the salesmen and that the firm was liable for payroll tax in respect of payments of commission made to the salesmen. In the course of his judgment His Honour traced the historical development of the principles to be applied in determining whether the relationship of employer and employee existed. I make no apology for including hereafter a substantial part of the judgment as whatever His Honour regarded as being  
 20 the law to be applied is binding on me.  
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At p.400 His Honour said :-

"An important factor on which the courts have fastened in differentiating between servant and independent contractor has been that of control. This distinction was first developed in determining the existence of vicarious liability to third parties for the acts of those performing work for others, the discrimen being said to be that a master was vicariously liable for the acts of his servant over whom he exercised control in the manner of performance of his work, whereas for an independent contractor, whom he might only direct as to what he should do and not how it should be done, he was not vicariously liable. In Holdsworth's History of English Law (1925), vol. VIII, pp. 472-479, is traced the work of Holt C.J. in the late seventeenth and early eighteenth centuries in the development of the doctrine of vicarious liability for the acts of servants while about their master's business.

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By the first half of the nineteenth century it was established that, generally speaking, an employer was not liable for the acts of his independent contractor, the conflicting views expressed in Laugher v. Pointer (1826) 5 B. & C. 547 108 E.R. 204 being resolved by Parke B. in Quarman v. Burnett (1840) 6 M. & W. 499 151 E.R. 509 and by Rolfe B. in Reedie v. London and North Western Railway Co. (1849) 4 Ex. 244 154 E.R. 1201. Bramwell B. subsequently delivered his celebrated aphorisms, saying, in the embezzlement case of Reg. v. Walker (1858) 27 L.J.M.C. 207 at p.208:

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'It seems to me that the difference between the relations of master and servant and of principal and agent is this: A principal has the right to direct what the agent has to do; but a master has not only that right, but also the right to say how it is to be done';

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many years later, in Yewens v. Noakes (1880) 6 Q.B.D. 530, when interpreting a section which exempted from duties imposed upon inhabited houses those warehouses occupied only by 'a servant or other person', his Lordship said (1880) 6 Q.B.D., at pp. 532-533: 'A servant is a person subject to the command of his master as to the manner in which he shall do his work'.

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However it is clear that the fact of control is no more than one of a number of indicia: 'a reservation of a right to direct or superintend the performance of the task cannot transform into a contract of service what in essence is an independent contract ...' per Dixon J. in the Queensland Stations Case (1945) 70 C.L.R. at p.552. In that case his Honour, despite an express condition that a drover should 'obey and carry out all lawful instructions', held him to be an independent contractor because of 'the countervailing considerations which are found in the employment by him of servants of his own, the provision of horses, equipment, plant, rations, and a remuneration at a rate per head delivered' - Queensland Stations Case (supra).

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Zuijs v. Wirth Brothers Pty. Ltd. (1955) 93 C.L.R. 561 further illustrates the need to



consider, in each instance, all available facts in determining the nature of an employer's relationship to those who perform work for him, rather than to rely exclusively upon any one criterion, such as the reservation of the right to control.

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10            Zuijs' Case (supra) also provides Australian authority for the proposition that in the context of a modern industrial society earlier concepts of relevant control, especially in the case of those employees possessing specialized skills or talents or exercising individual judgment, require modification. In many such cases an employer cannot in fact supervise the mode of performance of work but it will be enough that the employer retains 'lawful authority to command so far as there is scope for it', if only in 'incidental or collateral matters'."

20    At p.402 His Honour said:-

30            "The English courts have of recent years gone rather further than merely to restate the classical tests. A new test has been applied which involves the question whether or not a man's work is done as an integral part of another's business or is only accessory to it; whether, to put it in slightly different terms, the person in question is performing the relevant services as a person in business on his own account; it suffices to refer to the judgment of Pennycuick V.C. in Fall v. Hitchen (1973) 1 W.L.R. 286, in which recent authorities are reviewed and to the article in the Modern Law Review, vol. 31 (1968), p.408. Whether or not this new test, which still involves the question of control as a factor, does more than restate the question rather than providing an answer to it may be open to doubt: Atiyah, Vicarious Liability (1967), p.38. In Ready Mixed Concrete (South East) Ltd. v. Minister of Pensions and National Insurance (1968) 2 Q.B. 497 at p.524, McKenna J. said of one judicial formulation of such a test that it 'raises more questions than I know how to answer'."

40            At p.404 His Honour said :-

50            "It is, to my mind, of little significance that these employers, when dealing with persons working for them who are remunerated by commission, do not, in the particular circumstances of this case, impose upon those persons what the majority refer to as 'a

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detailed regimen'. When the work involved is that of the persuasion of buyers the manner in which it is performed must perforce vary from salesman to salesman; each employs his preferred techniques which experience has taught him and any attempted imposition of a uniform method of work might well prove very disadvantageous in the outcome. The nature of the work is precisely of that kind in which it might be expected that an employer would deal with his expert and experienced salesmen in very much the way the respondents did; I would not for that reason regard those salesmen as other than employees."

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At p.405 His Honour said:-

"The fact that remuneration takes the form of commission on sales or is paid on a piece work system or in some other form not strictly related to hours worked casts little light upon the relationship between the parties: Sadler v. Henlock, per Crompton J. (1855) 4 E. & B. 570 at p.578 cited by Lord Hanworth in Williams v. H.V. Larsen Ltd. (1928) 21 B.W.C.C. 339 at p.343; Ellis v. Joseph Ellis & Co., per Cozens-Hardy L.J. 1905 1 K.B. 324 at p.330; Short v. J. & W. Henderson Ltd. per Lord Thankerton 1946 Sc.L.T. 230 at p.234."

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Finally, in applying the law to the facts as he saw them, His Honour said at p.407 :-

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"There emerges from the evidence a picture of a staff of land salesmen who enjoy a settled and permanent relationship with the respondents, although it is subject always to termination by either party, and who work exclusively for the respondents in their chosen vocation of land salesmen, receiving their commission remuneration from the respondents and conforming to the respondents' requirements concerning ethical conduct, compliance with the law and observance of approved procedures in the negotiation of sales. They are otherwise free from supervision in their primary task of effecting land sales, a task calling for highly individual qualities and a willingness to work at odd hours when the community at large is not at work. This lack of supervision is in large measure accounted for by the nature of their work and their careful selection and resultant skill and responsibility,

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coupled with the fact that payment by commission itself provides adequate incentive so as to safeguard the interests of the respondents. Even without reference to their rostered duties and the other tasks to which they may from time to time be directed by the respondents I would conclude from the foregoing that, whichever of the acknowledged tests of an employer-employee relationship may be applied, the conclusion must be that such a relationship does exist in the present case."

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In deciding that the relationship of employer and employee existed between the parties I have taken little account of the view of either of them as to the nature of the contract between them.

In Ferguson v. John Dawson & Partners (Contractors) Ltd. (1976) 1 W.L.R. 1213 at p.1222 Megaw L.J. said :-

"My own view would have been that a declaration by the parties, even if it were incorporated in the contract, that the workman was to be, or was to be deemed to be, self-employed, an independent contractor, ought to be wholly disregarded - not merely treated as not being conclusive - if the remainder of the contractual terms, governing the realities of the relationship, showed the relationship of employer and employee ..."

Applying the law as I see it to the facts as I have found them, I have come to the conclusion, on all the material before me, that the relationship of employer and employee existed between the applicant and the respondent. The relationship was in the nature of a permanent one, although it was subject to termination by either party. The contract between the parties contained provisions relating to the retirement of the applicant. The areas in which, and, to a not inconsiderable extent, the manner in which, the applicant conducted the business of the respondent was determined by the respondent. The respondent exercised such control over the applicant as it considered desirable bearing in mind the nature of the industry in general and the occupation of the applicant in particular; the payment of commission on sales was a sufficient incentive to ensure that the interests of the respondent were protected and the applicant was chosen because he possessed what the respondent regarded as sufficient qualities to represent it in the community. The nature of the occupation of the applicant was such that it called for individual qualities and, the respondent being satisfied that it had chosen the right man to represent it, considered its interests were best protected by a relative lack

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of supervision. The nature of the occupation was such that I doubt very much, if the applicant was to be successful in promoting the interests of the respondent, any greater degree of supervision than that apparent on the material before me was desirable. By making available to the applicant the "fringe" benefits to which I have earlier referred, the respondent was endeavouring to secure a degree of permanency in its relationship with the applicant. The applicant was, in my opinion, truly conducting the business of the respondent and not his own. No capital of the applicant was at risk. He was not in a situation where, by the conduct of his work, he could expect that any of his capital would be at risk; at the worst his income could be negligible. Any documents compiled by him in the course of transacting business on behalf of the respondent were not his but became the property of the respondent. He shared in the retirement fund. These matters do not totally reflect all that I have taken into account in reaching my conclusion. Rather, I have weighed all matters and found the balance to be in favour of the applicant.

In reaching my conclusion I have been concerned as to the weight I should attach to the ability of the applicant to use the services of sub-agents. I have already set out herein certain of the provisions relating to the appointment of sub-agents. More specifically, the booklet entitled "Benefits and Conditions of Appointment as an A.M.P. Representative" provides as follows:-

"4 Should you wish to appoint a sub-agent, the Society's approval should first be obtained. Until your appointment is confirmed it is not generally desirable for you to appoint sub-agents. It may, however, be desirable for you to continue a sub-agency already existing in your district. You should clearly understand and be sure that your sub-agents understand that:-

- (a) although their appointment has been approved by, and registered with, the Society it actually emanates from you and not the Society;
- (b) they must look to you alone for payment of commission;
- (c) any prohibitions or obligations which apply to you in terms of this booklet apply equally to them; and
- (d) you are responsible for every action of theirs in connection with the Society's business."

I have considered whether the appointment of sub-agents is, in the circumstances of this case, inconsistent with an employer-employee relationship and I have decided that it is not. It might be that the relationship between the supervisor on one hand and the applicant on the other can be described as being similar to the relationship between the applicant on one hand and his sub-agents on the other. However, that is a matter of some speculation. The provisions of Clause 4 set out above suggest to me that the respondent was in a position to exercise control over sub-agents in a manner similar to that in which it exercised control over the applicant notwithstanding that the sub-agents looked to the applicant for payment of their commission.

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Mr. Matheson, Q.C. sought to distinguish Barrett's Case (supra) on the facts. I do not propose to go into each of his arguments in relation thereto. It suffices to say, in my opinion, that there are certain similarities and dissimilarities between the facts of this case and the facts of the case before me. I am inclined to the view that there are more similarities than dissimilarities. However, I attach importance to Barrett's Case (supra) because of the principles set out therein by Stephen J. which I have taken to represent the law which I should apply to the facts of this case.

Mr. Matheson, Q.C. also submitted that the definition of "ordinary pay" in s.3 of the Act had the effect of excluding the applicant from the benefit of the provisions of the Act. The definition of "ordinary pay" is as follows :-

" 'ordinary pay' in relation to a worker means remuneration for the worker's normal weekly number of hours of work calculated at his ordinary time rate of pay, and where the worker is provided with free board or lodging by his employer, includes the cash value of that board or lodging as prescribed by the award under which he is paid, or if such value is not prescribed by any award, as provided by the terms of his employment. The term does not include shift premiums, overtime, or other penalty rates:"

That argument is, in my opinion, overcome by the deeming provisions of subsection (2)(a) of s.3. That subsection provides as follows :-

"(a) where no ordinary time rate of pay is fixed for a worker's work under the terms of his service or in the case of a worker

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employed on piece or bonus work or any other system of payment by results the ordinary time rate of pay shall be deemed to be the average weekly rate earned by him during the period of twelve months immediately preceding the date on which he commences his long service leave or the right to payment in lieu thereof accrues either to the worker or his personal representative;"

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Mr. McRae advanced an argument based on the decision of Olsson J. in Walkley v. Dairyvale Co-operative Limited 39 S.A.I.R. 327. On the view I have taken of this matter it is unnecessary, and therefore perhaps undesirable, for me to consider it and I refrain from doing so.

For the above reasons I find that the contract entered into between the applicant and the respondent on the 8th May, 1967 was a contract of service and that the relationship of employer and employee existed between them. Accordingly, I find that the applicant is a "worker" within the meaning of the provisions of the Act. I find therefore that, subject to compliance with the provisions of the Act relating to length of service for the purpose of qualifying for long service leave or payment in lieu thereof, the applicant is entitled to such leave or payment. I will hear the parties further as to the quantum, if any, of such entitlement.

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No. 5

ORDER OF HIS HONOUR JUDGE ALLAN DATED THE  
20TH DAY OF APRIL, 1977.

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No. 5  
Order of His  
Honour Judge  
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SOUTH AUSTRALIA  
IN THE INDUSTRIAL COURT  
No. 187 of 1976

20th April, 1977

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IN THE MATTER of a claim  
pursuant to s.12(1) of the  
Long Service Leave Act,  
1967-1972.

BETWEEN:

LANCELOT JOHN CHAPLIN

Applicant

- and -

AUSTRALIAN MUTUAL PROVIDENT  
SOCIETY

Respondent

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BEFORE HIS HONOUR JUDGE ALLAN  
WEDNESDAY, THE 20TH DAY OF APRIL, 1977

UPON THE CLAIM of the abovenamed applicant by summons  
filed herein on the 20th day of December 1976 for  
orders against the respondent pursuant to s.12(1) of  
the Long Service Leave Act 1967-1972 AND the same  
coming on for hearing on the 2nd and 8th days of March  
1977 AND UPON HEARING Mr. T.M. McRae with Mr. C.  
Johnston both of counsel for the applicant and Mr.  
R.G. Matheson Q.C. with Mr. D.C. Kennelly of counsel  
for the Respondent The Court did reserve judgment AND  
THE MATTER standing for judgment on the 15th day of  
April 1977 THIS COURT DID FIND that the contract  
entered into between the Applicant and the Respondent  
on the 8th day of May 1967 and continued until the  
23rd day of April 1975 was a contract of service and  
that the relationship of employer and employee existed  
between the parties and that the Applicant was a worker  
within the meaning of the said Act AND the matter  
coming on for further consideration before His Honour  
Judge Allan on the 19th day of April 1977 AND UPON  
HEARING Mr. T.M. McRae with Mr. C. Johnston both of  
counsel for the Applicant and Mr. R.G. Matheson Q.C.  
with Mr. D.C. Kennelly of counsel for the Respondent  
the Court did reserve judgment and the same standing

L.S. for judgment this day IT IS ORDERED:

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(continued)

1. THAT pursuant to the provisions of the Long Service Leave Act 1967-1972 the Applicant is entitled to payment in lieu of Long Service Leave in the sum of Three thousand two hundred and sixty-six dollars sixty-six cents (\$3,266.66).
2. THAT the said sum be paid within fourteen days by the Respondent to the Applicant's solicitors Messrs. Reilly Ahern and Kerin whose receipt shall be a sufficient discharge thereof.

By the Court

(Sgd.) L.A. HUGHES

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L.S.

DEPUTY INDUSTRIAL REGISTRAR

THIS ORDER was drawn and filed in the Registry.

Supreme Court  
No. 6  
Order Nisi for Certiorari

No. 6

29th April, 1977.

ORDER NISI FOR CERTIORARI DATED THE 29TH DAY OF APRIL, 1977.

IN THE SUPREME COURT OF SOUTH AUSTRALIA  
No. 688 of 1977

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THE QUEEN against PETER THOMAS ALLAN  
sitting as a Judge in the Industrial Court of South Australia

Ex parte AUSTRALIAN MUTUAL PROVIDENT SOCIETY

BEFORE THE HONOURABLE MR. JUSTICE HOGARTH IN CHAMBERS  
FRIDAY THE 29TH DAY OF APRIL 1977.

UPON THE APPLICATION of AUSTRALIAN MUTUAL PROVIDENT SOCIETY the registered office of which is situate at 1 King William Street Adelaide in the State of South Australia, UPON READING the affidavit of DENIS CHRISTOPHER KENNELLY filed herein on the 22nd day of April 1977 and the exhibits thereto AND UPON HEARING Mr. R.G. Matheson Q.C. and Mr. Hargrave of Counsel for the applicant IT IS ORDERED that Monday the 6th day of June 1977 at 10.30 o'clock in the fore-noon or so soon thereafter as Counsel can be heard be given to Peter Thomas Allan to show cause to the Full Court why an order of certiorari should not be made to remove into this Court to be quashed the decisions and order of the Industrial Court of South Australia

L.S. made by Judge Allan in Action No. 187 of 1976 wherein

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Lancelot John Chaplin was applicant and Australian Mutual Provident Society was respondent on Friday the 15th day of April 1977 and on Wednesday the 20th day of April 1977 whereby it was held by the said Court that from the 8th day of May 1967 to the 23rd day of April 1975 the said Lancelot John Chaplin was a worker within the meaning of The Long Service Leave Act 1967-1972 and ordered the applicant to pay to the said Lancelot John Chaplin the sum of \$3,266.66 in lieu of long service leave UPON the following grounds:-

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1. That the Court had no jurisdiction to make the said order as the said Lancelot John Chaplin was not a worker within the meaning of the said Act but was an independent contractor.
2. That the Court exceeded its jurisdiction by failing to take the following relevant considerations into account, namely:
  - (a) That the contract between the applicant and the said Lancelot John Chaplin was not merely for personal service by the said Lancelot John Chaplin;
  - (b) That the terms of the contract between the applicant and the said Lancelot John Chaplin provided that the said Lancelot John Chaplin might conduct his business as a representative of the applicant otherwise than by personal service namely, by a company or by sub-agents;
  - (c) That the terms of the contract between the applicant and the said Lancelot John Chaplin declared, and the applicant and the said Lancelot John Chaplin at all times agreed, that the relationship between them was one of principal and agent and not of employer and employee;
  - (d) That the contract between the applicant and the said Lancelot John Chaplin was, by its terms, subject to termination by either of them without notice;
  - (e) That in the course of his work as a representative of the applicant the said Lancelot John Chaplin published advertisements in his own name and at his own expense;
  - (f) That substantial business expenses which were incurred by the said Lancelot John Chaplin in

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the course of his work as a representative of the applicant (including clerical assistance, stationery, advertising, telephone calls and entertainment) were incurred by him personally and not by or on behalf of the applicant;

(g) That closely associated with the work of the said Lancelot John Chaplin was the acquisition of a saleable asset, namely a register of policies with the A.M.P. Fire & General Insurance Co. Ltd; 10

(h) That the said Lancelot John Chaplin was able to engage in part time employment as a bookmaker's clerk and also to seek and obtain endorsement as a parliamentary candidate and stand for election without first obtaining the prior approval of the applicant.

3. That the Court has erred in law on the face of the record in holding that the said Lancelot John Chaplin was employed under a contract of service. 20

AND IT IS FURTHER ORDERED that a copy of this order be forthwith served upon Peter Thomas Allan and that this order do operate as a stay of proceedings in the Industrial Court of South Australia.

(Sgd.) M. TEESDALE SMITH

L.S.

DEPUTY MASTER

THIS ORDER NISI is filed by KNOX & HARGRAVE of 32 Grenfell Street, Adelaide. Solicitors for the applicant. 30

No. 7

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REASONS FOR JUDGMENT OF THE HONOURABLE  
THE CHIEF JUSTICE (THE HONOURABLE MR.  
JUSTICE HOGARTH CONCURRING)

DELIVERED 5th AUGUST 1977

REG. v. JUDGE ALLAN ex parte AUSTRALIAN MUTUAL  
PROVIDENT SOCIETY

No. 688 of 1977

Dates of Hearing: 8th & 9th June 1977

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IN THE FULL COURT

Coram: Bray C.J., Hogarth and King JJ.

J U D G M E N T of the Honourable the Chief Justice

(The Hon. Mr. Justice Hogarth concurring)  
 (Application for order absolute for certiorari)

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Counsel for the Prosecutor: Mr. R.G. Matheson, Q.C.  
 with Mr. N.C. Hargrave

Solicitors for the Prosecutor: Knox & Hargrave

Counsel for the Respondent: Mr. T.M. McRae  
 with Mr. C.M. Johnston

Solicitors for the Respondent: Reilly, Ahern & Kerin

Judgment No. 3445

REG. v. JUDGE ALLAN ex parte AUSTRALIAN MUTUALPROVIDENT SOCIETYFull CourtBray C.J.

This is an application for certiorari directed to a judge of the Industrial Court.

The prosecutor for Certiorari, the A.M.P. Society, complains of a decision of the learned judge in which he held that one Lancelot John Chaplin was a worker employed by it within the meaning of the Long Service Leave Act 1967 as amended. As the prosecutor for certiorari was the respondent in the Industrial Court and is, in one sense, the applicant here, and Mr. Chaplin was the applicant in the Industrial Court and the respondent here, it will be more convenient either to refer to them respectively as the Society and the representative or to describe them by their names.

Section 12(1) of the Long Service Leave Act, as contained in the amending Act of 1972, reads as follows:

"12. (1) Subject to subsection (2) of this section, where the Industrial Court of South Australia is satisfied that a worker or a deceased worker had not been granted, or had not received payment in lieu of, the whole or any part of the long service leave to which he was entitled under this Act the court may, on the application of -

(a) the worker;

(b) in the case of a deceased worker, the personal

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representative of the deceased worker;

or

(c) a registered association within the meaning of the Industrial Conciliation and Arbitration Act, 1972, of which the worker is a member,

by order direct that the leave be granted or the payment made by the employer or former employer of the worker liable under this Act to grant the leave or make the payment, as the case may be."

"Worker" is defined in sec.3(1) of the original Act 1967 as follows:

"'worker' means a person employed under a contract of service and includes a person so employed who is remunerated wholly or partly by commission."

The representative alleges in his application to the Industrial Court that he was employed by the Society from the 8th May 1967 to the 23rd April 1975 pursuant to a contract of service. The Society in its answer denies that he was so employed or that he was a worker within the meaning of the Long Service Leave Act. Instead it alleges that he was at all relevant times an independent contractor. He was in fact what is commonly called, and is called in the documents before us, an insurance representative whose function it was to obtain proposals for life insurance with the Society and who was remunerated by commission. In view of the definition clause, the last circumstance could not in itself be any bar to the application. The learned judge held that the representative was a worker within the meaning of the Long Service Leave Act and ordered payment to him of a sum of money in lieu of long service leave.

There are two grounds in the order nisi. The first is that the Industrial Court had no jurisdiction to make the order as the representative was not a worker within the meaning of the Act. The second is that the court exceeded its jurisdiction by failing to take certain relevant considerations into account. I do not think that this is a separate ground for certiorari. The matters enumerated are really only matters which, according to the Society, show that there was no contract of service.

Two questions arise for our consideration, the first whether this is a case where certiorari will lie on the ground that the representative was held to be a worker within the meaning of the Act, the second

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whether, if it will, that question was wrongly decided.

The case was argued with extreme thoroughness and competence on both sides and many authorities were cited. I will not attempt to deal with all of those authorities but will do my best to state my conclusions and the reasons for them.

10 I will deal first with the applicability of certiorari.

The Industrial Conciliation and Arbitration Act 1972 as amended contains two privative sections, secs.92 and 95. Section 92(3) provides that no order or decision or proceedings of any kind of the Full Industrial Court shall be challenged, appealed against, reviewed, quashed or called in question save on the ground of excess or want of jurisdiction.

20 Section 95(b) provides that no award, order or proceeding of any kind whatsoever of the Industrial Commission or a Committee shall be challenged, appealed against, reviewed, quashed or called in question save on the ground of excess or want of jurisdiction.

30 These provisions have been canvassed in many cases in this court. The present case, however, involves a decision neither of the Full Industrial Court, nor of the Industrial Commission, nor of any Committee, but of a single judge of the Industrial Court. It falls into the hiatus which I have mentioned in earlier cases, see the Teachers' case (Reg. v. Bleby & Ors, ex parte South Australian Public Service Association 1974 9 S.A.S.R. 320 at p.323). No privative section applies to it. We can grant certiorari on any ground on which it would lie at common law. Two such grounds are suggested, want of jurisdiction and error of law on the face of the record.

40 The first ground raises again the question whether the complaint made here is a complaint of a jurisdictional error on the part of the learned judge or of a mere error of law corrigible by an appellate court where an appeal lies. We are not such an appellate court.

50 The form of sec.12(1) deserves attention. It begins, for the present purposes, with the phrase "Where the Industrial Court . . is satisfied . ." It provides that where the court is satisfied that one of the certain things has occurred it may, on

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the application of some person or body falling into one of certain categories, make an order of a certain type.

There is certainly some authority for saying that legislation cast in this form, conferring jurisdiction in what are described in de Smith's Judicial Review of Administrative Action 3rd Ed. at p.103 as "subjective" terms, may conclusively confer on the tribunal in question jurisdiction to determine all the matters governed by the preliminary condition thus subjectively expressed, so that its decisions are not examinable by a superior court if made in good faith, The Coalminers Industrial Union of Workers of Western Australia v. Amalgamated Collieries of Western Australia Ltd. 104 C.L.R. 437. In that case the introductory words of the section in question were "Where it appears reasonably likely to the Court that . ." a certain thing would occur, or had occurred, or having occurred would be repeated or continued with a certain result. In that case Dixon C.J. said at p.446: 10

"Section 137(1) by its introductory words 'Where it appears reasonably likely to the Court' commits to the Court the judgment of the very facts which the foregoing contention of the respondent treats as jurisdictional." 20

On the other hand there is much authority for the proposition that even such subjective words do not prevent the application of the prerogative writs where the tribunal makes an error of law as opposed to an error of fact, and the facts of which it is satisfied could not in law have fallen within the statutory specification of the matters, the tribunal's satisfaction as to which is the statutory condition of its action, de Smith above p.104, R. v. Australian Stevedoring Industry Board ex parte Melbourne Stevedoring Co. Pty. Ltd. 88 C.L.R. 100 per Dixon C.J., Williams J., Webb J. and Fullager J. at p.117, R. v. Connell ex parte The Hetton Bellbird Collieries Ltd. 69 C.L.R. 407. So, too, the majority of this court held in the Nurses' case (Reg. v. Bleby & Ors 1973 4 S.A.S.R. 445) that subjective words of this kind did not prevent interference where the tribunal had overlooked that the admitted facts took the case out of the class with which alone it was authorised to deal. 30 40

Because of the conclusion to which I have come about the effect of the category of possible applicants in sec.12, I am relieved of the necessity of having to try to reconcile all the cases on this topic, or of having to consider how far the case of The Amalgamated 50

Society of Carpenters & Joiners v. The Haberfield Pty. Ltd. 5 C.L.R. 33 is still good law. That case appears to decide that the Commonwealth Industrial Arbitration Act then in force had committed to the Arbitration Court the jurisdiction to decide whether the parties before it were employer and employee respectively and that prohibition would not lie because of any error of fact or law in arriving at that decision. I do not think Mutual Life and Citizens Assurance Co. v. Attorney-General of Queensland 106 C.L.R. 48, relied on by Mr. Matheson, Q.C., for the Society, affects that question. That was not a case about the application of certiorari, but a case on the construction of a section in a statute excluding the jurisdiction of the Supreme Court of Queensland in respect of any industrial cause. The High Court held that where there was no employer/employee relationship there was no industrial cause.

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20 The introductory subjective words of sec.12 do not extend to the phrase beginning "on the application of . ." and specifying the categories of possible applicants. I think that phrase confines the jurisdiction of the Industrial Court to the hearing of applications instituted by applicants falling within one of the three specified categories. This application was initiated by Mr. Chaplin himself. I think the question whether he fell into any of those categories was a preliminary or collateral question  
30 necessary to be answered in the affirmative in order that the court should have jurisdiction to entertain the proceedings. It is said in de Smith above at p.100:

40 ". . . It is to be expected that the following matters will be treated as preliminary to the merits or as conditions of jurisdiction . . . whether the proceedings have been properly instituted by persons entitled to initiate them . . ."

See also R. v. The Commonwealth Rent Controller ex parte National Mutual Life Association of Australasia Ltd. 75 C.L.R. 361. There was power in the Controller to vary a determination of the rent of premises on an application by, inter alia, a lessee. A lessee applied. The Controller varied not only the rent of the applicant but the rent of all the other tenants in the building. The High Court granted prohibition.

50 Now, the only category of applicants into which Mr. Chaplin could possibly fall is the category in

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paragraph (a), "the worker". If he is not "a worker", I do not think the court had jurisdiction to hear his application. Whatever, therefore, the position might have been if the application had been made by a registered association (see paragraph (c)), I think that certiorari will lie in the present case if he is not a worker.

I might add that I have considered, but rejected, the possibility that the use of the definite article in the expression "the worker" necessitates reference back to the subjective clause to find out what worker is being spoken of, so that any person whom the court is satisfied is a worker is thereby a sufficient applicant for the purpose of jurisdiction. This seems to me to be circular reasoning. The locus standi of the applicant is a preliminary matter which arises on the threshold of the enquiry before it becomes relevant to enquire of what the court may be satisfied at the conclusion of the enquiry.

This conclusion relieves me of the necessity of considering whether this is a case where certiorari would lie for error of law on the face of the record. Hence, I do not have to explore the very difficult question of what the record is for this purpose.

I think, therefore, we are bound to enquire whether the representative was at the material time a worker, or, in other words, whether he was at the relevant time a person employed under a contract of service.

In so doing I think we must come to our own conclusions of law and fact, though we should hesitate long before departing from any finding of fact made by the tribunal which heard the evidence, see de Smith above at pp.120-121. This matter is not a difficulty here. The findings of the learned judge are not really in dispute. The question is whether they make the representative's contract with the Society a contract of service.

I accept the facts as found by the learned judge, but where necessary I will make specific reference to the evidence or the exhibits.

In late 1966 or early 1967 the representative, then employed in the S.A. Railways, entered into discussions with Mr. Archdall, one of the Society's employees, about becoming an insurance representative. He was told that after satisfactory completion of a training course he would be appointed a representative on probation. Various booklets and other documents were sent to him. He signed what was called an



acceptance of probationary appointment in which he agreed to be bound by the booklet entitled "Benefits and Conditions of Appointment as an A.M.P. Representative". At the same time his wife applied for an agency on behalf of the A.M.P. Fire and General Insurance Co. Ltd. This is a company separate from the Society. The learned judge did not regard the circumstances or the nature of the fire agency as relevant to the question before him. Nor do I. Henceforward I ignore it.

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He survived the training course and the probationary period. His appointment as an "Ordinary Representative" was confirmed by the Society by letter dated the 29th November 1967. From then on he was engaged in selling life insurance for the Society, apart from his activities in respect of the fire agency. Business in respect of that was about 8% of the total insurance business.

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The conditions of his engagement, to use a neutral word, are set out in the booklet. The conditions of appointment were varied from time to time, but I do not think in any relevant manner. The actual practice and course of business followed during that engagement, which was apparently terminated by his dismissal on the 23rd April 1975 though that is not specifically adverted to, are set out in the reasons of the learned judge. I refer to such of these matters as I consider important.

I set out from the original booklet certain sections:

"SECTION I - GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE  
Relationship with Society, General Conduct  
of Agency

3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
4. For all purposes associated with your agency you should designate yourself as the Society's 'Agent' or 'Representative'. These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:-  
'Consulting', 'New Business', 'Field', and 'Metropolitan' or 'District' (as appropriate).
5. The business of your agency is to be conducted in a manner approved by the Society

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and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time to time) and as laid down by the Society and advised to you from time to time. Continuance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms. 10

6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause.

Advertising, Literature etc.

8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request. 20
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon. 30
10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

Commission Arrangements with Other Agents of the Society

12. The Society's consent is required before you enter into any partnership in connection with its business or any continuing arrangement which provides for your commission earnings to be shared with another agent of the Society. 40

Relations with Competing Institutions

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14. While you remain an agent of the Society you are not to act for any 'competing institution' or receive a commission from it or its agent. By 'competing institution' is meant any other insurance company or an institution such as a unit trust or mutual fund or superannuation fund which in the Society's opinion competes with it in any class of business.

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concurring)

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SECTION II - BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR AGENCY WITH THE SOCIETY (i.e. EXCLUDING A.M.P. FIRE)

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Geographical Limits of Your Agency

2. You are not authorised to receive proposals outside the limits of your district nor to conduct 'negotiations' outside your district with a view to receiving proposals from persons residing outside your district unless with the consent of the Society. The word 'negotiations' includes any approach to persons whether personally, by letter, telegram or telephone, by you or anyone acting on your behalf.

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Payment Away of Your Commission, Sub-Agencies

3. You are not to pay commission either directly or indirectly to any person other than a sub-agent approved by the Society.
4. Should you wish to appoint a sub-agent, the Society's approval should first be obtained. Until your appointment is confirmed it is not generally desirable for you to appoint sub-agents. It may, however, be desirable for you to continue a sub-agency already existing in your district. You should clearly understand and be sure that your sub-agents understand that :-

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- (a) although their appointment has been approved by, and registered with, the Society it actually emanates from you and not the Society;

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- (b) they must look to you alone for payment of commission;
- (c) any prohibitions or obligations which apply to you in terms of this booklet apply equally to them; and
- (d) you are responsible for every action of theirs in connection with the Society's business.

5. You are not to act as sub-agent to another agent of the Society without its consent. 10

#### SECTION V - "FRINGE" BENEFITS

##### Protection Against Disablement

7. As the relationship between the Society and its representatives is that of principal and agent, they are not covered under the terms of the various State and Federal Workers' Compensation Acts (except in Queensland where specific provisions in the Act include agents). " 20

As far as I can ascertain the rewording of some of these clauses has not significantly affected their meaning for the present purpose. Nor do I think it necessary to examine the elaborate provisions about the right to commission or to superannuation benefits.

The Society divided its sales force into various areas. The representative was attached successively to the Adelaide, the North Adelaide and the Wingfield sales office. In each sales office there was a supervisor in charge and a stenographer. The supervisor supervised the representative in his work and held sales meetings. There was a dispute as to whether attendance at these meetings was obligatory or not. The Society contended that it was voluntary. One memorandum to agents, Ex.A17, giving notice of a meeting for the 17th September 1973 contained the following words: 30 40

"Attendance at this meeting should be regarded by yourself as obligatory."

The learned judge found as follows:

"On the evidence before me on this aspect, I am satisfied that the respondent, through its employees, conducted itself in relation to these meetings in such a way that the applicant was justified in regarding attendance at such meetings as a part of his contract with the respondent."

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10 Weekly details of sales were furnished by the representative to the stenographer at the sales office. The first premiums received by him were paid in. Sometimes the supervisor accompanied him on selling expeditions. From time to time targets were set for him to attain. Failure to reach these targets would probably, in the absence of satisfactory explanation, have led eventually to the termination of the engagement.

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He did not have set hours of work, but the learned judge found that he worked up to 60 hours a week.

20 From time to time the Society rostered its agents to attend at its offices in order to deal with enquiries from the public. Mr. Chaplin had to attend at first about every 6 weeks and later about once every 3 months. The learned judge found that he was obliged to do so.

He was entitled to various fringe benefits, such as assistance in purchasing a house or car, membership of the Society's medical benefit plans, concessions for insurance premiums and so on.

30 He operated largely from a room in his own house. Except as specified above, he was not obliged to report his whereabouts or his activities. He did appoint sub-agents in pursuance of a power to do so. He did, without the knowledge of the Society, work part-time as a bookmaker's clerk for some period of his engagement with the Society. There was no general restriction on the Society's agents engaging in other employments not connected with insurance, but some such occupations were not  
40 approved, amongst them bookmaking. Some agents in the Society were permitted to incorporate themselves for the purpose of selling insurance with the Society.

It was not the practice of the Society to insure itself for payment of workmen's compensation to insurance agents or to grant them long service leave. There was no special provision for annual leave, but before taking leave the represen-

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tative was required to give notice to the  
Society.

Although there was no industrial award  
covering the representative, he was a member  
of a body called "The Federation of Associations  
of A.M.P. Society Representatives (O.D.)".

Mr. Chaplin described himself in his taxa-  
tion returns as a consultant. In fact he treated  
himself for taxation purposes as a person carrying  
on business on his own account. That entitled 10  
him to claim certain expenses as a deduction.  
He was charged for any use made by him of the  
Society's telephones.

At the termination of his engagement he had  
no goodwill or business to sell as a life  
insurance salesman. The position was different  
with regard to the fire agency.

These, I think, are the principal matters  
to be considered in deciding whether or not the  
representative's contract in connection with the 20  
life insurance agency was a contract of service.

There is, of course, no doubt that the  
Society has done its best to make the contract  
a contract for services or a contract of agency,  
not a contract of service. The booklet says  
specifically that the relationship between the  
parties is that of principal and agent and not  
that of master and servant. This might be of  
extreme importance, perhaps even in some cases 30  
of decisive importance, if it were purely a  
question of the private relationship of the  
parties inter se. But any such express declara-  
tion cannot bind third parties, nor can it be  
decisive of the question of the category into  
which the relationship falls for the purpose of  
fiscal statutes or statutes of social, economic  
or industrial regulation where questions of  
legislative policy are involved, Ready Mixed  
Concrete (South-East) Ltd. v. Minister of  
Pensions and National Insurance 1968 2 Q.B. 497, 40  
Ferguson v. John Dawson & Partners (Contractors)  
1976 3 All E.R. 817. An employer cannot be  
allowed to opt out of the provisions of  
statutes like the Workmen's Compensation Act or  
the Payroll Tax Assessment Act by the simple  
expedient of entering into contracts with his  
workmen in which they admit that they are  
independent contractors or agents and not

servants. The parties are free to enter into a contract of service or not as they please: but they cannot escape statutory regulation of contracts of service by entering into such a contract and calling it something else.

How, then, is one to distinguish between a contract of service and a contract for services? The older test was simple. It all turned on the right to control the manner of doing the  
 10 work. If the alleged employer possessed such a power the contract was a contract of service, not a contract for services: if not, then not. That power was both a necessary and sufficient condition of a contract of service.

Two dicta of Bramwell B. on this point are often quoted, see, for example, per Stephen J. in Federal Commissioner of Taxation v. Barrett & Ors. 129 C.L.R. 395 at p.401, Atiyah, Vicarious Liability at p.40.

20 In Reg. v. Walker 27 L.J.M.C. 207 the learned Baron said at p.208:

"It seems to me that the difference between the relations of master and servant and of principal and agent is this: A principal has the right to direct what the agent has to do; but a master has not only that right, but also the right to say how it is to be done."

30 And in Yewens v. Noakes 6 Q.B.D. 530 at pp.532-3 he said:

"A servant is a person subject to the command of his master as to the manner in which he shall do his work."

If that had remained the sole test, I think our task would have been easy. Clause 5 of Section I of the terms of appointment, which I have set out above, says that the business of the agency is to be conducted in a manner approved by the Society and in accordance with the practices  
 40 set out in the booklet, that the Society could alter the terms of the booklet from time to time and that continuance of the agency after notification of the alteration was to be taken as acceptance of the altered terms.

But it seems to me that at the present time the power to control the manner of doing the work

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is neither a sufficient, nor even a necessary element of a contract of service, see Atiyah above at p.48. I would refer also to the article in Vol. 31 of the Modern Law Review "Wage Slave or Entrepreneur?"<sup>408</sup> at p.422. In many cases of skilled work, such, for example, as that of an acrobat on the trapeze, the master cannot control in detail the manner of doing the work: none the less there may still be a contract of service. "What matters", said the High Court in Zuijs v. Wirth Bros. Pty. Ltd. 93 C.L.R. 561 at p.571, "is lawful authority to command so far as there is scope for it". And as Atiyah points out at p.44, a man who employs an independent contractor to work on his property or in his factory or in his mine often retains a power of control over the manner of doing the work in the interests of safety.

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What, then, has replaced the power of control as the criterion? There have been various suggestions, one of the most prominent of which is whether the alleged servant is working as an integral part of someone else's business or is only accessory to it, or, to put it another way, whether he is performing the relevant services as a person in business on his own account, see Barrett's case above at p.402. There are difficulties about this suggestion: see the Ready Mixed Concrete case above per MacKenna J. at p.524.

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With respect I agree with Stephen J. (see Barrett's case above at p.401) that "the fact of control is no more than one of a number of indicia". I still think, however, that it is a most important one. In the words of Lord Thankerton in Short v. J. & W. Henderson Ltd. 1946 S.C. 24 at p.34 the "factor of superintendence and control has frequently been treated as critical and decisive of the legal quality of the relationship".

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It seems to me, then, that at the present time there is no magic touchstone. The court has to look at a number of indicia and then make up its mind into which category the instant case should be put. It is a question of balancing the indicia pro and con, cf. Sykes & Glasbeek, Labour Law in Australia p.14. But the power of control over the manner of doing the work is very important, perhaps the most important of such indicia.

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Barrett's case above referred to was a case in which Stephen J. decided that the relationship of employer and employee existed between a firm of land agents and the land salesmen employed by it. Hence the firm of land agents was liable to pay payroll tax on payments of commission to the salesmen. The learned judge of the Industrial Court placed much reliance on Barrett's case and I think that he was right to do so, irrespective of whether or not the decision was technically binding on him, since Stephen J. was sitting as a single judge of the High Court and did not as such constitute a tribunal in the appellate hierarchy which could ultimately pass on the present case. I, too, have found great assistance from that case. There are many similarities between the position of the land salesmen in that case and the position of the representative in the present case: but there are also considerable differences.

The indicia on each side, as it seems to me, are these.

In favour of a contract of service there is the requirement that the business of the agency must be conducted in a manner approved by the Society and in accordance with its practices. That, as I have said, is a most important, though no longer a decisive, matter. Then there is the appointment of the representative by the Society and the power of termination on either side without notice. The second ground of the order nisi in paragraph (d) puts this forward as a consideration against a contract of service. It seems to me, however, to be more consistent with it, see Atiyah above at pp.53-56. Then there is the actual control in fact exercised by the supervisor, the obligation to attend meetings and the obligation to serve at the Society's office when rostered. There is the retention by the Society of the ownership of its literature and other materials. There is the prohibition against acting as an agent for any other insurance company, which is inconsistent with the representative carrying on a separate occupation as a general insurance agent available to work for all customers. There is the prohibition against entering into partnership or commission-sharing in connection with the Society's business without its approval. There is the lack of any goodwill or other saleable asset in relation to the life insurance agency on the termination of the contract.

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In favour of a contract for services are the express provision negating the master and servant relationship, the permission to incorporate, the permission to appoint sub-agents, the freedom to carry on any other decorous occupation not connected with insurance, the absence of fixed hours or of any necessity to attend, except when rostered or for meetings, at the Society's place of business, the requirement that the representative pay for the use of the telephone in the Society's office and his description of himself in his tax returns as a consultant, presumably in business on his own account. As to this last, I would not myself attach much importance to a man's description of himself in his income tax returns, a description presumably employed as the most advantageous for taxation purposes, as a clue to the legal quality of any relationship into which he has entered.

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I have not thought it necessary to canvass all the cases in which some one or more of these indicia has been present to which varying importance has been attached. I think that all the matters to which I have referred are relevant.

Apart from the question of the power of the agent to incorporate himself and the power to appoint sub-agents, I think that the balance comes down in favour of the learned judges's conclusion, in favour, that is, of a contract of service. It seems to me that the Society has tried to combine the reality of a contract of service with the appearance of a contract for services. The velvet glove of independent agency has been pulled over the iron hand of magisterial control. The glove wore thin, I think, when the representative was told that attendance at the meeting in 1973 was obligatory.

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It is suggested, however, that the two matters I have mentioned are in themselves so inconsistent with a contract of service as conclusively to negative its existence.

The opinion is expressed in Atiyah on Vicarious Liability previously referred to that a corporation cannot be employed under a contract of service. With respect, I do not

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see why this should necessarily be so. I do not see why it could not perform such a contract by its agents or servants in the same way as it can perform any other contract. It seems to me that the Privy Council in City of Montreal v. Montreal Locomotive Works & Anor. 1947 1 D.L.R. 161 held in effect that a corporation could be a servant of the Crown. The corporation in question is described at p.170 as "an agent or mandatory or manager on behalf of the Crown", but an examination of the facts shows, in my view, that the last description is really the most appropriate. But as the learned judge points out, in this case Mr. Chaplin did not incorporate himself and it is not necessary to decide what the status of his company would have been if he had. I cannot regard the liberty to incorporate as a decisive factor in this case.

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20 More difficult is the power to appoint sub-agents. I quote from Atiyah above cited at p.59.

"Although there appears to be no express decision in which this factor has by itself been treated as conclusive, it seems reasonably clear that an essential feature of a contract of service is the performance of at least part of the work by the servant himself. If, therefore, the person in question is entitled to delegate the entire performance of the work to another it is thought that this would be conclusive against the contract being a contract of service. As was said by a New Zealand judge, a servant 'is not a person who makes a profit out of the labour of others. He earns his wage entirely by the sweat of his own brow, and not partly by that and partly by the sweat of other people's brows'.  
40 McKenzie v. Taratu Coal Company 1919  
N.Z.L.R. 756 at p.758 per Sim J."

There are cases where the employment and payment of his own workmen by the alleged servant has been regarded as highly important in negating a contract of service, cf. Queensland Stations Pty. Ltd. v. Federal Commissioner of Taxation 70 C.L.R. 539. In that case the drover provided, not only his own men, but also his equipment, plant, rations and horses (see at p.552). See  
50 also Pauley v. Kenaldo Limited 1953 1 All E.R. 226,

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Neale v. Atlas Products (Vic.) Pty. Ltd.  
94 C.L.R. 419.

Here, of course, the representative did not provide any plant or equipment. And there are some cases in which it appears to have been assumed that a servant can employ a sub-servant with the knowledge of the master, the sub-servant being the servant of the servant and not the servant of the master, without the servant himself ceasing to be employed under a contract of service. In Re Mutual Aid Permanent Benefit Building Society ex parte James there was a question of the effect of a payment of money to a private clerk of the secretary of an incorporated society, the clerk himself not being an officer of the society. It does not seem to have been thought that that in any way affected the position of the secretary as a servant of the society. In Robinson v. Hill 1910 1 K.B. 94 the question was whether a boy employed by a vanman employed by a firm of bakers, whose wages were paid by the vanman, the bakers knowing of the boy's employment by the vanman, was an employee of the bakers. There was no suggestion that by employing the boy the vanman had ceased to be a servant of the bakers. In Murphy v. Ross 1920 2 I.R. 199 the defendant was a carrier and the plaintiff was a boy who was directed by the defendant's foreman to accompany one of the defendant's drivers to show him the way. The boy had performed this function before and had received small payments from the drivers but nothing from the defendant. He was injured in an accident and the question was whether the defendant was liable for the driver's negligence. It seems to have been assumed that the boy was employed by the foreman or the carrier, not by the defendant, see per Sir James Campbell C. at p.208, per O'Connor M.R. at p.217, but it was not suggested that that stopped the driver or the foreman from being servants of the defendant.

I am not prepared to hold that in every case where a servant, with the consent of the master, employs a sub-servant to perform part of the work his contract of service becomes transformed into a contract for services. I have hesitated long as to the effect of the sub-agent clause on the present case, but I have finally come to the conclusion that its

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existence does not prevent the contract from being a contract of service. In many cases, no doubt, permission to a servant to engage labour may have the effect of making the person engaged a co-servant of the servant, not a sub-servant, and hence a servant of the original master. The Society has endeavoured to prevent that from happening here by the wording of the sub-agent clause, but I am not sure that it has been  
 10 entirely successful. Any sub-agent must be approved by the Society. All the prohibitions and obligations of the representative attach to him. This means, amongst other things, that the sub-agent must conduct his business in a manner approved by the Society and in accordance with its practices. It is true that the clause provides that the representative is responsible for the actions of the sub-agent and that he  
 20 alone is responsible for the sub-agent's commission. Nevertheless, presumably contracts of insurance procured by the sub-agent are contracts with the Society and I think there may well be circumstances in which the Society would be responsible to third parties for the acts of the sub-agent.

I think that the power to appoint sub-agents no more prevents the existence of a contract of service between the Society and the representative than the permission given to the vanman in  
 30 Robinson v. Hill to employ the boy to assist him prevented or terminated the existence of a contract of service between the vanman and the baker. Really the power to appoint sub-agents is no more than a permission to enter into a commission sharing arrangement with the approval of the Society.

In my view the Society had here the legal right to exercise control over the manner in which the representative sold insurance on its  
 40 behalf and did in fact exercise control over him through the medium of the supervisor, the roster and the obligatory attendance at the sales office and at the sales meetings. These considerations are not, as I have said, decisive, but, in my view, in this case their existence amongst the other indicia, pro and con, weighs down the balance in favour of a contract of service.

In my view the order nisi for certiorari  
 50 should be discharged.

HOGARTH J.:

I agree with the Chief Justice.

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REASONS FOR JUDGMENT OF THE HONOURABLE  
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REG. v. JUDGE ALLAN ex parte AUSTRALIAN MUTUAL  
PROVIDENT SOCIETY

No. 688 of 1977

Dates of Hearing: 8th and 9th June 1977.

IN THE FULL COURT

Coram: Bray C.J., Hogarth and King JJ.

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J U D G M E N T of the Honourable Mr. Justice  
King

(Application for order absolute for certiorari)

Counsel for the Prosecutor: Mr. R.G. Matheson Q.C.  
with Mr. N.C. Hargrave

Solicitors for the  
Prosecutor: Knox & Hargrave

Counsel for the Respondent: Mr. T.M. McRae  
with Mr. C.M. Johnston

Solicitors for the  
Respondent: Reilly, Ahern & Kerin

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Judgment No. 3446

REG. v. JUDGE ALLAN ex parte AUSTRALIAN MUTUAL  
PROVIDENT SOCIETY

Full Court

King J.

This is an application to make absolute an order nisi for certiorari to quash an order of Judge Allan in the Industrial Court by which he found that one Chaplin (the applicant before him) was a worker within the meaning of the Long Service

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Leave Act 1967 as amended, and ordered payment in lieu of long service leave. The substantial ground upon which certiorari is sought is that the Court had no jurisdiction to make the order as Mr. Chaplin, it is said, was not a worker but an independent contractor.

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10 The first question is whether the issue as to Mr. Chaplin being a worker relates to the jurisdiction of the Court to make the order or whether it relates rather to the merits of an application which the Industrial Court had jurisdiction to determine.

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20 Section 4 subsection (1) of the Long Service Leave Act provides that, "Subject to this Act, every worker shall be entitled to long service leave or payment in lieu thereof in respect of his service with an employer". "Worker" is defined in sec. 3 of that Act as meaning "a person employed under a contract of service and includes a person so employed who is remunerated wholly or partly by commission." The Industrial Court derives its jurisdiction to entertain Long Service Leave Act applications from sec. 15 sub-sec (1) of the Industrial Conciliation and Arbitration Act as amended and sec. 12 of the Long Service Leave Act. The former is as follows:

30 "In addition to the jurisdiction conferred on it elsewhere in this Act, or under any other Act whether of this State or the Commonwealth the Court shall, subject to this Act, have jurisdiction -

(a) to interpret any award or industrial agreement;

40 (b) to hear and determine any question of law or case stated that is referred to it by the Commission or a Committee;

(c) to hear and determine questions as to the jurisdictional or other validity of awards or orders of the Commission or of a Committee;

and

(d) to hear and determine -

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- (i) claims for sums due to employees or former employees from employers or former employers pursuant to this Act, to a contract of service or a contract under which services are rendered which is governed by an award or an industrial agreement where those sums were due and payable within the period of three years concluding on the day on which the application in relation to the claim was filed; 10
- (ii) claims for sums due to employers or former employers from employees or former employees pursuant to this Act, to a contract of service or a contract under which services are rendered which is governed by an award or an industrial agreement where those sums were due and payable within the period of three years concluding on the day on which the application in relation to which the claim was filed; 20
- (iii) claims for the recovery of sums due to employees or former employees from employers or former employers pursuant to a contract of service or a contract under which services are rendered which is governed by an award made or having effect or an agreement certified under the Conciliation and Arbitration Act 1904-1972 of the Commonwealth; and 30
- (iv) applications under section 12 of the Long Service Leave Act 1967-1972;
- (e) to hear and determine any question as to whether the dismissal from his employment of an employee, not being an employee who has under any Act or law a right of appeal or review against his dismissal, was harsh, unjust or unreasonable and the Court may, if it thinks fit, direct the employer of that employee to re-employ that employee in his former position on terms that are not less favourable to the employee than if he had not been dismissed from his employment and without limiting the generality of the foregoing may order that the employee be paid a sum not exceeding a 40 50



sum equal to the wages that he would have received had he been employed in that employment between the time of his dismissal and the time at which he was re-employed but the Court shall not exercise the jurisdiction conferred on it by this paragraph unless an application invoking that jurisdiction is made, by or on behalf of the dismissed employee, within twenty-one days from the day on which it is alleged that the employee was so dismissed from his employment."

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Section 12 of the Long Service Leave Act is as follows:

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"12. (1) Subject to subsection (2) of this section, where the Industrial Court of South Australia is satisfied that a worker or a deceased worker had not been granted, or had not received payment in lieu of, the whole or any part of the long service leave to which he was entitled under this Act the court may, on the application of -

(a) the worker;

(b) in the case of a deceased worker, the personal representative of the deceased worker;

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or

(c) a registered association within the meaning of the Industrial Conciliation and Arbitration Act, 1972, of which the worker is a member,

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by order direct that the leave be granted or the payment made by the employer or former employer of the worker liable under this Act to grant the leave or make the payment, as the case may be.

(2) Where the service of the worker the subject of an application under subsection (1) of this section has terminated, the Industrial Court shall not have jurisdiction to hear and determine any such application

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that is made after the expiration  
of three years from the date of  
that termination.

- (3) The Industrial Conciliation and  
Arbitration Act, 1972, shall  
mutatis mutandis apply and have  
effect as if an application under  
sub-section (1) of this section  
were a claim under paragraph (d)  
of subsection (1) of section 15  
of that Act.

10

- (4) An application under section 12 of  
this Act as in force immediately  
before the commencement of the Long  
Service Leave Act Amendment Act,  
1972, may be heard and determined  
by the Industrial Court in all  
respects as if this section were in  
force at the time that it was made  
and it were an application under  
this section."

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The legal problem is explained in the following  
passage in the judgment of Menzies J. in R. v.  
Blakely and others 82 C.L.R. 54 at 90:

"Generally speaking, when a tribunal, other  
than a superior Court in the technical sense,  
is called upon to exercise jurisdiction, it  
must, of necessity, begin by considering for  
itself the preliminary question whether it  
possesses the jurisdiction invoked. That  
question may depend on questions of law or  
questions of fact or on questions both of  
law and of fact. As Griffith C.J. said in  
Federated Engine-Drivers' and Firemen's Assoc-  
iation of Australasia v. Broken Hill Pty. Co.  
Ltd. (1911) 12 C.L.R., at p.415: '... the  
first duty of every judicial officer is to  
satisfy himself that he has jurisdiction,  
if only to avoid putting the parties to  
unnecessary risk and expense.' In the same  
case Barton J. at p.428 said: 'Where the  
jurisdiction is disputed, adequate and  
careful inquiry is still the duty of the  
court of first instance.' But the important  
point is that the decision or finding with  
regard to the existence of jurisdiction,  
whether it be affirmative or negative,  
stands in a radically different position  
from a decision or finding given or made  
within jurisdiction on the merits of the

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case. The latter is conclusive and binding subject only to any appeal that may be given: if no appeal is given, it is absolutely conclusive and binding. The former is not conclusive or binding at all. It is open, if it be affirmative and wrong, to prohibition. It is open, if it be negative and wrong, to mandamus. The position is very clearly put by Coleridge J. in Bunbury v. Fuller (1853) 9 Ex., at pp.140, 141 (156 E.R. at p.60), in a passage quoted by Isaacs J. in the Engine-Drivers' Case, (1911) 12 C.L.R., at p.454. His Lordship said: 'Suppose a Judge with jurisdiction limited to a particular hundred, and a matter is brought before him as having arisen within it, but the party charged contends that it arose in another hundred, this is clearly a collateral matter independent of the merits; and on its being presented, the Judge must not immediately forbear to proceed, but must inquire into its truth or falsehood, and for the time decide it, and either proceed or not proceed with the principal subject-matter according as he finds on that point; but this decision must be open to question, and if he has improperly either forborne or proceeded on the main matter in consequence of an error, on this the Court of Queen's Bench will issue its mandamus or prohibition to correct his mistake.'

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There are many references by the learned writers to the difficulty of distinguishing between a question of law or fact upon which jurisdiction depends and a question of law or fact which relates not to jurisdiction but to the merits of the case which the tribunal is authorized to decide. The category into which the issue as to whether Mr. Chaplin is a worker falls, depends upon the construction of sec. 12 of the Long Service Leave Act and its relationship to sec. 15 of the Industrial Conciliation and Arbitration Act. Sub-section (1) of this latter section confers the various heads of jurisdiction on the Industrial Court. Paragraph d(iv) deals with Long Service Leave applications. The heads of jurisdiction conferred by the other paragraphs and placita relate to various incidents of the employer-employee relationship and to awards, industrial agreements and orders of the

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commission based upon that relationship. In the provisions conferring these other heads of jurisdiction the employer-employee relationship is clearly made the basis of the jurisdiction. Paragraph (d) (iv) however, does not state the elements of the Long Service Leave Act jurisdiction and it is necessary to look to sec. 12 of the Long Service Leave Act to ascertain those elements. The employer-employee relationship, which is made the basis of the other heads of jurisdictions conferred by sec. 15 of the Industrial Conciliation and Arbitration Act, is involved in the expression "the worker" in sec. 12 of the Long Service Leave Act and I think that that expression ought therefore to be construed as going to jurisdiction. This conclusion is strengthened by a consideration of that expression where it appears in the section for the second time. The portion of the section in which the expression appears for the second time provides that the Court may make orders on the application of "the worker, a personal representative of a deceased worker or a registered organization." Here the expression is used to describe one of the classes of person who may make the application. If the applicant does not answer the description, there is no valid application and hence as it seems to me, no jurisdiction, The King v. The Commonwealth Rent Controllers and others 75 C.L.R. 361. This consideration strengthens the argument for construing the expression where it appears in the earlier part of the section as jurisdictional also. Otherwise there would be the strange result that a decision of the Industrial Court that a person for whom leave or payment in lieu of leave is sought, is or is not a worker, would go to jurisdiction and be reviewable by this Court if that person were the applicant but not if the applicant were a personal representative or registered organization. In my opinion the jurisdiction of the Industrial Court depends upon the person for whom leave or payment is sought being a worker.

Mr. McRae for Mr. Chaplin argued that even if that is so, the question of whether this jurisdictional prerequisite is satisfied, has been left by the legislature to be decided finally by the Industrial Court itself by the words in sec. 12 "where the Industrial Court of South Australia is satisfied that ...". He relied upon the latter part of Lord Esher's well known passage in R. v. Income Tax Special Purposes Commissioners (1888) 21 Q.B.D. 313 at 319:

10 "When an inferior court or tribunal or  
 body, which has to exercise the power  
 of deciding facts, is first established  
 by Act of Parliament, the legislature  
 has to consider what powers it will give  
 that tribunal or body. It may in effect  
 say that, if a certain state of facts  
 exists and is shewn to such tribunal or  
 body before it proceeds to do certain  
 things, it shall have jurisdiction to  
 do such things, but not otherwise.  
 There it is not for them conclusively  
 to decide whether that state of facts  
 exists, and, if they exercise the  
 jurisdiction without its existence,  
 what they do may be questioned, and it  
 will be held that they have acted without  
 jurisdiction. But there is another state  
 20 of things which may exist. The legis-  
 lature may intrust the tribunal or body  
 with a jurisdiction, which includes the  
 jurisdiction to determine whether the  
 preliminary state of facts exists as  
 well as the jurisdiction, on finding  
 that it does exist, to proceed further  
 or do something more. When the legisla-  
 30 ture are establishing such a tribunal or  
 body with limited jurisdiction, they  
 also have to consider, whatever jurisdic-  
 tion they give them, whether there shall  
 be any appeal from their decision, for  
 otherwise there will be none. In the  
 second of the two cases I have mentioned  
 it is an erroneous application of the  
 formula to say that the tribunal cannot  
 give themselves jurisdiction by wrongly  
 deciding certain facts to exist, because  
 the legislature gave them jurisdiction  
 to determine all the facts, including the  
 40 existence of the preliminary facts on  
 which the further exercise of their  
 jurisdiction depends; and if they were  
 given jurisdiction so to decide, without  
 any appeal being given, there is no  
 appeal from such exercise of their  
 jurisdiction."

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(continued)

50 I do not think that Mr. McRae's construction is  
 correct. It seeks to read the section as though  
 it said, "Where the Industrial Court is satisfied  
 (i) that a person is a worker or a deceased  
 worker and (ii) that person had not been granted  
 etc." But that is not, as I read the section, the  
 natural meaning. The true meaning, in my opinion,

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is that there must be a person who is a worker in fact and in law and that the Industrial Court must be satisfied that that person has not been granted leave or has not received payment. Clear words are required to make a tribunal's decision as to its own jurisdiction conclusive; (Anisminic v. Foreign Compensation Commission 1969 2 A.C. 147, especially per Lord Reid at 170), and I do not think that the words of this section have that effect. Even if Mr. McRae's construction is correct, certiorari would still be available to review the Industrial Court's assumption of jurisdiction if the facts of which that Court were satisfied did not fall within the legal classification "worker", although the Industrial Court thought that they did. If that were the case the learned Industrial Court judge would not be satisfied that Mr. Chaplin was a worker although because of an erroneous understanding of the legal meaning of "worker" he might think that he was so satisfied. R. v. Australian Stevedoring Industry Board ex parte Melbourne Stevedoring Co. Pty. Ltd. 88 C.L.R. 100 per Dixon C.J., Williams, Webb and Fullagar JJ at 117.

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Having reached the conclusion that an erroneous conclusion that Mr. Chaplin was a "worker" would be a jurisdictional error for which certiorari would lie, it is unnecessary for me to consider whether it would also amount to an error of law on the face of the record.

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The learned Industrial Court judge took the law which he applied in determining whether Mr. Chaplin was employed under a contract of service, from the judgment of Stephen J. in The Commissioner of Taxation of the Commonwealth of Australia v. Barrett and ors. (1973) 129 C.L.R. 395. Mr. Matheson Q.C., for the applicant in this Court, criticized that course on the ground that Stephen J. did not commit himself to any particular test but said, "I would conclude from the foregoing that, whichever of the acknowledged tests of an employer-employee relationship may be applied, the conclusion must be that such a relationship does exist in the present case." But Stephen J. went further than that. He laid down some important propositions in a passage which the learned Industrial Court judge quoted and applied. At p.401 Stephen J. said:

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"However it is clear that the fact of control is no more than one of a number of indicia: 'a

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reservation of a right to direct or superintend the performance of the task cannot transform into a contract of service what in essence is an independent contract ...' per Dixon J. in the Queensland Stations case (1945) 70 C.L.R. at p.552. In that case his Honour, despite an express condition that a drover should 'obey and carry out all lawful instructions', held him to be an independent contractor because of 'the countervailing considerations which are found in the employment by him of servants of his own, the provision of horses, equipment, plant, rations, and a remuneration at a rate per head delivered' Queensland Stations case (supra). Zuijs v. Wirth Bros. Pty. Ltd. (1955) 93 C.L.R. 561 further illustrates the need to consider, in each instance, all available facts in determining the nature of an employers relationship to those who perform work for him, rather than to rely exclusively upon any one criterion, such as the reservation of the right to control. Zuijs' case (supra) also provides Australian authority for the proposition that in the context of a modern industrial society earlier concepts of relevant control, especially in the case of those employees possessing specialised skills or talents or exercising individual judgment, require modification. In many such cases an employer cannot in fact supervise the mode of performance of work but it will be enough that the employer retains 'lawful authority to command so far as there is scope for it', if only in 'incidental or collateral matters'."

Mr. Matheson emphasized the right of control as to how the work is to be done as the test to whether an employer-employee relationship exists. I doubt whether the right of control, however it might be expressed, was ever the sole test although there was a time when it assumed such great importance as to have the appearance of being the sole test. Stephen J. at p.400 recognized that "an important factor on which the courts have fastened in differentiating between servant and independent contractor has been that of control." But he insisted, I think correctly, "that the fact of control is no more of one of a number of indicia." In my opinion, Stephen J. correctly stated the law and the learned Industrial Court judge correctly understood and applied it. The learned Industrial Court judge summarized the considerations which led him to his conclusion in a passage in his reasons for his decision which I quote:

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"Applying the law as I see it to the facts as I have found them, I have come to the conclusion, on all the material before me, that the relationship of employer and employee existed between the applicant and the respondent. The relationship was in the nature of a permanent one, although it was subject to termination by either party. The contract between the parties contained provisions relating to the retirement of the applicant. The areas in which and, to a not inconsiderable extent, the manner in which, the applicant conducted the business of the respondent was determined by the respondent. The respondent exercised such control over the applicant as it considered desirable bearing in mind the nature of the industry in general and the occupation of the applicant in particular; the payment of commission on sales was a sufficient incentive to ensure that the interests of the respondent were protected and the applicant was chosen because he possessed what the respondent regarded as sufficient qualities to represent it in the community. The nature of the occupation of the applicant was such that it called for individual qualities and, the respondent being satisfied that it had chosen the right man to represent it, considered its interests were best protected by a relative lack of supervision. The nature of the occupation was such that I doubt very much, if the applicant was to be successful in promoting the interests of the respondent, any greater degree of supervision than that apparent on the material before me was desirable. By making available to the applicant the fringe benefits to which I have earlier referred, the respondent was endeavouring to secure a degree of permanency in its relationship with the applicant. The applicant was, in my opinion, truly conducting the business of the respondent and not his own. No capital was at risk. He was not in a situation where, by the conduct of his work, he could expect that any of his capital would be at risk; at the worst his income would be negligible. Any documents compiled by him in the course of transacting business on behalf of the respondent were not his but became the property of the respondent. He shared in the retirement fund. These matters do not

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totally reflect all that I have taken into account in reaching my conclusion, rather, I have weighed all matters and found the balance to be in favour of the applicant."

Like the learned Industrial Court judge, I find these considerations persuasive and they are reinforced by others.

The terms of Mr. Chaplin's appointment were contained in a document entitled "General Terms of Appointment as an A.M.P. Representative" which was supplied to him on his appointment. Clause 5 gives to the A.M.P. Society an unqualified right of control over the manner in which Mr. Chaplin conducts the business which he is appointed to do. It reads:

"The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time to time) and as laid down by the Society and advised to you from time to time. Continuance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms."

Clause 6 gives a right of termination to either party without notice and without cause. Clause 7 instructs the agent that "all matters affecting your agency and the Society's business are to be treated as strictly confidential." Clause 8 requires that all literature supplied by the Society "and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request." Clause 9 forbids the use of literature or letterheads other than those supplied by the Society "on its business without its consent" and forbids the modification of literature supplied by the Society "other than by writing or stamping your name, designation and address thereon." Clause 10 forbids the sending of letters to the press or advertising "in connection with your agency or the Society's business without its consent."

Not only did the terms of the appointment provide for a right of control by the Society over the manner in which the business was transacted by the

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(continued)

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agent but the evidence shows that this right of control was indeed exercised to such extent, as the learned Industrial Court judge points out, "As it (that is the Society) considered desirable bearing in mind the nature of the industry in general and the occupation of the applicant in particular." There were salesmen's meetings which the agents were "expected" to attend. There was a considerable amount of supervision, to the extent of the supervisor going with the agent to visit clients on occasions. There was a "duty agent's roster". No working hours were set (that would obviously be impractical considering the nature of the calling) but the Society set targets which the agents were expected to achieve. I consider that the learned Industrial Court judge was correct when he said "I am satisfied that, regardless of the method adopted, if the applicant had not been performing satisfactorily and that he did not reach his sales targets, and in the absence of a reason satisfactory to the respondent, his relationship with the respondent would have been terminated." A continuous flow of circulars instructed the agents as to the manner in which the business was to be transacted. The degree and manner of control is illustrated by a memo to agents dated the 13th September 1973, advising of a special meeting of all representatives and containing the sentence, "Attendance at this meeting should be regarded by yourself as obligatory."

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Mr. Matheson urged a number of matters in support of his contention that Mr. Chaplin was an independent contractor. Some of these matters are disposed of by what I have already said. I deal with four of them specifically. Firstly, he contended that the traditional view of the insurance agent was that of independent contractor and he cited cases in which that view has been taken. There are also cases in which "insurance agents" have been held to be employed under a contract of service (see for example The Queen v. Foster and ors. 85 C.L.R. 139). No a priori view, traditional or otherwise, can decide the issue. It must be decided by an examination of all relevant documents and facts in order to determine the nature of the contract in the particular case. Secondly, Mr. Matheson relied upon the provision in the terms of appointment that the relationship between the Society and the representative is that of principal and agent and not that of master and servant. The learned Industrial Court judge thought that that provision, in the circumstances which were proved,

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was of little importance and he quoted a passage from the judgment of Megaw L.J. in Ferguson v. John Dawson and Partners (Contractors) Ltd. 1976 1 W.L.R. 1213 at 1222. In the joint judgment of Dixon J., Fullagar J. and Kitto J. in The Queen v. Foster (supra) the following passage appears:

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10           "Provisions of this character are per-  
          haps more likely to arouse misgivings  
          as to what the practical situation of  
          the agent may be in fact than to prevent  
          a relation of master and servant being  
          formed.  
          For, if in practice the company assumes  
          the detailed direction and control of  
          the agents in the daily performance of  
          their work and the agents tacitly accept  
          a position of subordination to authority  
          and to orders and instructions as to the  
20           manner in which they carry out their  
          duties, a clause designed to prevent the  
          relation receiving the legal complexion  
          which it truly wears would be ineffectual."

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(continued)

I agree with the view which the learned Industrial Court Judge took of this provision. Thirdly, Mr. Matheson pointed out that the representative had overhead expenses which he met out of his commissions and he stressed the claims made in this respect in his income tax returns. But the overhead items were comparatively minor. The representative did not risk capital. The essence of the contract, in my opinion, was for the representative's work and skill. I do not think that the fact that the representative incurred expenses in performing his duties is significant in this case. Fourthly, Mr. Matheson argued that the right to employ sub-agents, which was availed of in practice, is inconsistent with the relationship of employer and employee. This is the most difficult aspect of the case. A limited or occasional power of delegation is not necessarily inconsistent with a contract of service; Readymix Concrete (South East) Ltd. v. Minister of Pensions and National Insurance 1968 2 Q.B. 497 at 515, but it may go a long way to exclude it; The Queen v. Foster (supra) at 151. In this case there is no right of delegation. The representative may appoint a sub-agent only with the authority of the Society and the sub-agent is subject to the same control as the representative and must be approved by the Society. In fact, Mr. Chaplin had two or three sub-agents at

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different times while he was with the  
Society.

I have been troubled by the fact that  
the document containing the terms of appoint-  
ment contemplated the possible employment of  
sub-agents with the consent of the Society  
and by the further fact that Mr. Chaplin in  
fact employed such agents although only to  
a limited extent. But looking at the whole  
of the evidence both as to what is contained  
in the documents and what was done by the  
parties, it seems to me that the represen-  
tative had very little freedom of action,  
a great deal less indeed than is enjoyed by  
most employees. An independent contractor  
must have some significant freedom of choice  
as to the method by which he will achieve  
the result which he has contracted to achieve.  
In every significant respect, this represen-  
tative was subject to the control and  
approval of the Society both according to  
the terms of the documents containing the  
terms of his appointment and in the actual  
way that the business was carried on. I may  
say that in my opinion the representative's  
relationship (itself obscure) with the  
subsidiary A.M.P. Fire and General Insurance  
Co. Ltd., has no bearing on the nature of  
the representatives' contract with A.M.P.  
Society. In my opinion the learned Industrial  
Court judge was right in finding that Mr.  
Chaplin was employed under a contract of  
service and was a worker within the meaning  
of the Long Service Leave Act.

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In my opinion, therefore, the order nisi  
should be discharged.

Supreme Court  
No: 9  
Order of the  
Full Court  
Discharging  
the order  
Nisi for  
Certiorari

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1977

No. 9

ORDER OF THE FULL COURT OF THE SUPREME  
COURT OF SOUTH AUSTRALIA DISCHARGING  
THE ORDER NISI FOR CERTIORARI DATED 5TH  
AUGUST 1977.

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SOUTH AUSTRALIA  
IN THE SUPREME COURT  
No. 688 of 1977

THE QUEEN against PETER THOMAS ALLAN Sitting as a Judge in the Industrial Court of South Australia.

Ex Parte:

AUSTRALIAN MUTUAL PROVIDENT SOCIETY

Supreme Court  
No. 9  
Order of the  
Full Court  
Discharging  
the Order  
Nisi for  
Certiorari

5th August,  
1977

(continued)

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BEFORE THE HONOURABLE THE CHIEF JUSTICE  
THE HONOURABLE MR. JUSTICE HOGARTH AND  
THE HONOURABLE MR. JUSTICE KING  
FRIDAY THE 5TH DAY OF AUGUST 1977.

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UPON MOTION by Mr. Matheson Q.C. and Mr. N.C. Hargrave of Counsel for the abovenamed Australian Mutual Provident Society to make absolute the Order Nisi of certiorari made herein on the 29th day of April 1977 AND UPON READING the said Order Nisi and the affidavit of Denis Christopher Kennelly filed herein on the 22nd day of April 1977 and the exhibits thereto AND UPON HEARING Mr. T.M. McRae and Mr. C. Johnston of Counsel for Lancelot John Chaplin and Mr. Patel of Counsel for the abovenamed Judge Allan THIS COURT DOTH ORDER that the said Order Nisi of certiorari be discharged AND IT IS FURTHER ORDERED that the applicant pay to the said Lancelot John Chaplin his costs of and incidental to the said Order Nisi and this Order to be taxed.

BY THE COURT

(Sgd.) M. TEESDALE SMITH

L.S.

DEPUTY MASTER

THIS ORDER was filed by KNOX & HARGRAVE of 32 Grenfell Street Adelaide. Solicitors for Australian Mutual Provident Society.

Supreme Court  
No. 10  
Order of the  
Full Court  
granting  
Conditional  
Leave to  
Appeal to Her  
Majesty in  
Council

No. 10

ORDER OF THE FULL COURT OF THE SUPREME COURT OF  
SOUTH AUSTRALIA GRANTING CONDITIONAL LEAVE TO  
APPEAL TO HER MAJESTY IN COUNCIL DATED THE 29TH  
DAY OF AUGUST, 1977.

29th August,  
1977

SOUTH AUSTRALIA  
IN THE SUPREME COURT  
No. 688 of 1977

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THE QUEEN against PETER THOMAS  
ALLAN sitting as a Judge in the  
Industrial Court of South Australia.

Ex parte AUSTRALIAN MUTUAL PROVIDENT  
SOCIETY

BEFORE THE HONOURABLE THE CHIEF JUSTICE  
THE HONOURABLE MR. JUSTICE HOGARTH AND  
THE HONOURABLE MR. JUSTICE KING  
MONDAY THE 29TH DAY OF AUGUST 1977.

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UPON MOTION made unto this Court this day on behalf  
of the abovenamed Australian Mutual Provident Society  
(hereinafter referred to as "the Society") for leave  
to appeal to Her Majesty in Council from the judgment  
herein of the Full Court of this Court dated the 5th  
day of August 1977 pursuant to notice of motion  
dated the 23rd day of August 1977 AND UPON HEARING  
Mr. Matheson Q.C. and Mr. Kennelly of Counsel for  
the Society, Mr. T.M. McRae and Mr. C. Johnston of  
Counsel for Lancelot John Chaplin and Mr. Patel of  
Counsel for the abovenamed Judge Allan THIS COURT  
DOTH ORDER that the Society be and it is hereby  
granted conditional leave to appeal to Her Majesty  
in Council upon condition that the Society do within  
21 days from this date enter into good and  
sufficient security to the satisfaction of the  
Court in the sum of \$500 (sterling) for the due  
prosecution of the appeal and the payment of all  
such costs as may become payable to the respondents  
in the event of the Society not obtaining an order  
granting it final leave to appeal, or of the appeal  
being dismissed for non-prosecution, or of Her  
Majesty in Council ordering the Society to pay the  
costs of the appeal (as the case may be).

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L.S.

BY THE COURT  
(Sgd.) R.G. FERRETT  
ACTING DEPUTY MASTER

THIS ORDER was filed by KNOX & HARGRAVE of 32  
Grenfell Street, Adelaide. Solicitors for the  
Australian Mutual Provident Society.

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No. 11

ORDER OF THE FULL COURT OF THE SUPREME COURT OF SOUTH AUSTRALIA GRANTING FINAL LEAVE TO APPEAL TO HER MAJESTY IN COUNCIL DATED THE 29TH DAY OF AUGUST, 1977.

Supreme Court  
No. 11  
Order of the  
Full Court  
granting  
final leave  
to appeal to  
Her Majesty in  
Council

10 SOUTH AUSTRALIA  
IN THE SUPREME COURT  
No. 688 of 1977

29th August,  
1977

THE QUEEN against PETER THOMAS ALLAN  
sitting as a Judge in the Industrial  
Court of South Australia.

Ex parte AUSTRALIAN MUTUAL PROVIDENT  
SOCIETY

20 BEFORE THE HONOURABLE THE CHIEF JUSTICE  
THE HONOURABLE MR. JUSTICE HOGARTH AND  
THE HONOURABLE MR. JUSTICE KING  
MONDAY THE 29TH DAY OF AUGUST 1977.

UPON MOTION made unto this Court this day on behalf  
of the abovenamed Australian Mutual Provident  
Society (hereinafter referred to as "the Society")  
for final leave to appeal to Her Majesty in Council  
from the judgment herein of the Full Court of this  
Court dated the 5th day of August 1977 pursuant to  
notice of motion dated the 23rd day of August 1977  
AND UPON HEARING Mr. Matheson Q.C. and Mr.

30 Kennelly of Counsel for the Society Mr. T.M. McRae  
of Counsel for Lancelot John Chaplin and Mr. Patel  
of Counsel for the abovenamed Judge Allan AND this  
Court being satisfied that the condition upon which  
conditional leave to appeal was granted by order  
dated the 29th day of August 1977 has been complied  
with THIS COURT DOTH ORDER that the Society be and  
it is hereby granted final leave to appeal to Her  
Majesty in Council.

BY THE COURT

40 (Sgd.) R.G. FERRETT

L.S. ACTING DEPUTY MASTER

THIS ORDER was filed by KNOX & HARGRAVE of 32  
Grenfell Street, Adelaide. Solicitors for the  
Australian Mutual Provident Society.

EXHIBIT A1 (APPLICANTS)

Exhibit A1  
(Applicants)  
Application  
for Agency

APPLICATION FOR AGENCY, UNDATED.

SOURCE )	Regional Manager .....	Undated
RECRUITED)	Supervisor.....	
	Advertisement.....	Admitted in
	Direct Enquiry.....	Evidence on
	Representative J.W. Robertson	Page 6.
	Staff.....	

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AGENCY APPLICATION Mr. Lancelot John CHAPLIN (married)

DATA	ISSUED	RECEIVED
LETTER ADVISING APPOINTMENT	18th April 1967	
ACCEPTANCE OF CONDITIONS	"	
A.M.P. FIRE AGENCY APPLICATION	"	
RETIREMENT BENEFITS APPLICATION	"	
<u>PARTICULARS :</u>		
Business Cards		
Stamp		
Dependents Tax Form		

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OTHER DETAILS

Allowances during Course	\$40 per week for two weeks
Advances	\$45 per week gross
Fares	-
Accommodation Allowance	-
Classification & Monthly Expense Allowance	'A' - \$18 per month
Supervisor/ <del>Regional</del> <del>Manager</del>	M.N. Archdall
Territory	Metropolitan
Prospect Cards Issued	
Publicity Arranged	
H.O. Advised	
Office Memorandum Completed	
Representatives' Association Advised	
A.M.P. Fire Advised	

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Exhibit A1  
(Applicants)  
Application  
for Agency

(Aptitude Test completed in 59 minutes - av. time  
90 minutes)

INTERVIEW REPORT

Undated

AGENCY APPLICANT

(continued)

INTERVIEWED BY	1. M.N.A.	At	B/O	ON	13.2.67
	2. M.N.A.	"	B/O	"	24.2.67
	3. M.N.A.	"	Glen Osmond	"	28.2.67
	4. M.N.A.	"	B/O	"	2.3.67
	5. M.N.A.	"	B/O	"	7.3.67
	M.N.A.	"	B/O	"	14.3.67
	M.N.A.	"	B/O	"	21.3.67
SOURCE RECRUITED J. ROBERTSON (M.N.A.)					

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- SECTION 1 -

(33)

NAME: CHAPLIN Lancelot John      DATE OF BIRTH: 23.8.1934

ADDRESS Private 6 Woodley Road, Glen Osmond

Phone 79 3291

Business C/- S.A. Railways

Phone 51 0231

Ex. 2244

20

Town or City of ..... Dates .....

Residence during .....  
past 20 years. ADELAIDE .....

.....

Present Employment Accounting      Status Clerk

Annual Income from Present employment      \$3200

"      "      " Other Sources      \$ 500

Total Annual Income      \$3700

Previous Employment	Dates	Income	Positions
Always S.A.R.			

30

EDUCATION ..... Prince Alfred College

..... Intermediate

..... Maths & Bookkeeping      Average student  
(a-test)

DEGREES AND QUALIFICATIONS .....

prominent in  
athletics

..... Town Clerks Certificate  
per Institute of Technology

MARRIED? ✓ Wife's Name ... Jillian Exhibit A1  
 CHILDREN . . . . . SEX NAME AGE DEPENDANT? (Applicants)  
 F Application  
 for Agency

OTHER DEPENDANTS Nil

INCOME REQUIRED \$8000 p.a. (Aptitude test) - first Undated  
 year at least \$3500 A test (continued)  
 Could live six months with no income a-test  
 Minimum living expenses \$50 p.w. (a-test)

10 HOUSING POSITION ... Purchasing from May 1966 \$11,000  
 Mort \$7000  
1400

TRANSPORT ... 1963 Wolseley (automatic) no debt

FINANCIAL POSITION	ASSETS	LIABILITIES
Present nett worth	Home \$11,000	Rates taxes
\$5000-6,999 (A Test)	Furn. 1,200	\$100-149 p.a.
Personal loan value	Small bank a/c	Home loan \$80
excluding assets	will increase to	per month
less than \$400	\$800 on leaving	Mort. \$8400
	S.A.R.	

20

Payments as in debt above less than \$100 during  
 1967 A Test

LIFE ASSURANCE IN FORCE ... Premiums & supn. payments  
 \$175-199 p.a. Supn. value  
 not known - probably 40  
 units life assurance \$6000

Not approached for l/a for 3 years

COMMUNITY INTERESTS, CLUBS, ETC. ....  
 (State positions held) Nil

30 BUSINESS ASSOCIATIONS ...

M.T.P.A. REPORT ... Verbal report. \$8 collected 1962.  
 Otherwise all clear.  
 Written report 10/4/67

REFEREES	
NAME AND ADDRESS	RESULT OF ENQUIRY
1. Max Hall Francis Street Adelaide Phone: 23 5684	Occupation: Proprietor
2. Sgt. G.J. Brown 13 Jarman Tce. Flinders Park Phone: C/- Adelaide Police Court	"Good reputation - honesty above reproach - mixes well with people."  Occupation .....

40

Exhibit A1  
(Applicants)  
Application  
for Agency

Undated

(continued)

REFEREES	
NAME & ADDRESS	RESULT OF ENQUIRY
3. Gil <u>James</u> C/- Commonwealth Bank Adelaide  Phone .....	"Integrity without doubt. Known for 15 years - would be well suited to sales - acts in true manner a sportsman and gentleman".  Occupation .....

10

Well known and well regarded by John Chapman. Chapman has discussed agency work and its problems with Chaplin. Also known to J. Cronin.

COMMENTS AND ACTION TAKEN .....

Aptitude Test completed in 59 minutes. This would indicate ability to think quickly. Answers appear to relate to each other so apparently each question was given due thought. He told me he has a natural ability in this direction. In sales, this could be to his advantage.

20

13.2.67 Interview not well conducted by self due to ill health and sick leave.  
He attended pre-appointment held by other Supervisors. Good report from that direction.

24.2.67 Appears alert and intelligent. This is borne out by speed of doing Aptitude Test. He told me he would probably resign from S.A.R. to take agency if unable to obtain long service leave.

30

He is keen and on outward appearances could be developed as a successful representative.  
To interview him and his wife on Tuesday, 28.2.67 at their home at 7.30 p.m.

28.2.67 Interviewed both Mr. and Mrs. Chaplin at their home. They have a three months old daughter. Stressed on Mrs. Chaplin need to support husband in activities. Home life appears satisfactory. Mrs. Chaplin would be prepared to accept change of occupation if her husband wants to change.

40

She is the ex-nurse for Dr. Welch and has had some experience in dealings with A.M.P.

- 28.2.67 (cont.) Interview curtailed due to ill health but most aspects of agency with particular regard to Fringe Benefits covered in detail. Exhibit A1 (Applicants) Application for Agency
- 2.3.67 Issued booklet "How to be a No. 1 Man through Prospecting" plus 200 cards plus "If Prospecting is a Problem - here's a system for your men". Undated (continued)
- 10 7.3.67 Has completed at least 120 cards of friends, relations, workmates, juniors starting work, and associates from sporting bodies.  
He has approached several of these people who have indicated a wish to arrange business as soon as he joins A.M.P.  
Showed him how to expand his prospect lists by the use of referred leads.
- 20 He enquired as to loss of new men - explained to him that main loss occurs amongst poor prospectors, poor organisers of time and effort, and poor controllers of personal finances.  
He has discarded idea of Northern Life or Equitable and will only contract with A.M.P.  
He has to now enquire about long service leave. He does not think this will be available so will probably tender his resignation on acceptance by us as he feels he is capable of doing the job.
- 30 I will see him again 14.3.67 at which date will check his prospecting and issue book on simple selling.
- 14.3.67 "Ten trails to Sales" by Fred. D. Armond issued. Booklet "How to be a No. 1 Man through Prospecting" returned today. Has secured further leads. Total would now number about 250-300. Will not be able to obtain Long Service Leave. Will have to make decision regarding joining Society as full-time Representative. To see and his wife on Tuesday 21.3.67 at 7.30 p.m.
- 40

Exhibit A1 (Applicants) Application for Agency  
 Undated  
 (continued)

21.3.67 Further discussion at his home regarding financing arrangements. 80/20 basis, then 70/30 covered in detail.  
 He will receive about \$800 from S.A.R. on leaving and refund of superannuation and payment of long service leave credits.  
 He will not require a large advance against commission.  
 He has decided to apply for full-time agency, and will tender his resignation with S.A.R. 10  
 His wife will support his activities to the full.  
 He has provision in his home for an office and will commence to develop this within the next week or so.  
 He has obtained many leads and has already secured firm appointments to arrange business in May 1967.

- SECTION II -

20

PERSONAL APPEARANCE good

MANNER good

SPEECH clear

PUNCTUAL FOR APPOINTMENT? yes

WAS WIFE INTERVIEWED? Yes WHEN? 28/2/1967 - 21/3/67  
 WHERE? Home - Glen Osmond  
 HER ATTITUDE? is not opposed to l/a agency work - understands necessity to assist her husband make a success of agency work.

IMPRESSION OF DOMESTIC BACKGROUND appears sound 30

1. What is your opinion of applicant's determination to succeed -  
 Is keen and would be determined.

2. Does he appear likely to overcome set-backs?  
 Yes

3. Does he understand necessity to work irregular hours - day and night?  
 Yes

4. Does he appear willing and will he be prevented for any reason, from working irregular hours? 40  
 No

- 5. What is your opinion in his current, true attitude to life insurance?  
Is believer.
- 6. In your opinion, is he interested in life assurance as a worthwhile career as distinct from a well paid one?  
Career - he has only worked for one employer and is definite that he would make a success of himself with AMP.

Exhibit A1  
(Applicants)  
Application  
for Agency

Undated

(continued)

10

- SECTION III -

WERE THE FOLLOWING EXPLAINED? COMMENTS REQUIRED.

- 1. O.D. & COLLECTOR ORGANISATION  
Yes - in detail - not interested in Collector - his current leads far outweigh any possible advantage to be gained from a Collector agency.
- 2. METROPOLITAN AND COUNTRY AGENCIES AND BOUNDARIES  
Yes
- 20 3. METHODS OF TRAINING AND SUPERVISION  
Yes in detail
- 4. COMMISSION TERMS - DEFERRED COMMISSION & LAPSES  
80/20 - 70/30  
Would commence on 80%/20% basis with review in Jan 1968 to consider change at this time to 70/30. If necessary extend then 80/20 until May 1968
- 30 5. PAYMENT WHILE TRAINING  
\$40 pw.
- 6. ADVANCES WHILE ON PROBATION  
(\$45 p.wk) To be finally determined when  
( gross ) refund of supn. known. Will not exceed \$60 per week - probably will be in range of \$50 per week.
- 40 7. FRINGE BENEFITS. SUPERANNUATION )In detail  
CAR ADVANCES )to him and  
HOME PURCHASE )his wife.  
DISABILITY BENEFITS )His wife  
MEDICAL BENEFITS )has a clear  
)understanding  
)of these  
)benefits.
- 8. REPRESENTATIVES' ASSOCIATION  
Yes



EXHIBIT A2 (APPLICANTS)LETTER FROM A.M.P. TO MR. CHAPLIN DATED THE  
18TH DAY OF APRIL, 1967.Exhibit A2  
(Applicants)  
Letter from  
AMP to  
Mr. Chaplin

AA:A0(S)

18th April, 1967.

18th April,  
1967

Mr. L.J. Chaplin,  
6 Woodley Road,  
10 GLEN OSMOND.

Admitted in  
Evidence on  
Page 6.

Dear Mr. Chaplin,

I have pleasure in advising that, subject to satisfactory completion of a Training Course, you will be appointed as a Representative of the Society on probation as from 8th May, 1967.

The enclosed Booklet, "Benefits and Conditions of Appointment as an A.M.P. Representative", sets out the terms of your appointment.

20 Please note that the Initial Full-Time Training Allowance outlined in paragraph 39 of Section II will only be payable on satisfactory completion of the full Course, particulars of which are shown below. It should also be clearly understood that payment of the allowances and advances mentioned in paragraphs 40, 41 and 43 of the same section is contingent upon you applying yourself satisfactorily to the development of your agency and the Training Courses arranged by the Society, and that these allowances and advances  
30 may be terminated at any time at the Society's discretion.

Section II of the booklet sets out the methods by which commission may be credited to your account. Please note that until further notice you will be credited with commission in accordance with the method shown under the heading "Policies Procured in Second Year of your Agency" in the schedule on page 8, i.e. 80% in the month a policy is issued and 20% deferred as described.

40 If you are in agreement with these terms and conditions, I should be glad if you would sign the attached acceptance and undertaking.

You have also been appointed an Agent for A.M.P. Fire & General Insurance Co. Ltd. in terms of Section III of the booklet, subject to completion of the enclosed application. The Society has no



Exhibit A2  
(Applicants)  
Letter from  
AMP to  
Mr. Chaplin

18th April,  
1967

objection should you wish the Agency registered in the name of your wife, who should in that event, sign the application form, and whose name should appear as Agent in all correspondence and on all proposals etc. relating to the Agency. We would, however, treat the Agency as if it were registered in your name.

(continued)

Your medical assessment for purposes of the "Death, Permanent Disablement and Retirement Benefits Plan" described in Section IV of the booklet, is Standard. Application for membership of the Plan is attached. 10

A full-time initial Training Course of two weeks' duration will commence on Monday, 8th May 1967, and I shall be pleased if you will attend at 8.30 a.m. on that date, in the 5th Floor Training Room, Paringa Building, 13 Hindley Street.

The following are also enclosed :

1. Booklet entitled "Insurance and the A.M.P." 20
2. Rates and Options Book
3. Information Manual.

These publications will be studied during your initial training, but it will undoubtedly be of benefit if you are able to familiarise yourself with the broad outline of their contents in the meantime.

Please accept my congratulations on your appointment to this most important role in the Society's field organisation and best wishes for success and happiness in your new career.

Yours faithfully, 30

(Sgd.)

ASSISTANT MANAGER (SALES)

Enc.



Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

EXHIBIT A3 (APPLICANTS)  
BENEFITS AND CONDITIONS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE AS AT 8TH  
DAY OF MAY, 1967.

8th May,  
1967

Admitted in  
Evidence on  
Page 7)

BENEFITS AND CONDITIONS  
OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE

as at 8 May 1967

(For issue at the time of  
probationary appointment)

10

but including Sections VII and  
VIII which were issued later.

## INTRODUCTION

During the various discussions which took place before the decision was made by you and the Society that you should become an A.M.P. Representative, you will have been given information about the terms and conditions under which you would work. The purpose of this booklet is to confirm and amplify that verbal information and to provide an up-to-date ready-reference of the terms of your agency.

You will have been told that for a time you will be appointed on probation. During this period you will undertake the Society's "Basic" Training Course for new representatives which covers the main policy contracts and the method of presenting them to the public. During this time you will be entitled to certain Training allowances and advances which will guarantee you a "living" income for a reasonable period until you are able to stand on your own feet financially.

The period of your probationary appointment is not a fixed one. Experience has shown that newcomers to insurance selling vary widely in the speed with which they adapt themselves to the new career and get to the stage that they are producing a worthwhile volume of business and an adequate income therefrom. You can be assured that your Supervisor and the Society in general will be as anxious as no doubt you will be, to see you a "confirmed" man as soon as possible. Once your Supervisor is satisfied that you have the ability to produce a steady flow of new insurance of A.M.P. standards of quality and quantity and sufficient for your own standard of living, and you are satisfied that this is the career for you, then your appointment will be confirmed.

Even though you will initially hold a probationary appointment, you will still, during this period, be entitled to —

- ▶ full commission on the sale of all life, fire and general insurance just the same as a Representative who has been confirmed in his appointment;
- ▶ membership of the superannuation plan which the Society operates for its Ordinary Representatives — this will provide you and your family with immediate protection against the hazards of death and permanent disablement;
- ▶ certain other "fringe" benefits.

At this stage, you are being issued with only Sections I to V of this booklet which contain —

- The general terms and conditions, including ethics, to which all the Society's agents, confirmed or otherwise, are required to agree. (Sections I, II and III.)
- Details of commission on sales of individual life insurance (Section II) and fire and general insurance (Section III).
- A broad outline only of superannuation commission (Section II). As you will probably not be dealing with the latter class of business to any extent until your appointment is confirmed, full details can be left till then.
- Details of training allowances, commission advances and the like (Section II).
- Details of the Death, Permanent Disablement, and Retirement Benefits Plan for Ordinary Representatives (Section IV).
- Details of additional fringe benefits available to you now and a brief outline only of others which become available to you on confirmation of your appointment and later (Section V).

Upon confirmation of your appointment, you will be issued with the remaining Sections of this booklet —

**Section VI** — Details of the further fringe benefits available to you.

**Section VII** — Commission rates, precise conditions etc. relating to sale of superannuation business.

Exhibit A3  
(Applicants:  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

8th May,  
1967

(continued)

**SECTION I — GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE**

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

**Two Separate Agency Appointments**

8th May,  
1967

(continued)

1. As an A.M.P. Representative you hold two separate agency appointments. The first is from the Australian Mutual Provident Society (known as "the Society") whereby you are authorised to procure, on its behalf, new Ordinary life assurance, sickness and accident insurance and superannuation. The second is from the Society's wholly owned subsidiary A.M.P. Fire and General Insurance Company Limited (known as "A.M.P. Fire") whereby you are authorised to procure, on its behalf, general insurance.
2. The terms and conditions set out in the remainder of this section apply to both these agency appointments and references to "the Society" include A.M.P. Fire. Benefits and conditions applicable only to your appointment with the Australian Mutual Provident Society are set out in Section II and those applicable only to your appointment with A.M.P. Fire are set out in Section III.

**Relationship With Society, General Conduct of Agency**

3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
4. For all purposes associated with your agency you should designate yourself as the Society's "Agent" or "Representative". These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:—  
"Consulting", "New Business", "Field", and "Metropolitan" or "District" (as appropriate).
5. The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time

to time) and as laid down by the Society and advised to you from time to time. Continuance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms. 10

6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause.
7. All matters affecting your agency and the Society's business are to be treated as strictly confidential. 20

**Advertising, Literature etc.**

8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request. 30
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon. 40
10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

**Payment of Premiums**

11. You are not to pay a premium (or portion of a premium) for a proponent or policyholder unless he or she is a member of your own family. 50

**Commission Arrangements with Other Agents of the Society**

- 10 12. The Society's consent is required before you enter into any partnership in connection with its business or any continuing arrangement which provides for your commission earnings to be shared with another agent of the Society.
13. Your name should not be endorsed on any proposal for insurance obtained by another agent without the Society's consent.

**Relations with Competing Institutions**

14. While you remain an agent of the Society you are not to act for any "competing institution" or receive a commission from it or its agent. By "competing institution" is meant any other insurance company or an institution such as a unit trust or mutual fund or superannuation fund which in the Society's opinion competes with it in any class of business.
15. The Society does not countenance any disparagement of a competing institution and you should be careful to confine yourself to fair criticism of published reports.

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

8th May,  
1967

(continued)

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

8th May,  
1967

(continued)

**SECTION II — BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR AGENCY WITH THE SOCIETY (i.e. EXCLUDING A.M.P. FIRE)**

**Geographical Limits of Your Agency**

- 1. The district within which you are authorised to procure business for the Society is

.....  
 .....  
 .....  
 .....  
 .....

The Society reserves the right to appoint additional agents in the district at any time or to alter the limits of your district.

- 2. You are not authorised to receive proposals outside the limits of your district nor to conduct "negotiations" outside your district with a view to receiving proposals from persons residing outside your district unless with the consent of the Society. The word "negotiations" includes any approach to persons whether personally, by letter, telegram or telephone, by you or anyone acting on your behalf.

**Payment Away of Your Commission, Sub-Agencies**

- 3. You are not to pay commission either directly or indirectly to any person other than a sub-agent approved by the Society.
- 4. Should you wish to appoint a sub-agent, the Society's approval should first be obtained. Until your appointment is confirmed it is not generally desirable for you to appoint sub-agents. It may, however, be desirable for you to continue a sub-agency already existing in your district. You should clearly understand and be sure that your sub-agents understand that:—
  - (a) although their appointment has been approved by, and registered with, the Society it actually emanates from you and not the Society;
  - (b) they must look to you alone for payment of commission;

- (c) any prohibitions or obligations which apply to you in terms of this booklet apply equally to them; and
- (d) you are responsible for every action of theirs in connection with the Society's business.

10

- 5. You are not to act as sub-agent to another agent of the Society without its consent.

**Completion of Personal Statements by Proponents**

- 6. Where the Society requires a personal statement as to health and habits in connection with a proposal for assurance to be filled in personally by the proponent or proposed life assured, you are not to dictate the replies to the questions in the personal statement.

**Collection of Premiums**

- 7. You are authorised to collect provisionally first premiums in respect of proposals and amounts required to reinstate lapsed policies. Provisional premium receipt books provided by the Society are to be used to keep true accounts of all such amounts and to issue receipts for them. All such moneys are to be considered the property of the Society and are to be paid over to it immediately without any deduction. You have no authority to collect any other moneys on the Society's behalf.

**Relations With Other Life Assurance Offices** 40

- 8. You are not to issue or use any written comparison between individual offices of the Life Offices' Association of Australasia. For the purposes of demonstration to clients of the Society's merits compared with other life assurance offices in general the only authorised publications are Stone and Cox Insurance Tables, the A.I.J. Manual, and the Commonwealth Insurance Commissioner's Annual Reports.

9. You are not to engage in "twisting" the life assurance of any other life office to the Society. "Twisting" means:—

(a) Inducing to surrender or lapse a contract of life assurance (including temporary assurance) with another life office with the object of replacing it by a contract with the Society.

(b) Interfering with the prospect of completion of a proposal already lodged with another life office if a first premium or group deduction order or bank order has been lodged.

(c) Inducing to surrender the whole or part of the bonuses attached to a policy with another life office or to convert such a policy into a paid-up assurance for the purpose of effecting a policy with the Society.

(d) Inducing to replace a superannuation scheme already established by another office by a superannuation scheme with the Society.

(See also paragraph 28 on page 9 regarding twisting of the life assurance of a member office of the Life Offices' Association of Australasia.)

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

8th May,  
1967

(continued)

**Individual Policy Rates of Commission on Ordinary Life Assurance and Sickness and Accident Insurance**

10. Policies under Basic Adult Participating Tables

AQ(F), Q	.....	\$18.75 per \$1,000 sum assured
J (Except that lower commission rates may apply to policies approved for terms of less than 10 years or with limited premiums)	.....	\$18.75 per \$1,000 sum assured
AL(F)	.....	\$17.50 per \$1,000 sum assured
ALA(F)	.....	\$15.00 per \$1,000 sum assured

11. Policies under Infantile Tables

(X)NL, (X)NE, (X)NS	.....	\$10 per \$1,000 sum assured
---------------------	-------	------------------------------

12. Policies under Temporary Assurance Tables

W, R Benefit	.....	33½% of the first year's premium for the W, R units
(Only if included in a new policy from inception)		
TA, TA Special, CTA		
(a) Paid by Yearly Premiums	.....	5% of the first two years' premiums
(b) Paid by Single Premium	.....	10% of the corresponding yearly premium
FB	.....	5% of the single premium

13. Policies under Sickness and Accident Tables

ADB, TAB, WP	.....	50% of the first year's premium for the additional benefit
(Only if included in a new policy from inception)		
S.A.1	.....	20% of each premium paid (see also paragraphs 23-25)

14. Policies under Annuity Tables

K	.....	¼% of the single premium
C, H	.....	10% of the first year's premium

15. Policies under Other Tables

DE (Except that lower commission rates may apply to policies approved for terms of less than 10 years)	.....	\$5 per \$1,000 sum assured
AQn.p., Qn.p., Jn.p.	.....	\$10 per \$1,000 sum assured
G	.....	\$18.75 per \$1,000 sum assured
Others	.....	To be determined as occasion arises.



Exhibit A3  
 (Applicants)  
 Benefits and  
 Conditions  
 of Appoint-  
 ment as an  
 AMP Agent

8th May,  
 1967

(continued)

**Method of Crediting Commission to an ESTABLISHED AGENT'S Account and His Entitlement to it.**

16. Agents' commission accounts are made up monthly on a date in each month determined by the Manager of the Branch of the Society to which they are attached.
17. All commission as set out above (with the exception of commission on policies paid by yearly premiums under Tables TA, TA Special, CTA, and S.A.1) is credited to an established agent's account in three instalments as follows and the agent's entitlement to each instalment accrues separately as shown:—

Instalment of Commission	Month in Which Credited to Agent's Commission Account	How Agent's Entitlement Thereto Accrues
1st Instalment 70%	Month policy issued	Pro-rata with payment by policyholder of the first year's premium(s)
2nd Instalment 15%	One year after first instalment credited	Pro-rata with payment by policyholder of the second year's premium(s)*
3rd Instalment 15%	December of the year in which the second instalment is credited	When two years' premiums have been paid*

(\* Where a policy is paid by single premium, or issued for a one-year term, the agent is, of course, automatically entitled to these second and third instalments of commission.)

**18. Example**

Assume that an agent secures a proposal for \$16,000 under Table AL to be paid half-yearly and that all papers are completed and the first half-year's premium paid in time for the policy to be issued in March, 1966.

Full commission is \$17.50 x 16 ..... = \$280

**First Instalment**

March, 1966 — 70% of \$280 ..... = \$196

**Second Instalment**

March, 1967 — 15% of \$280 ..... = \$42

**Third Instalment**

December, 1967 — 15% of \$280 ..... = \$42

However, while commission instalments are credited as above, the agent's full entitlement to them is contingent on payment by the policyholder of the first two years' premiums. Thus, if the second half-yearly premium on the policy in our example — due in September, 1966 — were not paid, one-half

of the commission of \$196 already paid to the agent, and the whole of the second and third instalments of \$42 each, would be debited back against his account at that time. He would only become re-entitled to these amounts if the policyholder subsequently reinstated and paid premium arrears. On the other hand, if the policyholder paid the first, second and third half-yearly premiums, but failed to pay the fourth, one-half of the second instalment of commission (i.e. one-half of \$42), and the whole of the third instalment of \$42, would be debited back against his account.

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

8th May,  
1967

19. It will be seen that the system outlined above has the following advantages:—
- 10 (a) For all policies where premiums are paid more frequently than yearly, the first instalment of commission is credited to the agent's account in advance of his full entitlement to it.
- (b) The second and third instalments of commission automatically coming forward from previous years help:—
- (i) to tide an agent over a period of low immediate earnings due to sickness or temporarily low new business writings
- (ii) to meet the cost of debits-back due to policyholders unexpectedly failing to continue premiums for at least two years
- 20 (iii) to provide agents with a larger cash drawing in respect of their December account each year. Most agents take leave from their agency in December or January, their personal and holiday expenses are usually high in those months, and their new business writings for credit to their January account are usually low because of their holidays.

(continued)

30 **Crediting of, and Entitlement to, Commission on Policies Paid by Yearly Premium under Tables TA, TA Special and CTA .**

20. In these cases, the agent becomes entitled to commission of 5% of the yearly premium on payment of the first year's premium and issue of the policy, and provided, of course, that the policy is for more than a one-year term to further commission of the same amount on payment of the second year's premium. However, the total of first and second year commissions is credited to his account in the same three instalments of 70%, 15% and 15% as set out in paragraph 17 above.

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**Method By Which Commission Will Be Credited to YOUR Account and Your Entitlement to It**

21. During the first two years of your agency with the Society you will not have "reserve" commission coming forward from previous years as does an established agent in the manner outlined above. All commission as set out in paragraphs 10 to 15 above (with the exception of commission on policies under Table S.A.1) will, therefore, be credited to your account until further notice as follows:—
- 50

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Instalment of Commission	Month in Which Credited to Your Commission Account
<b>Policies Procured in First Year of Your Agency</b>	
1st Instalment      90%	Month policy issued
2nd Instalment      10%	One year after first instalment credited
<b>Policies Procured in Second Year of Your Agency</b>	
1st Instalment      80%	Month policy issued
2nd Instalment      10%	One year after first instalment credited
3rd Instalment      10%	December of the year in which the second instalment is credited
<b>Policies Procured in Third and Subsequent Years of Your Agency</b>	
As shown in paragraph 17 above	

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22. Although commission will be credited to your account as above, your entitlement to it will accrue as shown in paragraphs 17 and 20. In other words, should the policyholder fail to pay the first two years' premiums, the Society would debit your account with the same proportions of commission as set out in those paragraphs.

and (b) you continue to hold a full agency appointment with the Society or are in receipt of a retirement annuity from the Society

and (c) the policy is registered in the same State as the Branch of the Society to which you are attached.

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**Method of Crediting Commission for Table S.A.1 and Your Entitlement to It**

23. Commission on all policies under Table S.A.1 will be credited to your commission account for the month in which the policy is issued and for the same month each year thereafter for so long as

(a) the policy remains in force

24. Your entitlement to commission depends on the policyholder keeping the policy in full force by payment of yearly premiums as due. In the event of non-renewal or cancellation of the policy, any commission over-credited to your account in respect of the year, or portion of year, for which the policy does not remain in force will be debited back to your account.

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25. In the event of your death while still holding a full agency appointment with the Society, commission in respect of premiums which, during the three years immediately following your death, fall due and are paid on policies under Table S.A.1 procured by you will be paid to your estate.

**Further General Conditions Governing  
Commission Entitlement**

26. (a) Your entitlement to all commission set out above will be established prima facie by the lodgment of a proposal signed within the limits of your agency district and endorsed with your name and the name of your sub-agent, if any, and the completion of a policy based on that proposal within three months of the date of the proposal (but see (b) below) provided that no other proposal by the same person or on the same life has been lodged with the Society within the previous three months and remains uncompleted.

- (b) Should your agency be terminated for any reason other than death, permanent disablement or retirement on or after "normal retirement date" (see Section IV of this booklet), your entitlement to commission in respect of a proposal lodged by you prior to your termination will also be contingent on completion of a policy based on that proposal within one month of the date of your termination.

27. In respect of any assurance which the Society reassures with another life assurance office, because the sum assured proposed together with assurance on the same life already held by the Society exceeds the amount of risk which it is prepared to hold, the rate of commission payable to you may be limited to that payable by the other life office to the Society.

28. Where another member-office of the Life Officers' Association of Australia substantiates a "twisting" claim against the Society commission in respect of the sum assured which is the subject of the twisting claim may be deducted from any commission otherwise payable to you.

In terms of the agreement between member-offices, business is regarded as having been "twisted" in the following circumstances:—

- (a) A new policy is effected with one L.O.A. office and a renewal premium as follows on an existing policy on the same life with another L.O.A. office is not paid within 3 months of its due date:—

- (i) any renewal premium due on the existing policy 3 months before or after the date on which the proposal for the new policy was signed,  
(ii) the renewal premium next due on the existing policy.

Or

- (b) A new policy is effected with one L.O.A. office and an existing policy on the same life with another L.O.A. office is surrendered or made paid-up, or reduced, within 3 months before or after the date on which the proposal for the new policy was signed or at any time between the date of such proposal and the date on which the next premium on the existing policy is due.

Or

- (c) A proposal for assurance is lodged with one L.O.A. office and has not been deferred, declined or accepted other than as submitted (or if it has been accepted other than as submitted this has been agreed to by the proponent); and within six weeks of the date of the proposal the first premium on it has been paid or a legal standing order or authority to pay premiums has been lodged; and within the same six weeks a second proposal on the same life is signed with another L.O.A. office and subsequently completed; and as a result of this the first proposal is not completed at all or is completed for a lesser amount.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

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29. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing assurance (other than temporary assurance) with the Society in the name, or on the life, of the policyholder or his or her spouse, or child under age 21, is reduced, surrendered or made paid-up or allowed to lapse, commission will only be payable in respect of the "effective increase" in sum assured or premium resulting. Full details of the rules for calculating "effective increase" will be supplied to you upon request.

(\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)

30. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.
31. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by you within the period of deferral, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum assured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.
32. No commission is payable in respect of policies effected by members of the Society's salaried staff.
33. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.
34. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds the Society will determine the amount of commission, if any,

payable. (Full details of rules which have been formulated on this matter will be supplied to you later. In the meantime, it is suggested that you refer to the office to ascertain the extent of any interest you may have in such business.)

35. No commission is payable in respect of a policy on the life of any person who at the time of the proposal for the policy was about to proceed in the services to Vietnam<sup>10</sup> or was in a unit nominated for service in Vietnam, or was being posted to such a unit, or intended to enlist in such a unit. In respect of policies on the lives of other service personnel the commission otherwise payable is subject to the limitation that in no case is it to exceed 55% of the basic yearly premium for the policy, ignoring any additional premium charged for assess-<sup>20</sup>ment or because the mode of payment is more frequent than yearly.
36. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.

#### Commission on Policies Under a Superannuation<sup>30</sup> Scheme

37. A "superannuation scheme" means the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is assured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme. <sup>40</sup>

For new policies which you procure under the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid <sup>50</sup>less than two years' premiums, a special commission adjustment may be made.

38. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

#### Allowances

##### 1039. Initial Full-Time Training Allowance

For the two weeks during which you will take part in a full-time training course at the Society's capital city office in your State, you will be paid an allowance of \$40 per week. In addition, if you are resident in the country, your expenses of travel to and from the city and accommodation (up to \$6 per day) in the city will be reimbursed to you.

##### 40. Training Allowance For First Year

During your first year as an agent, and contingent upon you applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:—

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

##### 41. Expense Allowance

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:—

#### Payment of Commission and Allowances During Continuance of Your Agency

42. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.
43. During your probationary period, regular advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of ..... per week. Tax will be calculated monthly on your total advances, and will be treated as a further advance against your account.
44. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Supervisor or Regional Manager as to the manner in which you are applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

#### Bonus Commission

45. When you have been a Representative for five years (or earlier if you have introduced to the Society a sufficient volume of new business) you become eligible for bonus commission at an initial rate of 5% of your "bonus-eligible earnings" rising to 7½% after 10 years of service and 10% after 15 years of service. Details are as follows.
46. A year for bonus purposes is the same as the income tax year, i.e. 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.

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Exhibit A3 47. To qualify for a bonus you must:—  
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- (a) **At the beginning of a bonus year either** have completed 5 years of "current service as an A.M.P. Ordinary Representative" or in a shorter period of such service have received gross commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling at least \$25,000.
- (b) **During the bonus year** have been credited with commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling more than \$5,000.

**Notes:**

- (i) If and when you consider you have become eligible for bonus commission under the \$25,000 alternative above, you should notify the Society.
- (ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative count if they were separated from the current period only by war service or service as a Supervisor, Regional Manager or Superintendent of the Society.
48. "Bonus-eligible earnings", i.e. the earnings on which bonus commission is calculated for a qualifying Representative, are:—
- (a) all his Commissions for the bonus year in excess of \$5,000 (i.e. excluding all allowances and A.M.P. Fire commissions)
- or (b) all his Ordinary and Self-Employed Persons Superannuation Fund commissions for the bonus year (i.e. excluding all allowances and commissions from employee-superannuation business, sickness and accident business and A.M.P. Fire)
- whichever is the lesser.

The practical effect is that employee-superannuation commission is taken into account

in determining whether you **qualify** for a bonus vide 47 above but does not count when calculating the actual amount of bonus.

49. Bonus commission is paid in one lump sum in July each year. When you become eligible for bonus commission at the 7½% rate (i.e. when you have had, as at the 1st July in any year, 10 years' current service) you<sup>10</sup> may, if you wish, give the Society notice in writing that, while continuing to receive in cash bonus commission at the rate of 5%, you would like to have amounts of additional bonus commission to which you become entitled applied as contributions by the Society to increase your benefits under the Death, Permanent Disablement and Retirement Benefits Plan described in Section IV of this booklet. <sup>20</sup>

This has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are regarded as contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions to the Plan and for your personal life, sickness and accident<sup>30</sup> insurance premiums.

**Payment of Commission After Termination of Agency**

50. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over<sup>40</sup> a period not exceeding five years. If your agency appointment is terminated for any other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, but all amounts due to you will be paid not later than two years and three months after<sup>50</sup> the calendar month in which your agency terminated.

**SECTION III — BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR  
AGENCY WITH A.M.P. FIRE AND GENERAL INSURANCE  
COMPANY LIMITED**

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**Payment Away of Your Commission, Sub-Agents**

1. You are not to appoint sub-agents for the purposes of your agency with A.M.P. Fire nor to pay your commission either directly or indirectly to any other person.

(Full details of rules which have been formulated on this matter will be supplied to you later.) Before obtaining a proposal in any such case, it is suggested that you refer to the office to ascertain the extent of any interest you may have in the business.

**Collection of Premiums**

2. You are authorised to collect new and renewal premiums on behalf of A.M.P. Fire. Provisional premium receipt books provided by A.M.P. Fire are to be used to keep true accounts of such premiums and to issue receipts for them. All such moneys are to be considered the property of A.M.P. Fire and are to be paid over to it immediately.

**Entitlement to Procuration Commission**

7. Inspectors employed by A.M.P. Fire are available to assist and advise agents in the sale of new fire and general insurance. In some more technical classes of insurance, and particularly in the early months of your agency work, actual completion of the proposal for fire and general insurance may be carried out by an inspector with the client. The life assurance requirement regarding lodgment of a proposal with your name on it does not therefore apply to your entitlement to commission on this type of business and full commission will be credited to your account for such business.

**Relations with Other General Insurance Offices**

3. General insurance policies are usually year to year contracts and there is nothing to preclude you from "switching" business from any other general insurance office to A.M.P. Fire.

**Rates of Procuration Commission**

4. Commission on business procured on behalf of A.M.P. Fire is calculated as a percentage of each year's premium paid. The commission rates differ as between various classes of fire and general business, and because of different premium rates applying in the various States of the Commonwealth, commission rates also differ as between States. The commission rates applying in your State are set out on page 14A.

8. To establish a right to A.M.P. Fire commission you must, however, be able to show that you have personally influenced the business to A.M.P. Fire. The fact that a person has effected previous insurance through your agency with A.M.P. Fire or that you are continuing to receive renewal commission on that business, does not of itself establish automatically a right for you to receive commission on further insurance effected by that person with A.M.P. Fire.

5. It should be noted that these rates are the maximum allowable where no other party has a commission interest in the business. If it appears, for any reason, that a lower rate of commission should be paid in respect of any new business obtained through your agency, you will be advised before the business is completed.

9. Your title to commission will also depend on your rendering such assistance as the inspector and other employees of A.M.P. Fire may require in bringing proposals for insurance to completion, including assistance in collection of first premiums.

**"Register" of Fire & General Business —  
Renewal Commission**

6. In respect of any policy with A.M.P. Fire which the Society requires to be effected in terms of investment of the Society's funds, the Society reserves the right to determine the amount of commission, if any, payable.

10. Every policy procured by you on behalf of A.M.P. Fire is recorded by that Company in a "register" in your name. So long as the policyholder keeps the policy in force, and subject to further conditions below regarding



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the register, "renewal" commission will be paid to you on each premium paid after the first.

11. In some cases and particularly in the case of an agent newly appointed to a country agency, a register of existing A.M.P. Fire business procured by a previous agent in the district is available for transfer into the new agent's name. Depending on the circumstances of the previous agent's termination, this register may be transferred to the new agent free of cost or at a price negotiated between the old and the new agent. Should existing business be transferred to your register in this manner you will be entitled to renewal commission on it under the same terms and conditions as for business procured by you.

#### Entitlement to Renewal Commission

12. Your entitlement to renewal commission is subject to you retaining your register and rendering such service as A.M.P. Fire may require in the conservation of the business. You will be supplied with agency register cards, and be given a monthly conservation list showing all policies which have not been renewed, and you will be expected to take steps wherever possible to ensure that renewal premiums are paid and advise A.M.P. Fire the results of your action.

#### Retention of Your Register

13. **On Your Retirement Due to Age or Invalidity** from full-time life assurance agency work, you may retain that part of your register represented by policies which you personally were responsible for procuring, or should you wish it, and be able to do so, you could make some financial arrangement with your agency successor to take the register over from you. (You will appreciate that the Society can do nothing to protect your register in these circumstances against more active work by your successor or other agents of the Society or its competitor offices. In the last analysis retention of the register, and the income therefrom, depends on your ability to give service satisfactory to the policyholders.)
14. **On Your Death** before or after retirement, due to age or invalidity, consideration will

be given to that part of your register represented by policies which you personally were responsible for procuring, continuing in the name of your widow, provided she can arrange for the business to be serviced adequately.

15. **On Your Resignation** from full-time life assurance agency work and depending on the circumstances of your resignation, your subsequent occupation, and other factors, consideration will be given to your retention of that part of your register represented by policies which you personally were responsible for procuring.
16. **On Change of Your Life Assurance Agency District** either because of your transfer to another district, or because of rearrangement of the boundaries of your district, changes in your register of fire and general business will be negotiated on an equitable basis between yourself, other agents concerned and the Society.
17. The Society reserves the right to withdraw your register at any time without notice should it not be adequately serviced.

#### Expense Allowance

18. An expense allowance for postages, telephone calls and certain other office expenses will be paid to you. Should you consider that expenses incurred by you in connection with your fire and general agency warrant special additional reimbursement, this may be taken up with the Society.

#### Method of Crediting and Paying Commission and Allowances

19. The account for your procuration and renewal commissions and your expense allowance is maintained by A.M.P. Fire. These commissions and allowance are credited to your account only when the respective premiums have been paid. During your probationary term of appointment as an agent of the A.M.P. Society, all such amounts (except those relating to a register you have purchased) will be credited to your life commission account. Thereafter, A.M.P. Fire commission will be paid to you separately from your life commission but, in some cases for convenience, the expense allowance will be paid with your life commission.

**RATES OF FIRE AND GENERAL COMMISSION —  
SOUTH AUSTRALIA**

	Agricultural Properties (Fire)	15%
	All Risks	10%
	Aviation Insurance	varies with scope of cover granted
	Bicycle (Pedal)	10%
	Boiler Explosion & Pressure Vessel	7½%
10	Burglary	15%
	Cash in Transit	15%
	Crop Insurance:	
	1. Fire	15%
	2. Combined Fire & Hail	15%
	3. Hail	15%
	Fidelity Guarantee	15%
	Fire	15%
	Golfers'	10%
	Haystacks	15%
20	Houseowners' & Householders'	15%
	Live Stock	15%
	Loss of Profits	15%
	Marine	5 to 10%
	Motor Vehicle (Comprehensive)	10%
	Motor Cycle (Comprehensive)	10%
	Motor Vehicle (Fire)	15%
	Passengers' Baggage	10%
	Personal Accident — All Classes	15%
	Personal Liability	15%
30	Plate Glass	15%
	Pluvius	10%
	Public Risk	15%
	Special Contingency	10%
	Sprinkler Leakage	15%
	Television	15%
	Water Damage	15%
	Workers' Compensation	10% and scale

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**SECTION IV — DEATH, PERMANENT DISABLEMENT AND  
RETIREMENT BENEFITS PLAN**

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1. You are now eligible to join this Plan, under which the Society provides a lump sum and an income when you reach retirement age and a lump sum in the event of your death or disablement before that age, conditional on you contributing to the Plan yourself as set out below.

The Plan is administered by three Trustees at least one of whom is an Ordinary Representative of the Society.

If, at the date of your probationary appointment you were aged less than 45 (40 for females) and were assessed by the Society as a standard or a Class I assurance risk, your benefits under the Plan will be as follows. If not, modifications to the benefits will be advised to you on request.

**Retirement Date**

2. You will be entitled to retire on your 65th birthday (60th for females) which is described as the "normal retirement date" but you may at your request, and shall at the Society's request, enter on your retirement annuity at any time on or after that date.

Upon entering on your retirement annuity your agency agreement will be terminated, and any business completed subsequently would be for a rate of commission as decided by the Society from time to time and referred to as Retirement Terms.

**Your Contributions**

3. Upon becoming a member of the Plan, you are required to contribute the following amounts by deduction from your commission account each month:—

	<b>Your Monthly Contribution</b>
(a) From the month following your probationary appointment until the 31st December following confirmation of your appointment.	10 £2.10.0
(b) From then until (c) below applies.	£5.0.0
(c) From the 1st January after you have completed a full taxation year as an agent until normal retirement date.	1/12 of 5% of the net income which you declare you <sup>2</sup> 0 earned from your life agency during the previous taxation year. (This will be taken to the nearer multiple of 10/- per month.)
(d) After normal retirement date.	30 Nil

With the consent of the Trustees you may, if you wish, contribute amounts greater than those shown above.

**Benefits Provided by Your Own Contributions**

4. Your contributions, and those of your fellow agents who are members of the Plan, are kept separate from the Society's portion of the Plan and are carried to a special blanket assurance policy known as a Table GN policy.

Portion of the premiums paid to this policy are used to provide a guaranteed death and disablement sum assured on the scale set out below and, after meeting the cost of these benefits from year to year, and a small expense charge by the Society, the balance of the premiums are used to accumulate a reserve fund (known as the "Accumulated Reserve") for each member in relation to his own contributions. Interest is allotted to this Reserve at a rate fixed each year in relation to the rate earned by the Society on its overall assurance funds. The benefits thus provided are shown below.

(a) **Upon Your Death or "Permanent and Total Disablement" Before Retirement** a cash sum, which will be either the guaranteed sum assured shown below, or the Accumulated Reserve to your credit, whichever is the greater, will be paid:

	<b>Guaranteed Sum Assured</b>
30 If death or disablement occurs when you are aged 60 (55 females) or less and between the date of your probationary appointment and the end of the calendar year in which your appointment is confirmed	£2,500
If it occurs at any other time while you are aged 60 (55 females) or less	£5,000
40 If it occurs while you are aged:	
61 (56 females)	£4,000
62 (57 females)	£3,000
63 (58 females)	£2,000
64 (59 females)	£1,000
65 (60 females) or over	Nil

50 The question of what constitutes "Permanent and Total Disablement" is decided by the Society on the merits of each case.

(b) **On or after the Normal Retirement Date** the amount of the Accumulated Reserve standing to your credit under the GN policy may, with the consent of the Society and the Trustees of the Plan, be paid to you in a lump sum at any time and if not paid beforehand will, in any event, be paid upon your actual retirement. If your actual retirement is deferred beyond the normal retirement date the Reserve will accrue at interest until it is paid.

(c) **Upon Your Withdrawal From the Plan** (and this will automatically occur upon your ceasing to be a full-time life agent of, or employed by, the Society otherwise than by death, retirement or permanent and total disablement) the amount of the Accumulated Reserve standing to your credit under the GN policy will be paid to you in a lump sum.

In addition, if you have not attained age 60, you will have the right to effect with the Society, without further evidence of health, a replacement whole life or endowment assurance policy for an amount equal to the guaranteed minimum sum assured then applying in your case (as set out at 4(a) above) less the amount of your Accumulated Reserve.

**Benefits Provided Entirely by the Society**

5. In addition to the foregoing benefits purchased by your own contributions, the Society provides:—

- (a) A lump sum benefit and
- (b) Annuity benefits.

**The Society's Lump Sum benefit**

6. This benefit is £1,500 plus £75 for each complete year of your agency service after the 20th and up to your 65th birthday (60th for females) as at the date the benefit is paid.

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8. The Society's lump sum benefit is payable as follows:—

- (a) **Upon Your Death Prior to Normal Retirement Date** — the full benefit is payable in one lump sum.
- (b) **Upon Your Permanent and Total Disablement Prior to Normal Retirement Date** — the full benefit is payable either in one lump sum or in five annual instalments at the Society's discretion.
- (c) **Upon Your Retirement at the Normal Retirement Date** — the full benefit is payable in one lump sum.
- (d) **Upon Your Retirement or Prior Death After Normal Retirement Date** — the full benefit is payable in one lump sum plus interest thereon from the normal retirement date.
- (e) **Upon Your Withdrawal From the Plan** — no benefit.

**Description of the Society's Annuity Benefits**

- 9. (a) A **Disablement Annuity** is provided by the Society upon an agent's permanent and total disablement prior to normal retirement date, the amount being determined by the Society on the merits of each case.
- (b) A **Retirement Annuity** is provided upon your actual retirement on or after the normal retirement date. This will be paid to you monthly up to and including the monthly due date preceding your death and the amount of it is calculated as described at 10 and 11 below.
- (c) A male member of the Plan may, if he so wishes, request the Trustees to reduce the amount of the retirement annuity which would otherwise be payable to him in terms of 10 and 11 below in order that,

should he predecease his wife either before or after his retirement, a **Reversionary Annuity** may be paid to her for the remainder of her lifetime. The terms and conditions under which this may be done will be supplied upon request.

**Method of Calculation of Retirement Annuity** 10

10. The amount of your retirement annuity will depend partly on the number of years for which you hold your full-time life agency and partly on your earnings from year to year. This is achieved by setting up a "retirement account" for you to which nominal "credits" will be carried as follows:—

- (a) **"Service" Credits** — \$12.50 for each 20 completed month of your service from the date of your probationary appointment until the actual date of your retirement.
- (b) **"Earnings" Credits** — an amount each month exactly equal to the amount you will be contributing under the Plan vide paragraph 3. These earnings credits will 30 be continued by the Society until your normal retirement date. However, should the total of Service and Earnings Credits in your account reach \$15,000, Earnings Credits from then on will be limited to \$20 each month.

Although Earnings Credits will normally cease at your normal retirement date, if at that date the total of your 40 Service and Earnings credits is less than \$10,000 and your retirement is postponed, the Society will continue Earnings Credits until the total in your account reaches \$10,000 or until your earlier retirement or death.

The retirement annuity for an agent who has a retirement account of at least \$10,000 is 50 1/8th (i.e. 12.5%) of the final balance in the account (9.25% for a female).

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**EXAMPLE:**

Assume that a male representative commences with the Society in the May prior to his 32nd birthday in July. Assume also that for the whole of his service after the second calendar year he averages a net income from his life assurance agency of \$7,200 p.a. and that he retires in the May following his 65th birthday, i.e. after exactly 34 years' service. His retirement account would build up as follows:—

Calendar Year	Service Credits	Earnings Credits
1	(Commenced June) \$12.50 x 7 months = \$88	(Commenced June) \$5 x 7 months = \$35
2	\$12.50 x 12 months = 150	\$10 x 12 months = 120
3	\$12.50 x 12 months = 150	\$30 x 12 months = 360
4 - 30 incl.	\$150 x 27 years = 4,050	\$360 x 27 years = 9,720 (5% of \$7,200)
31 (Jan. to Aug.)	\$12.50 x 8 months = 100	\$30 x 8 months = 240
	Total to Date \$4,538	Total to Date \$10,475
	\$4,538 + \$10,475	= \$15,013
31 (Sept. to Dec.)	\$12.50 x 4 months = 50	\$20 x 4 months = 80
32	\$12.50 x 12 months = 150	\$20 x 12 months = 240
33	\$12.50 x 12 months = 150	\$20 x 12 months = 240
34	\$12.50 x 12 months = 150	\$20 x 7 months = 140 (to 65th birthday in July)
35 (Jan. to May)	\$12.50 x 5 months = 62	(Past 65th birthday) Nil
<b>Total on Retirement</b>	<u>\$5,100</u>	<u>\$11,175</u>

Total in Retirement Account  $\$5,100 + \$11,175 = \$16,275$

Therefore Retirement Annuity  $\$16,275 \div 8 = \$2,034$  p.a.

It will be seen that quite a reasonable retirement income is possible for an average representative — provided entirely at the Society's expense. In addition a representative will have at retirement the Society's lump sum benefit, the benefit purchased by his own contributions (paragraph 4(b)), benefits in lieu of bonus commission (para. 5), other savings he may make from his higher-than-average income and the possibility of continuance of his fire and general renewal commissions.

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11. If an agent has a retirement account of less than \$10,000 upon reaching normal retirement date and retirement is postponed, concessional annuity rates are allowed instead of the standard 12.5% (9.25% for females). The concessional male rates are:—

Age Last Birthday At Date of Actual Retirement	Percentage of Total in Account
66	12.8%
67	13.1
68	13.4
69	13.7
70 and over	14.0

When application of the above concessional rates brings out an annuity greater than \$1,250, the annuity will be limited to \$1,250 p.a., i.e. 12.5% of \$10,000.

**Society's Right to Recover**

12. All the foregoing benefits of the Plan are subject to the Society's right to recover any sums owing by you to the Society.

**Further Details of the Plan**

13. Should you require any further explanation or details of the Plan, or wish to inspect the Trust Deed and Rules under which it is constituted, you should refer to your Regional Manager or Supervisor.

**Joining the Plan**

14. Provided your life has been assessed as a standard or Class I A.M.P. assurance risk, membership of this Plan means that you will immediately be covered for \$8,000 against your death or permanent and total disablement (\$5,000 under the Table GN policy as a result of your own contributions and \$3,000 provided by the Society). This will increase to \$13,000 when, at the beginning of the following calendar year, your contributions are increased. <sup>10</sup>

In order that you and your family may gain this protection at the earliest possible moment, you should complete the application form which has been issued to you and hand it to your Trainer at the commencement of your Basic I Training Course.

## SECTION V — "FRINGE" BENEFITS

### Concessional Premium Rates and Commission on Life, Fire and General Insurance

1. Commission at normal rates is payable on all life assurance effected by you with the Society (except assurance on your life under the Table GN policy described in Section IV). Life assurance policies on your own or your family's lives may be paid by monthly instalments deducted from your life commission account with the Society (if its state permits) but the premium rate applying will be the same as if premiums were paid yearly, i.e. the usual additional charge for more frequent payment will be waived.

Concessional rates of premium also apply on your own personal business with A.M.P. Fire, these concessions being in lieu of normal commission.

### Decreasing Temporary Assurance

2. As your initial training as an A.M.P. representative proceeds, you will possibly come to realise, more than ever before, the various financial needs which life assurance can solve for a breadwinner and his family. We have seen that initial death cover of \$8,000 (increasing quickly to \$13,000) is provided for a standard or Class I life under the superannuation plan for which you are now eligible. It is recognised that, in the early period of your agency, your earnings may not be as high as they will be later. It could, therefore, prove difficult for you to make your contributions under the superannuation plan, pay premiums on life assurance you already have in existence and still purchase the additional death protection you may need, if all this protection had to be purchased under basic whole-life and endowment assurance tables.
3. The Society has, therefore, provided a special decreasing temporary assurance contract carrying low premium rates, for the benefit of its representatives and, unless you were advised to the contrary when being notified of your probationary appointment, the death cover it provides is available to you now. Your

Trainer at the initial training school and your Regional Manager or Supervisor can supply you with the premium rates and other details applying under this policy — Table AB.

4. Alternatively, you could consider attaching temporary assurance (under Table R or Table W of which you will learn more at your Basic Training Course) to existing policies you may have with the Society, or to new whole life or endowment assurance which you may decide to effect.
5. Either way, premiums may, if you wish, be deducted from your commission account monthly.
6. The second alternative has the advantages that
- the assurance on your life will be of a type available to all members of the public and will enable you to demonstrate your own faith in the product you will be selling to them; and
  - premiums in the first few years will be largely offset by the commission payable to you in respect of any new basic assurance you effect.

### Protection Against Disablement

7. As the relationship between the Society and its representatives is that of principal and agent, they are not covered under the terms of the various State and Federal Workers' Compensation Acts (except in Queensland where specific provisions in the Act include agents).
8. We have seen that the Society's superannuation plan for Representatives provides initial cover of \$8,000 (increasing quickly to \$13,000), plus an annuity, against the possibility of permanent and total disablement, whether resulting from sickness or accident. Some additional cover against the same hazard becomes available to a male agent at the time of confirmation of his appointment or on his

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marriage (whichever occurs later). At that time he may take up some permanent and total disablement protection under the Table AB policy mentioned in paragraph 3 above.

9. There remains the question of protection against temporary disablement — against the loss of your earning power and the additional costs resulting from an accident or a period of ill-health. The Society provides for its representatives, at no cost to them, a Disability Benefits Plan. Under this Plan, a weekly benefit is paid to any full-time agent who, due to sickness or accident at any time up to age 65 (age 60 for females), is prevented from carrying out his agency work. The first two weeks of any period of disability are excluded and benefit is limited to three weeks for each year of your service with a maximum of 52 weeks. You do not become eligible for this benefit, of course, until after one year's service and full details of the Plan will be supplied in Section VI of this booklet, at the time of confirmation of your appointment.
10. The Society also provides assistance to its staff and agents in meeting their medical, nursing and hospital expenses and those of their wives and children. You become eligible for this Medical Benefits Plan after you have had one year's service and have been confirmed in your appointment. Full details of this Plan will also be supplied at the time of your confirmation.
11. You will see that, until you become eligible for the Society's Disability and Medical Benefits Plans you have an even greater need than then to consider the position in the event of your temporary disablement. A special Sickness and Accident insurance contract has been designed by the Society for its representatives and is available to you to take care of this problem unless you were advised to the contrary when being notified of your probationary appointment.

*It is suggested that, during your initial training school in the office, or immediately afterwards, you discuss with your trainer, Regional Manager or Supervisor your needs for life and disablement insurance, the amount of pro-*

*tection you already carry, and which of the various courses open to you will best serve your needs. He will also assist you to "programme" your fire and general insurance.*

#### Finance for Home and Car

12. If your appointment is to a country agency and you do not have adequate means of transport, consideration will be given to assisting you from the outset of your probationary appointment with finance for the purchase of a suitable car, and the terms applying will be discussed with you personally. Wherever possible, it is desirable to avoid the expense of repayment of such an advance in the early stages of your agency work.

Advances to city agents for purchase of motor cars are generally not available until they have had 12 months' service. 20

13. Loans for purchase or building of homes are also provided at reduced interest rates under certain conditions. Agents are normally not eligible until their appointment has been confirmed.
14. A further benefit and condition attaching to all car and home loans by the Society to its staff and agents is that the borrower insures his life for the amount of his indebtedness by means of a decreasing temporary insurance known as "Credit Insurance". This carries an especially favourable premium and the borrower pays this by easy instalments spread over the term of the loan. 30

#### Office Facilities Available to You

15. During your initial training the facilities available to you, in the Branch or Regional Office to which you are attached, will be explained to you. 40  
Some of these are:—
  - (a) An agents' room in which a desk and telephone facilities are available.
  - (b) Use of the staff luncheon room at Branch Offices where all members of the field and office staffs may obtain good meals at very reasonable cost.
  - (c) Advice of the staff welfare officer and use of the staff canteen in the purchase of your everyday requirements. 50

## CONCLUSION TO SECTIONS I TO V

In this outline of the terms, conditions, and benefits of your job as an A.M.P. representative, we have necessarily restricted ourselves largely to a discussion of the various financial aspects.

10 There can be no doubt that these are of very great importance to you and your family, and the Society's concern always is that the men working full-time in its field force will obtain adequate material satisfaction from the work they so faithfully perform.

20 However, it is an old and well-known saying that "men do not live by bread alone" and it is well that we should not, in talk of monetary rewards, lose sight of the other rewards of the job of "A.M.P. Representative". In conclusion, therefore let us remind ourselves of some of these other aspects — no doubt mentioned during the course of your interviews with the Society's officers:—

- Freedom of action to run your own business, to dictate your own earnings by the results you achieve.

- The great interest of continually meeting new people, new ideas.
- The thrill of making a "sale" but, better still, the quiet satisfaction of knowing you have so ordered a man's affairs that you have made his and his family's financial future secure.
- The major social service which insurance, through you and others, performs — food and shelter for widows and children, money for children's education, comfortable retirement at the end of life's work — and, for the nation, funds to carry on business and major development works.
- The satisfaction of working for a mutual institution which has always set standards of ethics and of performance in the insurance industry.

These are some of the reasons why you can feel proud to now call yourself an A.M.P. man.

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## SECTION VI — "FRINGE" BENEFITS (CONTINUED)

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### DISABILITY UNITS UNDER DECREASING TEMPORARY ASSURANCE POLICY (TABLE AB)

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1. When you were appointed as a probationary representative you were told of this decreasing temporary assurance contract (Section V of this Booklet, paragraph 3) and possibly took up some or all of the ten units of low-cost death cover available under it.
2. Now that your appointment has been confirmed and if you are a married man and aged less than 45 years, you are eligible to arrange for a maximum of two units under the policy to provide not only cover against your death, but also cover against your permanent and total disablement. Application must be made within three months of your appointment being confirmed or of your marriage, whichever is the later.
3. Your Regional Manager or Supervisor will be able to supply further details. Act now.

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*Brief outlines only of the Society's Disability Benefits Plan, and Medical Benefits Plan — both furnished without charge to A.M.P. Representatives — were supplied at the time of your probationary appointment (see paragraphs 9 and 10 of Section V). Full details of both Plans are now set out below.*

### DISABILITY BENEFITS PLAN

#### 4. Eligibility

To qualify you must —

- (a) have completed one year's service as a full-time representative
- (b) be under age 65 (60 for females)

(c) not be specifically excluded from disability benefits by the terms of your appointment

(d) have been, in the opinion of the Society, working reasonably consistently in the Society's interests at the time of becoming disabled.

10

#### 5. "Disability"

"Disability" means a condition due to sickness or accident which, in the opinion of the Society, prevents you from carrying out your work. It does not include the result of any misdemeanour, etc.

Any claim for disability benefit must be accompanied by a Medical Certificate specifying the cause. The Society may require you to be examined by a Medical Officer nominated by it before determining any claim you may make.

#### 6. Amount of Benefit

The first two weeks of any period of disability are excluded from any claim. 30

The rate of benefit is \$30 (£15) weekly (and pro rata for fraction of a week) inclusive of the weekly equivalent of your fixed monthly Expense Allowance.

Total payments are limited to three weeks for each year of your service, with a maximum of fifty-two weeks. Any prior continuous service you may have had as a member of the staff, an Assistant Agent or<sup>40</sup> Collector Agent counts as service, but any benefits then received are taken into account.

#### 7. General

The Society reserves the right to modify or cancel the Plan at any time.

**MEDICAL BENEFITS PLAN****8. Eligibility**

To qualify you must —

- (a) have completed one year's satisfactory service and have been confirmed in your appointment;
- (b) be under 65 in the case of a male and 60 in the case of a female (a modified medical benefits plan operates for retired agents);
- (c) not be specifically excluded by the terms of your appointment;
- (d) be a member of a Commonwealth Government approved hospital and medical benefits fund and contributing to it at a rate not less than \$52 p.a. if married and \$26 p.a. if single.)

**9. Expenses Qualifying for Assistance**

The Society will consider assistance with the following expenses incurred by an agent and, in the case of a male agent, by his wife and dependent children under 18:—

- (a) Fees of any registered medical practitioner.
- (b) Medicine prescribed by a doctor (limited to \$40 in any one benefit year).
- (c) Nursing and hospital costs where such treatment has been incurred under a doctor's direction.

(The maximum cost of hospital accommodation, as distinct from treatment, which will be recognised by the Society is \$10 per day before Commonwealth subsidy.)

(d) Expenses of physiotherapy taken under a doctor's direction (limited to \$100 in any one benefit year).

(e) Cost of extra assistance in your home provided the doctor is satisfied that this is necessitated by the illness (normally limited to \$100 in any one benefit year although consideration will be given to exceptional cases).

(f) So much of the cost of optical treatment (excluding the cost of spectacles) and dental treatment which, in any one benefit year, exceeds \$40 or 50% of the cost of dentures and/or orthodonture whichever is the greater.

**10. Amount of Assistance**

(a) The "benefit year" ends on 30th June and claims must be lodged no later than the following 31st December. (An exception may be made where a claim cannot be lodged by 31st December because a representative has not become eligible in terms of 8 (a) above.)

(b) Your "net expenditure" is regarded as being expenses as listed at 9 above, less any Commonwealth Government benefits paid direct to hospitals and \$10 of any Commonwealth maternity allowance. Benefits from outside funds, (including any Government subsidy payable therewith) obtained by virtue of your contributions to those funds, are ignored, provided that the total you receive from such funds (including any Government subsidy) and from the Society shall not exceed your total expenditure.

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(c) The Society's payment is based on your "net expenditure" as follows:—

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Your Net Expenditure	Society's Payment
First \$40	Nil
\$40 to \$200	75% of the excess over \$40
Over \$200	\$120 plus 100% of the excess over \$200 but not more than a total of \$500 in any one benefit year.

10

20

**11. Income Tax**

The Society's payments under the Plan are not regarded as taxable income but when lodging his tax return, an agent should claim only the net amount of medical etc. expenses after deducting amounts received in reimbursement from the Society and from medical and hospital benefits funds.

**12. General**

The Society reserves the right to modify or cancel the Plan at any time.

30

## SECTION VII — SUPERANNUATION SCHEMES

### APPLICATION OF THIS SECTION

1. This Section sets out the conditions and commission terms applicable to all business completed under superannuation schemes with a date of formation on or after 1st August, 1966, and to conservation of all superannuation business.

10

(Note: For business completed under superannuation schemes with a date of formation prior to 1st August, 1966, the conditions and rates of commission are as set out in —

(a) Appendices "B" and "C" to the "Agent's Letter of Appointment" which in all other respects has been superseded by this booklet.

20

(b) Circulars and other advices which have been issued amending those Appendices, in particular, the Memorandum to Agents headed "Staff Superannuation — New Commission Terms" dated 12th December, 1963.

The conditions and rates of commission set out in (a) and (b) above for superannuation schemes under Tables GP and GQ also apply to schemes under Tables GN and GT for which the date of formation was prior to 1st August, 1966.

30

An updated consolidation of (a) and (b) above has been issued to all Unit Supervisors and Regional Managers and is available for inspection at any time.)

40

### DEFINITIONS FOR THE PURPOSES OF THIS SECTION

2. A superannuation scheme is any superannuation arrangement under which one or more employees is assured under a policy or policies with part or all of the premiums paid by the employer or any other arrangement which the Society considers to be a superannuation scheme.

50

3. An extension of a superannuation scheme means business resulting from —

- (a) An improvement in the benefits or contribution basis of the scheme; or
- (b) Inclusion in the scheme of a group of employees — e.g. foremen, wages staff, etc. who were not previously eligible to join the scheme.

In any case where you wish the Society to treat a block of superannuation business as an extension of a scheme for commission purposes it is necessary that you make a formal application and substantiate your claim.

4. The date of formation of a superannuation scheme or of an extension will be a date determined by the Society.

5. Review date is the anniversary of the date of formation of the scheme or any other annual date as may be determined from time to time by the Society.

6. The originating agent means the agent who, in the opinion of the Society, has been the effective cause of the superannuation scheme or extension being secured by the Society.

A prima facie title to be considered the originating agent can be established by the production by you of a formal acceptance by the employer of a superannuation scheme or extension for which you have conducted effective negotiations.

7. Initial business means business completed within three months of the date of formation of a superannuation scheme. You may, however, apply in writing to have this time shortened or, where special circumstances exist, to have it extended to not more than six months.

8. Annual Premium Income (API) means the annual premium in respect of the initial business of a superannuation scheme or

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extension or the annual premium in force under the scheme or extension at any review date thereafter. It does not include any special payments made to increase reserves under deposit administration contracts.

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### GENERAL CONDITIONS

#### Rights and Obligations of Originating Agent

9. The rights granted to you as originating agent to receive commission on business completed under a superannuation scheme or extension are strictly personal and may be forfeited if you assign, mortgage, or otherwise deal with them or attempt to do so.
10. Continued recognition as originating agent for a superannuation scheme or extension is dependent on you maintaining effective business relationships with the employer and other principals of the scheme, with a view to retaining all future superannuation business of the employer. This includes —
  - (a) assisting in the enrolment of initial entrants;
  - (b) presenting to the employer and other principals of the scheme periodical reports prepared by the Society on the operation of the scheme and, when required by the Society, making arrangements for effective distribution of scheme bonus certificates and other advices to members.
11. Your entitlement to commission in terms of Schedule I Part B is dependent also on you —
  - (a) arranging for enrolment of all additional entrants and for increases of existing policies and
  - (b) providing other field service such as arranging for completion of documents required in connection with members leaving the scheme for any reason.

When the commission terms set out in Schedule I Part B cease to apply, the Society will arrange for this part of the servicing to be carried out.

#### Determination of Commission Entitlement

12. The Society retains the right to determine —
  - (a) whether the business of two or more superannuation schemes in the same or associated companies shall be treated as forming one scheme or separate schemes;
  - (b) whether any particular block of business arising under an existing superannuation scheme should be regarded as part of the normal inflow of business under the scheme or as constituting an extension of the scheme or as constituting a new scheme and to pay commission accordingly;
  - (c) in connection with a superannuation scheme for which an extension is obtained by other than the originating agent of that scheme, the basis on which commission is to be paid to the agents concerned.

#### Variation of Standard Commission Terms

13. In connection with any new superannuation scheme the Society may vary the commission terms set out herein taking into account —
  - (a) any special privileges granted or arrangements made by the Society in connection with the scheme;
  - (b) the extent to which the selling and inauguration of the scheme was due to assistance rendered by the Society;
  - (c) the proportions of male and female employees included in the scheme; or
  - (d) the conditions under which employees are admitted to the scheme.
14. The commission terms for business completed under an existing superannuation scheme of which you are regarded as originating agent may be altered by the Society —
  - (a) in the event of any material alteration in the conditions of the scheme or
  - (b) if the head office of the employer is no longer in your district as defined in paragraph 1 of Section II of this booklet.

15. If payment of premiums under a superannuation scheme or extension is discontinued or substantially reduced at any time between the date of formation and the second anniversary of such date of formation, the commission payable to you may be reduced by an amount to be determined by the Society.

10 **Servicing Arrangements**

16. (a) If the Society deems it necessary to appoint an agent other than the originating agent to service any portion of a scheme, he will be credited with servicing commission in one sum at the following rates on the business he completes —

20 <b>Table</b>	<b>Rate of Commission</b>
AQ(F), AL(F), ALA(F), SL, SLB	} \$3.75 per \$1,000 sum assured.
DE, DES, DEBS	One-half the rate shown above.
Others	To be determined by the Society as and when required.

30 (b) While your commission is being calculated in terms of Parts A and B of Schedule I you will be debited with the servicing commission referred to in sub-paragraph (a) above. Otherwise you will not be debited with servicing commission.

40 (c) Where the Society appoints a salaried officer to service any portion of a scheme, you will be debited with servicing commission at the rates set out in sub-paragraph (a) above so long as your commission is being calculated in terms of Parts A and B of Schedule I.

**RIGHTS ON TERMINATION OF AGENCY**  
**Death**

50 17. If you die whilst recognised as originating agent of a superannuation scheme the Society will credit to your commission account commission calculated on the basis set out

in Schedule I Part C or Schedule II or III (a) whichever is applicable except that —

(a) no account shall be taken of any growth in the API occurring after a date two years from the date of your death, or a date four years from the date of formation of the scheme or extension, whichever occurs later; and

(b) no commission shall be payable on policies issued under Table AQ(F), AL(F), ALA(F) written after the dates specified in (a) above.

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**Retirement — Age or Ill-health**

18. If you enter upon Retirement Terms (see Section IV, paragraph 2 of this booklet) or if your appointment is terminated by the Society solely on the grounds of ill-health, your commission account will continue to be credited with commission on a superannuation scheme or extension for which, at the date of such retirement or termination you are recognised as originating agent. Any commission payable will be calculated on the basis set out in Schedule I Part C or Schedule II, or paragraph (a) of Schedule III, whichever is applicable.

Provided that your interest will cease immediately if you accept an appointment as an agent or officer of another insurance office or if you are otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

**Termination of your Agency, other than as above**

19. If your agency is terminated for any reason other than those set forth in paragraphs 17 and 18 above, then in respect of any scheme or extension —

(a) for which at the date of termination you are recognised as the originating agent; and

(b) on which commission is being paid as a percentage of API in force; and



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(c) which has been in force for a period of less than eight years from the date of its formation; the Society will continue to pay to you during the balance of that period any commission which would have become payable to you but for the termination of your agency, except that no account shall be taken of any growth in the API occurring after such termination.

Provided that your interest will cease immediately if you accept an appointment as an agent or officer of another insurance office or if you are otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

10

**COMMISSION TERMS**

20. Commission terms are set out as follows:—

**Superannuation Scheme based on Individual Policies**

- Initial Business ..... Schedule I Part A
- Other than Initial Business ..... Schedule I Parts B and C

20

**Superannuation Schemes based on Blanket Policies**

- Under Tables GN, GT and GE ..... Schedule II
- Under Table GA ..... Schedule III

Conservation of Superannuation business ..... Schedule IV

Extensions of Superannuation Schemes ..... commission terms are determined by the Society having regard to the circumstances of each case. Principles to be followed in dealing with a wide variety of cases have been laid down and promulgated to the Society's Branches and your Supervisor or Regional Manager will supply you with further information when the occasion arises.

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**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES**

**Part A — This part applies to all Initial Business.**

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8th May,  
1967

(continued)

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues	
AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those tables.	As for Ordinary business — see Section II of this booklet paras. 10, 12 and 13.	As for Ordinary business (see Section II of this booklet, paras. 16 to 19, 21, 22 and 50) except that the first credit of commission will be made when the whole block of initial business has been completed.		
SL or SLB (except a policy for a term of less than 5 years)				
— Less than 5 members in scheme	\$10 per \$1,000 sum assured.			
	<b>Per \$1,000 S.A.</b>			
— 5 or more members in scheme	<b>Included in —</b>			
	1st \$100,000 S.A. under the scheme	As for Ordinary business (see Section II of this booklet paras. 16 to 19, 21 and 50) except that the first credit of commission will be made when the whole block of initial business has been completed.	Pro - rata with payment of the first two years' premiums, e.g. if a policy lapses after 18 months' premiums have been paid, $\frac{1}{4}$ of the commission on the policy would be debited against your account. See also Note (ii) below.	
	Next \$100,000 S.A. under the scheme			\$10.00
	Balance			7.50
	(See note (i) below)			5.00
E8 Benefit included in a new policy under Table SL or SLB.	5% of the commission payable on the basic policy.			
W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.	As for Ordinary business — see Section II of this booklet paras. 12 and 13.			
DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rates shown above for Tables SL and SLB.			
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.			

Notes: (i) When calculating the rate of commission payable on initial business under Tables SL, SLB, DE, DES and DEBS, policies carrying the highest rate of commission are deemed to be written prior to those carrying a lower rate. Thus if the initial sum assured is \$240,000 — comprising \$30,000 under Table AL, \$160,000 under Table SL and \$50,000 under Table DES — the commission rates will be —

First \$100,000 — \$30,000	AL	at \$17.50 per \$1,000
\$70,000	SL	at \$10.00 per \$1,000
Next \$100,000 — \$90,000	SL	at \$7.50 per \$1,000
\$10,000	DES	at \$3.75 per \$1,000
Balance — \$40,000	DES	at \$2.50 per \$1,000

(ii) In making this debit for policies under Tables SL, SLB, DE, DES and DEBS, the rate of commission to be used is the average rate which was paid for the Table concerned in the block of new business in which the void policy was originally processed. Thus, in the example used in Note (i) above, commission was paid on \$70,000 of the SL business at the rate of \$10 per \$1,000 and on a further \$90,000 at \$7.50, making an average rate of \$8.59 per \$1,000 for this batch of SL business. This average rate would be used if any of this SL business voided before two years' premiums had been paid on it.

**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES (Continued)**

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

**Part B** — Subject to paragraph 11 of this Section this part applies to all business, other than initial business, until  
(a) the API exceeds \$4,000 and the membership exceeds four,  
or (b) the expiration of fifteen years from the date of formation, whichever occurs first.

8th May,  
1967

(continued)

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those Tables.	As for Ordinary business — see Section II of this booklet, paras. 10, 12 and 13.	As for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21, 22 and 50.	10
SL or SLB (except a policy for a term of less than 5 years) — Less than 5 members in the scheme initially until scheme membership first reaches 5. — Other cases	\$10 per \$1,000 sum assured (including the policy which first takes membership to five).  New members — \$7.50 per \$1,000 sum assured. Existing members — \$5 per \$1,000 sum assured of new policies or increases of existing policies.	For all new policies—as for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21 and 50. For all increases of existing policies — credited in full in one sum.	20
E8 Benefit included in a new policy or increase under Table SL or SLB.	5% of the commission payable on the basic policy or increase.		30
W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.	As for Ordinary business — see Section II of this booklet, paras. 12 and 13.		
DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rates shown above for Tables SL and SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES (Continued)**

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

**Part C — This part applies to business other than:**

- (i) initial business, and
- (ii) subsequent business on which commission is payable in terms of Part B.

It continues to apply until the expiration of fifteen years from the date of formation.

8th May,  
1967

10 Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F)	\$13.75 per \$1,000 sum assured.	As for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21, 22 and 50.	
AL(F)	\$12.50 per \$1,000 sum assured.		
ALA(F)	\$10 per \$1,000 sum assured.		
20 W, R, E1, E2 and E7 Benefits when issued with a new policy under Table AQ(F), AL(F) or ALA(F).	As for Ordinary business — see Section II of this booklet, paras. 12 and 13.	In full in one sum.	Full entitlement immediately calculations completed.
SL or SLB (except a policy for a term of less than 5 years) and W, R, E1, E2, E7 or E8 Benefit included in a new policy or increase under Table SL or SLB.	15% of any growth in the API resulting from policies or increases written under the scheme, such growth being calculated at each review date of the scheme in relation to the previous highest API.		
30 DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rate shown above for Table SL or SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

(continued)

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

**SCHEDULE II — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON BLANKET POLICIES UNDER TABLES GN, GT AND GE**

While you are recognised as the originating agent of a superannuation scheme formed under Table GN, GT or GE, commission will be credited to your account and your entitlement to it will accrue as follows:—

8th May,  
1967

(continued)

API	Rate of Commission on the API of the Initial Business	Rate of Commission on the API at Review Dates	
Up to \$20,000	3%	3% on each of the first four review dates. 1½% on each of the fifth to fourteenth review dates inclusive.	10
Next \$20,000	3%	1½% on each of the first to fourteenth review dates inclusive.	
Next \$60,000	2%	1% on each of the first to fourteenth review dates inclusive.	20
Beyond \$ <sup>100,000</sup> <del>10</del> ,000	To be determined by the Society as and when required.		

**Provided That**

- (i) If the interval between date of formation and first review date or between any two review dates is more or less than one year the Society will determine commission on an equitable basis consistent with the above table.
- (ii) If a superannuation scheme formed under Table GN, GT or GE incorporates an existing scheme the Society will make an adjustment to the commission entitlement after taking into consideration the commission which has been paid on the former scheme and the rights of all agents involved.

**SCHEDULE III — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED  
ON BLANKET POLICIES UNDER TABLE GA**

While you are recognised as the originating agent of a superannuation scheme formed under Table GA, commission will be credited to your account and your entitlement to it will accrue as follows:—

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

- 10 (a) On the API of the initial business and the API at each of the first four review dates:—
- (i) Up to \$10,000 API — commission equal to 5% of the API.
- (ii) On the balance of the API — as determined by the Society.

8th May,  
1967

(continued)

(b) On the API at the fifth and subsequent review dates:—

- (i) Up to \$20,000 API — 10% of the amount by which the API at the review date exceeds the previous highest API of the policy.
- (ii) On the balance of the API — as determined by the Society.

**Provided That**

- (i) If the interval between date of formation and first review date or between any two review dates is more or less than one year the Society will determine commission on an equitable basis consistent with (a) and (b) above.
- (ii) No commission is payable in terms of (b) above unless the API at the fifth review date of the superannuation scheme is at least \$2,000.

**SCHEDULE IV — CONSERVATION OF SUPERANNUATION BUSINESS**

Exhibit A3  
(Applicants)  
Benefits and  
Conditions  
of Appoint-  
ment as an  
AMP Agent

If you are successful in conserving as Ordinary business any portion of the assurance on the life of a person who withdraws from a superannuation scheme whether formed before or after 1st August, 1966, you will be entitled to commission as follows:—

8th May,  
1967

(continued)

Type of Assurance Conserved	Rate of Commission Payable to You per \$1,000 Sum Assured Conserved	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
(a) Assurance conserved with no break in its continuity where such assurance was formerly under a superannuation scheme — which is based on individual policies, and — upon which commission terms at the date of such withdrawal are as set out in Schedule I Part C			10
(i) Under Table SL or SLB	\$10	In one sum on lodgement of an approved application on the form provided by the Society and after the conserved assurance has remained in force for at least 12 months from the date the life assured withdrew from the scheme.	20
(ii) Under Table DE, DES or DEBS	\$5		0
(iii) Under any other table	Nil.		Full entitlement when credited.
(b) Assurance conserved with no break in its continuity where such assurance was formerly under a superannuation scheme — which is based on individual policies or blanket policies under Tables GR, GRB, GS, GBS, GES and GEBS, and — which was formed prior to 1st August, 1966, and — upon which commission is payable on the API basis operating at that time			30
(i) Under whole-life and endowment assurance tables	\$10	In one sum on lodgement of an approved application on the form provided by the Society and after the conserved assurance has remained in force for at least 12 months from the date the life assured withdrew from the scheme.	40
(ii) Under pure endowment tables	\$5		Full entitlement when credited.
(iii) Under other tables	Nil.		
(c) Assurance under any other superannuation scheme based on individual policies	Nil.		
(d) Assurance under a blanket policy superannuation scheme (other than as described in (b) above) conserved by the issue of a replacement Ordinary policy		As for a new Ordinary policy.	50

EXHIBIT A6 (APPLICANTS)  
LETTER OF ACCEPTANCE OF APPOINTMENT AS A  
PROBATIONARY AGENT, UNDATED

Exhibit A6  
(Applicants)  
Letter of  
Acceptance  
of Appoint-  
ment as a  
Probationary  
Agent

ACCEPTANCE BY ORDINARY REPRESENTATIVE OF PROBATIONARY  
APPOINTMENT

Undated

10 The Manager,  
A.M.P. Society,  
ADELAIDE.

Admitted in  
Evidence on  
Page 12.

Dear Sir,

I have received and read the booklet entitled  
"Benefits and Conditions of Appointment as an A.M.P.  
Representative", containing Sections I-V inclusive,  
and agree to be bound by the same.

I acknowledge that

- 20 (a) all information about the policy and  
practices of the Society is strictly con-  
fidential and not to be divulged to any  
person outside the Society without its  
consent, and
- (b) any particulars supplied to me of a policy  
on the life of a person assured with the  
Society are not to be discussed with anyone  
other than a member of the Society's staff  
or the owner of the policy.

30 I enclose completed application for membership  
of the Ordinary Agents' Retirement Benefits Plan and  
application for agency with A.M.P. Fire and General  
Insurance Co. Ltd.

Yours faithfully,

Full Name      LANCELOT JOHN CHAPLIN  
Signature      (Sgd.) L.J. Chaplin



Exhibit A4  
(Applicants)  
Letter from  
AMP to Mr.  
Chaplin

EXHIBIT A4 (APPLICANTS)  
LETTER FROM A.M.P. TO MR. CHAPLIN DATED THE  
29TH DAY OF NOVEMBER, 1967.

29th  
November,  
1967

AUSTRALIAN MUTUAL PROVIDENT SOCIETY  
Incorporated in New South Wales  
SOUTH AUSTRALIA BRANCH

Admitted in  
Evidence on  
Page 9.

Telephone 51 2372                      21 King William St.  
G.P.O. BOX 407C ADELAIDE                      ADELAIDE

In reply please quote: AA:A0(S)

29th November, 1967.

10

Mr. L.J. Chaplin,  
A.M.P. Society,  
ADELAIDE. 5001

Dear Mr. Chaplin,

I have pleasure in advising that the Branch Board at its meeting on 24th November 1967, confirmed your appointment as an Ordinary Representative with effect from 24th November, 1967.

Enclosed is Section VI of the booklet "Benefits and Conditions of Appointment as an A.M.P. Representative". Should you have any questions concerning this Section, I am sure your Supervisor will be glad to answer them.

20

I advise that you will continue to receive an Expense Allowance of \$18 per month, and commission on A.M.P. Fire business will be paid direct to you in future in lieu of being credited to your Life commission account.

Fortnightly advances have now ceased, and the credit balance in your account at October 1967, less any advance paid to you during the month of November 1967 and appropriate taxation deductions, will be paid into your Bank Account today.

30

Particulars of the application of the credit balance in your account as at 31st October 1967 are as follows :

	Cr. Balance as at 31.10.67	\$994.08
<u>Less</u>	Advance 8.11.67	\$94.39
	" 22.11.67	94.39 188.78
	Balance	<u>\$805.30</u>
<u>Less</u>	Tax	25.40
	Balance	<u>\$779.90</u>
<u>Less</u>	Further Tax	151.20
	Total	<u>\$628.70</u>

Exhibit A4  
(Applicants)  
Letter from  
AMP to Mr.  
Chaplin

29th  
November,  
1967

(continued)

10 The credit for \$628.70 was made to your Bank Account today.

Congratulations on the progress you have made and my best wishes for your continued success.

Yours faithfully,

(Signed)

Enc.

ASSISTANT MANAGER (SALES)

EXHIBIT A7 (APPLICANTS)

LETTER OF APPOINTMENT AS A CONFIRMED AGENT, UNDATED.

Exhibit A7  
(Applicants)  
Letter of  
Appointment  
as a  
Confirmed  
Agent

20 ACCEPTANCE BY ORDINARY REPRESENTATIVE OF CONFIRMED APPOINTMENT

The Manager,  
A.M.P. Society,  
Adelaide.

Undated

Dear Sir,

Admitted in  
Evidence on  
Page 12.

I have received and read the further sections VI and VII of the booklet "Benefits and Conditions of Appointment as an A.M.P. Representative".

30 I understand that the terms of my confirmed appointment as an Ordinary Agent of the Society are set out in that booklet - Sections I to VII inclusive - and I agree to be bound by the same.

Yours faithfully,

Full Name LANCELOT JOHN CHAPLIN

Signature (Sgd.) L.J. Chaplin

NB117(S)

Exhibit A5  
(Applicants)  
Map of  
Metropolitan  
Area of  
Adelaide

EXHIBIT A5 (APPLICANTS)  
MAP OF METROPOLITAN AREA OF ADELAIDE,  
UNDATED.

Undated

Admitted in  
Evidence on  
Page 11.

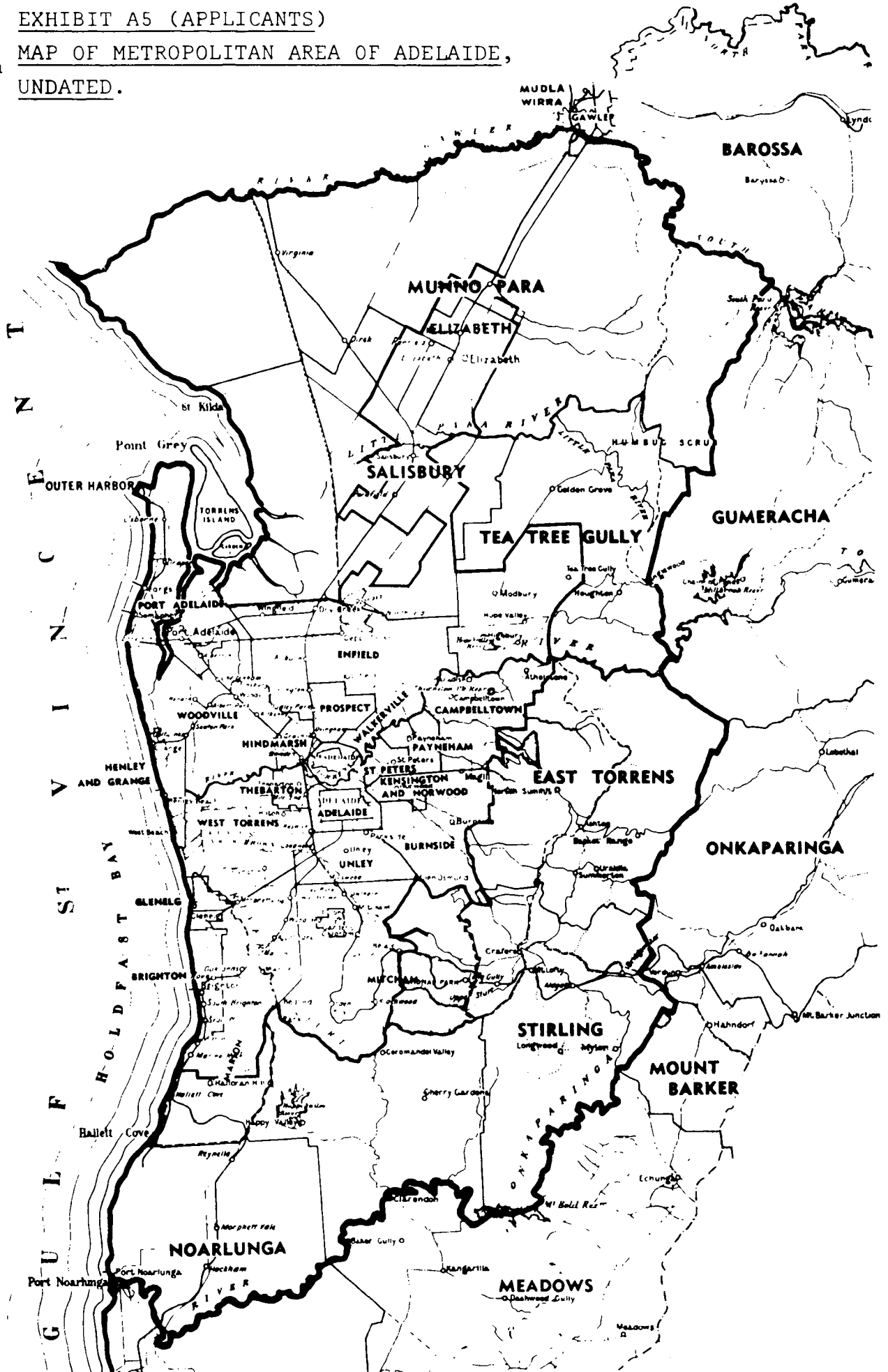


EXHIBIT A8 (APPLICANTS)  
AMENDMENTS TO THE BENEFITS AND CONDITIONS MADE  
BETWEEN 8TH MAY 1967 AND 23RD APRIL 1975.

Benefits and Conditions of Appointment as an A.M.P.  
Representative.

Schedule of amendments between 8 May 1967 and 23 April 1975

Date of Change	Page No.	Brief Details
10 August, 1967	26 - 35	These pages, which comprise Section VII of the booklet, were issued for the first time. They cover the subject of rights to commission for superannuation business written.
20 September, 1967	15 - 19	These pages describe the Ordinary Agents' Retirement Benefits Plan. The pages were revised to include a description of the Reversionary Annuity Option.
April, 1968	5	Table NLT has been added to para. 11 and Tables SA4 and SA5 substituted for SA1.
	6 - 7	SA1 altered to SA4 and SA5 in paras. 17 and 21.
30	8	Paras. 23 and 24 have been re-written as the result of introduction of Tables SA4 and SA5.
	9 - 12	New paras. 26 and 27 describe the commission payable on units of insurance issued under Table GB policies. All subsequent paras. to end of page 12 have been renumbered accordingly.
40		In para. 41 (previously 39) the amount of training

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and  
23rd April  
1975

Admitted in  
Evidence on  
Page 13.

Exhibit A8 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975  (continued)	April, 1969	9	allowance has been increased from 40 to 45.	
	July, 1969	2	In para. 49 (previously 47) the words "or Collector Agent" have been added to Note (ii).	
			Rewording of para. 28 (b).	
			The description in para. 6 of the circumstances under which an agent's appointment can be terminated has been extended.	10
		4	Paras. referring to appointment of sub-agents and payment away of commission have been reworded. Rules regarding Collection of Premiums have been amended.	
		13 - 14	Description of benefits and conditions of AMP Fire agencies has been redrafted.	
		15 - 20	Revised to incorporate recent amendments to the Ordinary Agents' Retirement Benefits Plan.	20
		23	In paras. 6 the rate of benefit during periods of disability has been updated.	
	September, 1969	11 - 12	Para 41 regarding accommoda- tion for country agents at Stage 1 training has been amended.	30
	May, 1970	1	Minor amendment to intro- ductory wording.	
	2	Minor alteration to para. 6 relating to disablement.		
	3	Para. 14 regarding sub-agents has been reworded.		
	12	Para. 51 has been reworded for clarity.		

	15	Para. 2 has been extended to cover the points that the agency agreement is terminated on retirement and that the Society will negotiate Retirement Terms if required.	Exhibit A8 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975
10	19	A new paragraph 15, "Income Tax Limits" has been added and subsequent paras. renumbered.	(continued)
	28 - 29	The proviso to paras. 18 and 19 has been altered to conform with the alterations made to para. 14, Section I.	
	3	Revised to include Tables GTA and GEK and the figure 10,000 corrected to 100,000.	
20	August, 1970	35	Schedule of conservation commission rearranged.
	September, 1970	5	Explanation of commission on TA and CTA single premium policies has been expanded.  Dates in the example have been updated.
		10	Para. 31 has been amended.
		11 - 12	Description of bonus commission has been amended.
30		30	The figure of \$100,000 in column 2 has been updated to \$125,000.
		31	The A.P.I. figure has been updated from \$4,000 to \$5,000.
	November, 1970	14 A (SA)	Fire & General commission rates, for some contracts, have been revised.
40	September, 1971	2	New para. 6 (d) included concerning termination of agency in event of infringement of certain provisions of the booklet.

Exhibit A8 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975	11	Meal allowance altered from \$2 to \$3.			
	14	Includes a new para. regarding transfer of a Fire and General policy from one agent's register to another.			
	November, 1971	13	Some paragraphs have been relocated.		
	(continued)	January, 1972	14	Minor amendments to para. numbers.	10
	February, 1972	9 - 10	Para. 37 has been deleted and other paras. renumbered.		
	April, 1972	5	New Table, GFI, included in para. 11.		
		6	Year dates in para. 18 have been updated.		
	May, 1972	10	Description of "twisting" altered.		
	November, 1972	15 - 19	Some rules of the Ordinary Agents' Retirement Benefits Plan have been revised.	20	
		20 - 21	Details of a disablement benefits plan for confirmed agents have included.		
December, 1972	36 - 37	A new Section VIII was issued headed "Representatives' Legal Liability for Advice They Give".			
	1	Mention has been made of the addition of the above new Section.	30		
February, 1973	23 - 24	A description of the agents' disablement benefits plan has been added.			
	25	Description of Tables AB, and ABD and of the Medical Benefits Plan have been updated.			
May, 1973	1	Para. 3 has been amended to clarify the circumstances under which confirmation can be expected.	40		

	July, 1973	2 - 3	A new para. has been added to describe the qualifications for Senior Representative. Subsequent paras. have been moved to page 3.	Exhibit A8 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975
	January, 1974	11	Para. 39 amended to make reference to the A.M.P. Personal Superannuation Fund. Para 41 has been reworded.	
10	February, 1974	25	Number of AB and ABD units available has been updated.	(continued)
	May, 1974	5 - 12	Amended to take account of changes in commission terms and in the Twisting Agreement.	
	September, 1974	29	Para. 20 extended to include Tables GTA and GEK.	
20		30	Some paragraph references amended and Table AL commission rate shown in example qualified in terms of age.	
		31	Some paragraph references amended.	
		32	A reference has been included to growth interest in superannuation schemes beyond the first 15 years.	
30	<u>Note:</u>		It should be noted that Sections VII and VIII did not exist in May, 1967 but were issued before April, 1975. However they have been included in the three copies of the booklet which have been supplied.	



## INTRODUCTION

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

*During the various discussions which took place before the decision was made by you and the Society that you should become an A.M.P. Representative, you will have been given information about the terms and conditions under which you would work. The purpose of this booklet is to confirm and amplify that verbal information and to provide an up-to-date ready-reference of the terms of your agency.*

*You will have been told that for a time you will be appointed on probation. During this period you will be involved in the early stages of the Society's training programme for representatives which covers, amongst other things, the main policy contracts and the method of presenting them to the public. While on probation you will be entitled to certain Training allowances and advances which will guarantee you a "living" income for a reasonable period until you are able to stand on your own feet financially.*

*The period of your probationary appointment is not a fixed one. Experience has shown that newcomers to insurance selling vary widely in the speed with which they adapt themselves to the new career and get to the stage that they are producing a worthwhile volume of business and an adequate income therefrom. Your Supervisor and the Society in general are anxious to see you a "confirmed" representative. When you are satisfied that this is the career for you, and you have demonstrated your ability to produce an adequate flow of quality new insurance over what is considered by Sales Management at your Branch to be a reasonable period, your Supervisor will recommend that your appointment be confirmed.*

*Even though you will initially hold a probationary appointment, you will still, during this period, be entitled to —*

- ▶ *full commission on the sale of all life, fire and general insurance just the same as a Representative who has been confirmed in his appointment;*
- ▶ *membership of the superannuation plan which the Society operates for its Ordinary Representatives — this will provide you and your family with immediate protection against the hazards of death and permanent disablement;*
- ▶ *certain other "fringe" benefits.*

*At this stage, you are being issued with only Sections I to V of this booklet which contain —*

- *The general terms and conditions, including ethics, to which all the Society's agents, confirmed or otherwise, are required to agree. (Sections I, II and III.)*
- *Details of commission on sales of individual life insurance (Section II) and fire and general insurance (Section III).*
- *A broad outline only of superannuation commission (Section II). As you will probably not be dealing with this class of business to any extent until your appointment is confirmed, full details can be left till then.*
- *Details of training allowances, commission advances and the like (Section II).*
- *Details of the Death, Permanent Disablement, and Retirement Benefits Plan for Ordinary Representatives (Section IV).*
- *Details of additional fringe benefits available to you now and a brief outline only of others which become available to you on confirmation of your appointment and later (Section V).*

*Upon confirmation of your appointment, you will be issued with the remaining Sections of this booklet —*

**Section VI** — *Details of the further fringe benefits available to you.*

**Section VII** — *Commission rates, precise conditions, etc., relating to sale of superannuation business.*

**Section VIII** — *Representatives' legal liability for advice they give.*

## INTRODUCTION

During the various discussions which took place before the decision was made by you and the Society that you should become an A.M.P. Representative, you will have been given information about the terms and conditions under which you would work. The purpose of this booklet is to confirm and amplify that verbal information and to provide an up-to-date ready-reference of the terms of your agency.

You will have been told that for a time you will be appointed on probation. During this period you will be involved in the Society's training programme for new representatives which covers the main policy contracts and the method of presenting them to the public. While on probation you will be entitled to certain Training allowances and advances which will guarantee you a "living" income for a reasonable period until you are able to stand on your own feet financially.

The period of your probationary appointment is not a fixed one. Experience has shown that newcomers to insurance selling vary widely in the speed with which they adapt themselves to the new career and get to the stage that they are producing a worthwhile volume of business and an adequate income therefrom. You can be assured that your Supervisor and the Society in general will be as anxious as no doubt you will be, to see you a "confirmed" representative as soon as possible. Once your Supervisor is satisfied that you have the ability to produce a steady flow of new insurance of A.M.P. standards of quality and quantity and sufficient for your own standard of living, and you are satisfied that this is the career for you, then he will recommend that your appointment be confirmed.

Even though you will initially hold a probationary appointment, you will still, during this period, be entitled to —

- ▶ full commission on the sale of all life, fire and general insurance just the same as a Representative who has been confirmed in his appointment;
- ▶ membership of the superannuation plan which the Society operates for its Ordinary Representatives — this will provide you and your family with immediate protection against the hazards of death and permanent disablement;
- ▶ certain other "fringe" benefits.

At this stage, you are being issued with only Sections I to V of this booklet which contain —

- The general terms and conditions, including ethics, to which all the Society's agents, confirmed or otherwise, are required to agree. (Sections I, II and III.)
- Details of commission on sales of individual life insurance (Section II) and fire and general insurance (Section III).
- A broad outline only of superannuation commission (Section II). As you will probably not be dealing with the latter class of business to any extent until your appointment is confirmed, full details can be left till then.
- Details of training allowances, commission advances and the like (Section II).
- Details of the Death, Permanent Disablement, and Retirement Benefits Plan for Ordinary Representatives (Section IV).
- Details of additional fringe benefits available to you now and a brief outline only of others which become available to you on confirmation of your appointment and later (Section V).

Upon confirmation of your appointment, you will be issued with the remaining Sections of this booklet —

**Section VI** — Details of the further fringe benefits available to you.

**Section VII** — Commission rates, precise conditions, etc., relating to sale of superannuation business.

**Section VIII** — Representatives' legal liability for advice they give.

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

(continued)

## INTRODUCTION

Exhibit A8 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975

*During the various discussions which took place before the decision was made by you and the Society that you should become an A.M.P. Representative, you will have been given information about the terms and conditions under which you would work. The purpose of this booklet is to confirm and amplify that verbal information and to provide an up-to-date ready-reference of the terms of your agency.*

*You will have been told that for a time you will be appointed on probation. During this period you will be involved in the Society's training programme for new representatives which covers the main policy contracts and the method of presenting them to the public. While on probation you will be entitled to certain Training allowances and advances which will guarantee you a "living" income for a reasonable period until you are able to stand on your own feet financially.*

(continued) *The period of your probationary appointment is not a fixed one. Experience has shown that newcomers to insurance selling vary widely in the speed with which they adapt themselves to the new career and get to the stage that they are producing a worthwhile volume of business and an adequate income therefrom. You can be assured that your Supervisor and the Society in general will be as anxious as no doubt you will be, to see you a "confirmed" representative as soon as possible. Once your Supervisor is satisfied that you have the ability to produce a steady flow of new insurance of A.M.P. standards of quality and quantity and sufficient for your own standard of living, and you are satisfied that this is the career for you, then he will recommend that your appointment be confirmed.*

*Even though you will initially hold a probationary appointment, you will still, during this period, be entitled to —*

- ▶ *full commission on the sale of all life, fire and general insurance just the same as a Representative who has been confirmed in his appointment;*
- ▶ *membership of the superannuation plan which the Society operates for its Ordinary Representatives — this will provide you and your family with immediate protection against the hazards of death and permanent disablement;*
- ▶ *certain other "fringe" benefits.*

*At this stage, you are being issued with only Sections I to V of this booklet which contain —*

- *The general terms and conditions, including ethics, to which all the Society's agents, confirmed or otherwise, are required to agree. (Sections I, II and III.)*
- *Details of commission on sales of individual life insurance (Section II) and fire and general insurance (Section III).*
- *A broad outline only of superannuation commission (Section II). As you will probably not be dealing with the latter class of business to any extent until your appointment is confirmed, full details can be left till then.*
- *Details of training allowances, commission advances and the like (Section II).*
- *Details of the Death, Permanent Disablement, and Retirement Benefits Plan for Ordinary Representatives (Section IV).*
- *Details of additional fringe benefits available to you now and a brief outline only of others which become available to you on confirmation of your appointment and later (Section V).*

*Upon confirmation of your appointment, you will be issued with the remaining Sections of this booklet —*

**Section VI** — *Details of the further fringe benefits available to you.*

**Section VII** — *Commission rates, precise conditions, etc., relating to sale of superannuation business.*

**SECTION I — GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE**

**Two Separate Agency Appointments**

- 10 1. As an A.M.P. Representative you hold two separate agency appointments. The first is from the Australian Mutual Provident Society (known as "the Society") whereby you are authorised to procure, on its behalf, new Ordinary life insurance, sickness and accident insurance and superannuation. The second is from the Society's wholly owned subsidiary A.M.P. Fire and General Insurance Company Limited (known as "A.M.P. Fire") whereby you are authorised to procure, on its behalf, general insurance.
- 20 2. The terms and conditions set out in the remainder of this section apply to both these agency appointments and references to "the Society" include A.M.P. Fire. Benefits and conditions applicable only to your appointment with the Australian Mutual Provident Society are set out in Section II and those applicable only to your appointment with A.M.P. Fire are set out in Section III.

**Relationship With Society, General Conduct of Agency**

- 30 3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
- 40 4. (a) For all purposes associated with your agency you should designate yourself as the Society's "Agent" or "Representative". These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:  
"Consulting", "New Business", "Field", and "Metropolitan" or "District" (as appropriate).
- (b) Those Representatives who meet the required qualifications, as shown below, are classified as "Senior Representatives". As such they can use the word "Senior" in front of any of the designations shown in the previous paragraph,
- 50

and they are entitled to additional office space (or a subsidy towards rent) as well as other privileges.

A Representative can qualify for the title of "Senior Representative" by achieving all of the following:

- 10 years' service as an Ordinary Representative (not necessarily continuous);
- "Ten Millionaire"\* status;
- "Silver Fire Chief"\* status;
- Dip. A.I.I.\*, or any other degree of the Australian, New Zealand or Chartered Insurance Institute.

Alternatively a Representative who commenced in an Ordinary agency before 1963 can qualify for the title of "Senior Representative" after 20 years' service and provided he has reached "Master Millionaire"\* level.

(\*Your Supervisor or Regional Manager can explain these terms.)

5. The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable) and as laid down by the Society and advised to you from time to time. Continuance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms.
6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause, and will automatically be terminated on the first of:
- (a) your death
  - (b) your permanent and total disablement
  - (c) your retirement as described in Section IV.

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

(continued)

**SECTION I — GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE**

Exhibit A8  
(Applicants)  
Amendments to the  
Benefits and Conditions  
made between  
8th May 1967  
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(continued)

**Two Separate Agency Appointments**

1. As an A.M.P. Representative you hold two separate agency appointments. The first is from the Australian Mutual Provident Society (known as "the Society") whereby you are authorised to procure, on its behalf, new Ordinary life insurance, sickness and accident insurance and superannuation. The second is from the Society's wholly owned subsidiary A.M.P. Fire and General Insurance Company Limited (known as "A.M.P. Fire") whereby you are authorised to procure, on its behalf, general insurance.
2. The terms and conditions set out in the remainder of this section apply to both these agency appointments and references to "the Society" include A.M.P. Fire. Benefits and conditions applicable only to your appointment with the Australian Mutual Provident Society are set out in Section II and those applicable only to your appointment with A.M.P. Fire are set out in Section III.

**Relationship With Society, General Conduct of Agency**

3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
4. For all purposes associated with your agency you should designate yourself as the Society's "Agent" or "Representative". These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:  
"Consulting", "New Business", "Field", and "Metropolitan" or "District" (as appropriate).
5. The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time to time) and as laid down by the Society and advised to you from time to time. Contin-

uance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms.

6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause, and will automatically be terminated on the first of:
  - (a) your death
  - (b) your permanent and total disablement
  - (c) your retirement as described in Section IV.
  - (d) infringement of any of the provisions of paragraph 14 of this Section or paragraph 3 of Section II of this Booklet. (In terms of paragraph 4 of Section II these provisions apply equally to your sub-agents, and any infringement by one of your sub-agents would automatically involve termination of your appointment as well as that of your sub-agent.)
7. All matters affecting your agency and the Society's business are to be treated as strictly confidential.

**Advertising, Literature, etc.**

8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request.
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon.

**SECTION I—GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE**

**Two Separate Agency Appointments**

1. As an A.M.P. Representative you hold two separate agency appointments. The first is from the Australian Mutual Provident Society (known as "the Society") whereby you are authorised to procure, on its behalf, new Ordinary life assurance, sickness and accident insurance and superannuation. The second is from the Society's wholly owned subsidiary A.M.P. Fire and General Insurance Company Limited (known as "A.M.P. Fire") whereby you are authorised to procure, on its behalf, general insurance.
2. The terms and conditions set out in the remainder of this section apply to both these agency appointments and references to "the Society" include A.M.P. Fire. Benefits and conditions applicable only to your appointment with the Australian Mutual Provident Society are set out in Section II and those applicable only to your appointment with A.M.P. Fire are set out in Section III.

**Relationship With Society, General Conduct of Agency**

3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
4. For all purposes associated with your agency you should designate yourself as the Society's "Agent" or "Representative". These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:  
"Consulting", "New Business", "Field", and "Metropolitan" or "District" (as appropriate).
5. The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time to time) and as laid down by the Society and advised to you from time to time. Contin-

uance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms.

6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause, and will automatically be terminated on the first of:
- your death
  - your permanent and total disablement
  - your retirement as described in Section IV.
7. All matters affecting your agency and the Society's business are to be treated as strictly confidential.

**Advertising, Literature, etc.**

8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request.
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon.
10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

**Payment of Premiums**

11. You are not to pay a premium (or portion of a premium), for a proponent or policyholder unless he or she is a member of your own family.

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

(continued)

**SECTION I — GENERAL TERMS OF APPOINTMENT  
AS AN A.M.P. REPRESENTATIVE**

Exhibit A8  
(Applicants)  
Amendments  
to the  
Benefits and  
Conditions  
made between  
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April 1975

(continued)

**Two Separate Agency Appointments**

1. As an A.M.P. Representative you hold two separate agency appointments. The first is from the Australian Mutual Provident Society (known as "the Society") whereby you are authorised to procure, on its behalf, new Ordinary life assurance, sickness and accident insurance and superannuation. The second is from the Society's wholly owned subsidiary A.M.P. Fire and General Insurance Company Limited (known as "A.M.P. Fire") whereby you are authorised to procure, on its behalf, general insurance.
2. The terms and conditions set out in the remainder of this section apply to both these agency appointments and references to "the Society" include A.M.P. Fire. Benefits and conditions applicable only to your appointment with the Australian Mutual Provident Society are set out in Section II and those applicable only to your appointment with A.M.P. Fire are set out in Section III.

**Relationship With Society, General Conduct of Agency**

3. The relationship between the Society and yourself is that of Principal and Agent and not that of Master and Servant.
4. For all purposes associated with your agency you should designate yourself as the Society's "Agent" or "Representative". These terms may, if desired, be qualified by any one, or an appropriate combination of, the following additional terms:—  
"Consulting", "New Business", "Field", and "Metropolitan" or "District" (as appropriate).
5. The business of your agency is to be conducted in a manner approved by the Society and in accordance with practices set out in this booklet (including the rates of commission payable by the Society from time to time) and as laid down by the Society and advised to you from time to time. Contin-

uance of your agency after issue by the Society of a letter to you, or of a memorandum or circular to agents, adding to, amending or rescinding any of the terms set out in this booklet, will be taken as your acceptance of the altered terms.

6. Your appointment as an agent may be terminated by yourself or by the Society at any time, without prior notice and without assigning any cause, and will automatically be terminated on the first of:
  - (a) your death
  - (b) your retirement on grounds of age or ill-health as described in Section IV.
7. All matters affecting your agency and the Society's business are to be treated as strictly confidential.

**Advertising, Literature etc.**

8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request.
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon.
10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

**Payment of Premiums**

11. You are not to pay a premium (or portion of a premium) for a proponent or policyholder unless he or she is a member of your own family.

(d) infringement of any of the provisions of paragraph 14 of this Section or paragraph 3 of Section II of this Booklet. (In terms of paragraph 4 of Section II these provisions apply equally to your sub-agents, and any infringement by one of your sub-agents would automatically involve termination of your appointment as well as that of your sub-agent.)

- 10 7. All matters affecting your agency and the Society's business are to be treated as strictly confidential.

#### Advertising, Literature, etc.

- 20 8. All books, maps, literature and other material of every description supplied by the Society, and all records of the Society's business whether supplied by it or compiled by you, are to be held by you as the property of the Society and handed over to it on request.
9. Literature or letterheads, other than those supplied by the Society, are not to be used on its business without its consent. Except at the written request of the Society, no leaflet or other of its publications is to be modified in any way other than by writing or stamping your name, designation and address thereon.
- 30 10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

#### Payment of Premiums

- 40 11. You are not to pay a premium (or portion of a premium), for a proponent or policyholder unless he or she is a member of your own family.

#### Commission Arrangements with Other Agents of the Society

12. The Society's consent is required before you enter into any partnership in connection with

its business or any continuing arrangement which provides for your commission earnings to be shared with another agent of the Society.

13. Your name should not be endorsed on any proposal for insurance obtained by another agent without the Society's consent.

#### Relations with Competing Institutions

14. While you remain an agent of the Society neither you, nor your spouse or child, nor any employee of yours is, without the prior consent in writing of the Society, to hold shares or any financial interest in any "competing institution" or to act directly or indirectly as the agent or representative of a "competing institution".

Should any partner of yours, or any private company of which you are a director, shareholder or employee, or any other director, shareholder or employee of that private company, at any time to your knowledge accept or acquire shares or any financial interest in any "competing institution" or act directly or indirectly as the agent or representative of a "competing institution" you are to supply full details to the Society in writing immediately.

By "competing institution" is meant any other insurance company or an institution such as a unit trust or mutual fund or superannuation fund which in the Society's opinion competes with it in any class of business.

- 15: The Society does not countenance any disparagement of a competing institution and you should be careful to confine yourself to fair criticism of published reports.

Exhibit A8  
(Applicants)  
Amendments  
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made between  
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Exhibit A8  
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Amendments  
to the  
Benefits and  
Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

- 10. You are not to send letters to the press or advertise in connection with your agency or the Society's business without its consent.

**Payment of Premiums**

- 11. You are not to pay a premium (or portion of a premium), for a proponent or policyholder unless he or she is a member of your own family.

**Commission Arrangements with Other Agents of the Society**

- 12. The Society's consent is required before you enter into any partnership in connection with its business or any continuing arrangement which provides for your commission earnings to be shared with another agent of the Society.
- 13. Your name should not be endorsed on any proposal for insurance obtained by another agent without the Society's consent.

**Relations with Competing Institutions**

- 14. While you remain an agent of the Society neither you, nor your spouse or child, nor any employee of yours is, without the prior

consent in writing of the Society, to hold shares or any financial interest in any "competing institution" or to act directly or indirectly as the agent or representative of a "competing institution".

Should any partner of yours, or any private company of which you are a director, shareholder or employee, or any other director, shareholder or employee of that private company, at any time to your knowledge accept or acquire shares or any financial interest in any "competing institution" or act directly or indirectly as the agent or representative of a "competing institution" you are to supply full details to the Society in writing immediately. <sup>10</sup>

By "competing institution" is meant any other insurance company or an institution <sup>20</sup> such as a unit trust or mutual fund or superannuation fund which in the Society's opinion competes with it in any class of business.

- 15. The Society does not countenance any disparagement of a competing institution and you should be careful to confine yourself to fair criticism of published reports.

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**Commission Arrangements with Other Agents of the Society**

- 12. The Society's consent is required before you enter into any partnership in connection with its business or any continuing arrangement which provides for your commission earnings to be shared with another agent of the Society.
- 10 13. Your name should not be endorsed on any proposal for insurance obtained by another agent without the Society's consent.

**Relations with Competing Institutions**

- 14. While you remain an agent of the Society neither you, nor your spouse or child, nor any employee of yours is, without the prior consent in writing of the Society, to hold shares or any financial interest in any "competing institution" or to act directly or indirectly as the agent or representative of a "competing institution".

Should any partner of yours, or any private company of which you are a director, shareholder or employee, or any other director, shareholder or employee of that private company, at any time to your knowledge accept or acquire shares or any financial interest in any "competing institution" or act directly or indirectly as the agent or representative of a "competing institution" you are to supply full details to the Society in writing immediately.

By "competing institution" is meant any other insurance company or an institution such as a unit trust or mutual fund or superannuation fund which in the Society's opinion competes with it in any class of business.

- 15. The Society does not countenance any disparagement of a competing institution and you should be careful to confine yourself to fair criticism of published reports.

Exhibit A8  
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(continued)

**SECTION II — BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR AGENCY WITH THE SOCIETY (i.e., EXCLUDING A.M.P. FIRE)**

Exhibit A8  
(Applicants)  
Amendments  
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made between  
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April 1975

**Geographical Limits of Your Agency**

1. The district within which you are authorised to procure business for the Society is

.....  
.....  
.....  
.....  
.....

(continued)

The Society reserves the right to appoint additional agents in the district at any time or to alter the limits of your district.

2. You are not authorised to receive proposals outside the limits of your district nor to conduct "negotiations" outside your district with a view to receiving proposals from persons residing outside your district unless with the consent of the Society. The word "negotiations" includes any approach to persons whether personally, by letter, telegram or telephone, by you or anyone acting on your behalf.

**Payment Away of Your Commission, Sub-Agencies**

- 3. You are not to pay or receive commission, either directly or indirectly, to or from any person (including a fellow agent) without the Society's consent.
- 4. If you are authorised to appoint a sub-agent or to continue an existing sub-agency, you must clearly understand and be sure your sub-agent understands that:
  - (a) although his appointment has been approved by, and registered with, the Society it actually emanates from you and not the Society;
  - (b) he must look to you alone for payment of commission;
  - (c) any prohibitions or obligations which apply to you in terms of this booklet apply equally to him; and
  - (d) you are responsible for his actions in connection with the Society's business.

**Completion of Personal Statements by Proponents**

5. Where the Society requires a personal statement as to health and habits in connection

with a proposal for assurance to be filled in personally by the proponent or proposed life assured, you are not to dictate the replies to the questions in the personal statement.

**Collection of Premiums**

6. You are authorised to collect provisionally, first premiums in respect of proposals and amounts required to reinstate lapsed policies. Provisional premium receipt books provided by the Society are to be used to keep true accounts of all such amounts and to issue receipts for them. All such moneys are to be considered the property of the Society and are to be paid over to it immediately without any deduction.

7. Generally you should not collect other moneys for the Society. Occasions may arise when it would be difficult to decline to accept payments (e.g., renewal premiums on policies), but they should be kept to a minimum. In these cases try to obtain a cheque drawn in the Society's favour and crossed "Not negotiable," and a renewal or other notice. Do not issue a provisional receipt, but post or pay the amount to Branch Office immediately.

If you must accept cash, issue a provisional receipt endorsed, "Renewal of Policy No. ...." and post or deliver the amount to Branch Office with the notice and provisional butt. For payments made in cash which need to be sent by mail, obtain a bank cheque or postal order or, if your Branch prefers, bank the amount for transfer to the Society's credit.

**Relations With Other Life Assurance Offices**

8. You are not to issue or use any written comparison between individual offices of the Life Offices' Association of Australasia. For the purposes of demonstration to clients of the Society's merits compared with other life assurance offices in general the only authorised publications are Stone and Cox Insurance Tables, the A.I.J. Manual, and the Commonwealth Insurance Commissioner's Annual Reports.

If a prospective client shows you a quotation received from another life office, you must confine yourself to fair criticism and comparison. Disparaging remarks can only harm the whole industry in the public eye.

9. You are not to engage in "twisting" the life insurance of any other life office to the Society. "Twisting" means:

(a) Inducing to surrender or lapse a contract of life insurance (including temporary insurance) with another life office with the object of replacing it by a contract with the Society.

(b) Inducing to surrender the whole or part of the bonuses attached to a policy with another life office or to convert such a policy into a paid-up insurance for the purpose of effecting a policy with the Society.

(c) Inducing to replace a superannuation scheme already established by another office by a superannuation scheme with the Society.

(See also paragraph 30 on page 9 regarding twisting of the life insurance of a member office of the Life Offices' Association of Australia.)

Exhibit A8  
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Amendments  
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(continued)

**Individual Policy Rates of Commission on Ordinary Life Insurance and Sickness and Accident Insurance**

10. Policies under Basic Adult Participating Tables

AQ(F), Q, AL(F), ALA(F)

Entry Age Next Birthday	Rate per \$1,000 Sum Insured		
	Males	Females	
11		11-14	AQ(F),Q AL(F) ALA(F)
12		15	\$18.75 \$15.50 \$13.00
13		16	\$18.75 \$16.00 \$13.50
14		17	\$18.75 \$16.50 \$14.00
15-21		18-24	\$18.75 \$17.00 \$14.50
22		25	\$18.75 \$17.50 \$15.00
23		26	\$19.00 \$18.00 \$15.75
24		27	\$19.50 \$18.50 \$16.50
25		28	\$20.00 \$19.00 \$17.25
26 and over		29 and over	\$20.00 \$19.50 \$18.00
			\$20.00 \$20.00 \$18.75

J \$20.00 per \$1,000 sum insured (except that lower commission rates may apply to policies approved for terms of less than 10 years or with limited premiums).

**Additional Commission for Large Sums Insured**

Additional commission at the rate of \$2.00 per \$1,000 sum insured will be paid in respect of policies under Table AL(F) with sums insured of \$25,000 or more, and under Tables AQ(F)\*, Q\* and J with sums insured of \$20,000 or more.

\*Applies only to entry ages above 60 next birthday.

11. Policies under Infantile Tables

(X)NL, (X)NE, (X)NS, NLT \$10 per \$1,000 sum insured  
GFI Benefit 33 1/3% of the first year's premium

12. Policies under Temporary Insurance Tables

W, R Benefit 33 1/3% of the first year's premium

(Only if included in a new policy from inception)

TA, TA Special, CTA

(a) Paid by Yearly Premiums 5% of the first two years' premiums

(b) Paid by Single Premium 10% of the corresponding yearly premium (5% if one year term)

FB 5% of the single premium

Exhibit A8  
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Conditions  
made between  
8th May 1967  
and 23rd  
April 1975

(continued)

9. You are not to engage in "twisting" the life insurance of any other life office to the Society. "Twisting" means:—
- (a) Inducing to surrender or lapse a contract of life insurance (including temporary insurance) with another life office with the object of replacing it by a contract with the Society.
  - (b) Interfering with the prospect of completion of a proposal already lodged with another life office if a first premium or group deduction order or bank order has been lodged.
  - (c) Inducing to surrender the whole or part of the bonuses attached to a policy with another life office or to convert such a policy into a paid-up insurance for the purpose of effecting a policy with the Society.
  - (d) Inducing to replace a superannuation scheme already established by another office by a superannuation scheme with the Society.
- (See also paragraph 31 on page 9 regarding twisting of the life insurance of a member office of the Life Offices' Association of Australasia.)

**Individual Policy Rates of Commission on Ordinary Life Insurance  
and Sickness and Accident Insurance**

10. Policies under Basic Adult Participating Tables	AQ(F), Q	\$18.75 per \$1,000 sum insured	20
	J (Except that lower commission rates may apply to policies approved for terms of less than 10 years or with limited premiums)	\$18.75 per \$1,000 sum insured	
	AL(F)	\$17.50 per \$1,000 sum insured	
	ALA(F)	\$15.00 per \$1,000 sum insured	
11. Policies under Infantile Tables	(X)NL, (X)NE, (X)NS, NLT	\$10 per \$1,000 sum insured	
	GFI Benefit	33½% of the first year's premium	
12. Policies under Temporary Insurance Tables	W, R Benefit	33½% of the first year's premium	30
	(Only if included in a new policy from inception)		
	TA, TA Special, CTA		
	(a) Paid by Yearly Premiums	5% of the first two years' premiums	
	(b) Paid by Single Premium	10% of the corresponding yearly premium (5% if one year term)	
	FB	5% of the single premium	
13. Policies under Sickness and Accident Tables	ADB, TAB, WP	50% of the first year's premium	40
	(Only if included in a new policy from inception)		
	S.A.4 and S.A.5	Initial — 20% of 1 year's premium. Renewal — 15% of every premium paid including the first. (see also paragraphs 23-25.)	
14. Policies under Annuity Tables	K	¼% of the single premium	
	C, H	10% of the first year's premium	
15. Policies under Other Tables	DE (Except that lower commission rates may apply to policies approved for terms of less than 10 years)	\$5 per \$1,000 sum insured	50
	AQn.p., Qn.p., Jn.p.	\$10 per \$1,000 sum insured	
	G	\$18.75 per \$1,000 sum insured	
	Others	To be determined as occasion arises.	

9. You are not to engage in "twisting" the life insurance of any other life office to the Society. "Twisting" means:—
- (a) Inducing to surrender or lapse a contract of life insurance (including temporary insurance) with another life office with the object of replacing it by a contract with the Society.
- 10 (b) Interfering with the prospect of completion of a proposal already lodged with another life office if a first premium or group deduction order or bank order has been lodged.

- (c) Inducing to surrender the whole or part of the bonuses attached to a policy with another life office or to convert such a policy into a paid-up insurance for the purpose of effecting a policy with the Society.
- (d) Inducing to replace a superannuation scheme already established by another office by a superannuation scheme with the Society.
- (See also paragraph 28 on page 9 regarding twisting of the life insurance of a member office of the Life Offices' Association of Australasia.)

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**Individual Policy Rates of Commission on Ordinary Life Insurance and Sickness and Accident Insurance**

10.	Policies under Basic Adult Participating Tables	
	AQ(F), Q	\$18.75 per \$1,000 sum insured
20	J (Except that lower commission rates may apply to policies approved for terms of less than 10 years or with limited premiums)	\$18.75 per \$1,000 sum insured
	AL(F)	\$17.50 per \$1,000 sum insured
	ALA(F)	\$15.00 per \$1,000 sum insured
11.	Policies under Infantile Tables	
	(X)NL, (X)NE, (X)NS, NLT	\$10 per \$1,000 sum insured
12.	Policies under Temporary Insurance Tables	
30	W, R Benefit (Only if included in a new policy from inception)	33½% of the first year's premium for the W, R units
	TA, TA Special, CTA	
	(a) Paid by Yearly Premiums	5% of the first two years' premiums
	(b) Paid by Single Premium	10% of the corresponding yearly premium (5% if one year term)
	FB	5% of the single premium
13.	Policies under Sickness and Accident Tables	
40	ADB, TAB, WP (Only if included in a new policy from inception)	50% of the first year's premium for the additional benefit
	S.A.4 and S.A.5	Initial — 20% of 1 year's premium. Renewal — 15% of every premium paid including the first. (see also paragraphs 23-25.)
14.	Policies under Annuity Tables	
	K	¼% of the single premium
	C, H	10% of the first year's premium
15.	Policies under Other Tables	
50	DE (Except that lower commission rates may apply to policies approved for terms of less than 10 years)	\$5 per \$1,000 sum insured
	AQn.p., Qn.p., Jn.p.	\$10 per \$1,000 sum insured
	G	\$18.75 per \$1,000 sum insured
	Others	To be determined as occasion arises.

Exhibit A8 9. You are not to engage in "twisting" the life assurance of any other life office to the Society. "Twisting" means:—  
 (Applicants) Amendments to the Benefits and Conditions made between 8th May 1967 and 23rd April 1975

- (a) Inducing to surrender or lapse a contract of life assurance (including temporary assurance) with another life office with the object of replacing it by a contract with the Society.
- (b) Interfering with the prospect of completion of a proposal already lodged with another life office if a first premium or group deduction order or bank order has been lodged.

- (c) Inducing to surrender the whole or part of the bonuses attached to a policy with another life office or to convert such a policy into a paid-up assurance for the purpose of effecting a policy with the Society.
- (d) Inducing to replace a superannuation scheme already established by another office by a superannuation scheme with the Society.

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(See also paragraph 28 on page 9 regarding twisting of the life assurance of a member office of the Life Offices' Association of Australasia.)

(continued)

**Individual Policy Rates of Commission on Ordinary Life Assurance and Sickness and Accident Insurance**

10. Policies under Basic Adult Participating Tables			
AQ(F), Q	.....	\$18.75 per \$1,000 sum assured	
J (Except that lower commission rates may apply to policies approved for terms of less than 10 years or with limited premiums)	.....	\$18.75 per \$1,000 sum assured	20
AL(F)	.....	\$17.50 per \$1,000 sum assured	
ALA(F)	.....	\$15.00 per \$1,000 sum assured	
11. Policies under Infantile Tables			
(X)NL, (X)NE, (X)NS, <u>NLT</u>	.....	\$10 per \$1,000 sum assured	
12. Policies under Temporary Assurance Tables			
W, R Benefit	.....	33½% of the first year's premium for the W, R units	30
(Only if included in a new policy from inception)			
TA, TA Special, CTA			
(a) Paid by Yearly Premiums	.....	5% of the first two years' premiums	
(b) Paid by Single Premium	.....	10% of the corresponding yearly premium	
FB	.....	5% of the single premium	
13. Policies under Sickness and Accident Tables			
ADB, TAB, WP	.....	50% of the first year's premium for the additional benefit	
(Only if included in a new policy from inception)			
S.A.4 and S.A.5	.....	Initial — 20% of 1 year's premium. Renewal — 15% of every premium paid including the first. (see also paragraphs 23-25.)	40
14. Policies under Annuity Tables			
K	.....	¼% of the single premium	
C, H	.....	10% of the first year's premium	
15. Policies under Other Tables			
DE (Except that lower commission rates may apply to policies approved for terms of less than 10 years)			50
AQn.p., Qn.p., Jn.p.	.....	\$5 per \$1,000 sum assured	
G	.....	\$10 per \$1,000 sum assured	
Others	.....	\$18.75 per \$1,000 sum assured	
		To be determined as occasion arises.	

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page 5.

- 13. Policies under Sickness and Accident Tables  
 ADB, TAB, WP ..... 50% of the first year's premium  
 (Only if included in a new policy from inception)  
 S.A.4 and S.A.5 ..... Initial—20% of 1 year's premium  
 Renewal—15% of every premium paid including the first  
 (see also paragraphs 23-24.)
- 14. Policies under Annuity Tables  
 10 K ..... 1% of the single premium  
 C, H ..... 10% of the first year's premium
- 15. Policies under Other Tables  
 DE (Except that lower commission rates may apply to policies approved for terms of less than 10 years) ..... \$5 per \$1,000 sum insured  
 AQn.p., Qn.p., Jn.p. .... \$10 per \$1,000 sum insured  
 G ..... \$18.75 per \$1,000 sum insured  
 Others ..... To be determined as occasion arises

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**Method of Crediting Commission to an ESTABLISHED AGENT'S Account and His Entitlement to it.**

- 16. Agents' commission accounts are made up monthly on a date in each month determined by the Manager of the Branch of the Society to which they are attached.
- 17. All commission as set out above (except for Tables S.A.4 and S.A.5) is credited to an established agent's account in three instalments as follows:  
 70% in the month in which the policy is issued,  
 15% in the same month one year later,  
 15% in December of the year in which the second instalment is credited.

18. An agent's entitlement to commission is not directly related to the manner in which it is credited to his account.  
 Where a policy is paid for by single premium the agent is entitled to all instalments of commission.  
 Where a policy (other than under Tables S.A.4 and S.A.5) is paid for by periodical premium payments, the agent's entitlement to commission is dependent on the policy being maintained in force for two years. Entitlement to commission commences to accrue after the first six months' premium(s) have been paid, and then accrues as follows:  
 Pro-rata with the payment of the second six months' premium(s) . . . . . 50%  
 Pro-rata with the payment of the second year's premium(s) . . . . . 50%  
 Thus, if a policy lapses before six months' premium(s) have been paid, the whole amount of commission credited will be reclaimed.  
 If a policy lapses when more than six months' premium(s) have been paid but before two years' premium(s) have been paid, a proportion of the commission credited will be reclaimed. The proportion depends on the duration of the policy at the time of lapse.

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**Example**  
 Assume that an agent secures a proposal on a male aged 30 next birthday for \$16,000 under Table AL to be paid half-yearly and that all papers are completed and the first half-year's premium paid in time for the policy to be issued in March, 1974.

Full commission is \$20.00 x 16 . . . . . = \$320



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**Method of Crediting Commission to an ESTABLISHED AGENT'S Account and His Entitlement to it.**

16. Agents' commission accounts are made up monthly on a date in each month determined by the Manager of the Branch of the Society to which they are attached.
17. All commission as set out above (with the exception of commission on policies paid by yearly premiums under Tables TA, TA Special, CTA, S.A.4 and S.A.5) is credited to an established agent's account in three instalments as follows and the agent's entitlement to each instalment accrues separately as shown:—

Instalment of Commission	Month in Which Credited to Agent's Commission Account	How Agent's Entitlement Thereto Accrues
1st Instalment 70%	Month policy issued	Pro-rata with payment by policyholder of the first year's premium(s)
2nd Instalment 15%	One year after first instalment credited	Pro-rata with payment by policyholder of the second year's premium(s)*
3rd Instalment 15%	December of the year in which the second instalment is credited	When two years' premiums have been paid*

(\* Where a policy is paid by single premium, or issued for a one-year term, the agent is, of course, automatically entitled to these second and third instalments of commission.)

**18. Example**

Assume that an agent secures a proposal for \$16,000 under Table AL to be paid half-yearly and that all papers are completed and the first half-year's premium paid in time for the policy to be issued in March, 1972.

Full commission is \$17.50 x 16 ... .. = \$280

**First Instalment**

March, 1972 — 70% of \$280 = \$196

**Second Instalment**

March, 1973 — 15% of \$280 = \$42

**Third Instalment**

December, 1973 — 15% of \$280 = \$42

However, while commission instalments are credited as above, the agent's full entitlement to them is contingent on payment by the policyholder of the first two years' premiums. Thus, if the second half-yearly premium on the policy in our example — due in September, 1972 — were not paid, one-half

**Method of Crediting Commission to an ESTABLISHED AGENTS Account and His Entitlement to it.**

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16. Agents' commission accounts are made up monthly on a date in each month determined by the Manager of the Branch of the Society to which they are attached.
17. All commission as set out above (with the exception of commission on policies paid by yearly premiums under Tables TA, TA Special, CTA, S.A.4 and S.A.5) is credited to an established agent's account in three instalments as follows and the agent's entitlement to each instalment accrues separately as shown:—

(continued)

Instalment of Commission	Month in Which Credited to Agent's Commission Account	How Agent's Entitlement Thereto Accrues
1st Instalment 70%	Month policy issued	Pro-rata with payment by policyholder of the first year's premium(s)
2nd Instalment 15%	One year after first instalment credited	Pro-rata with payment by policyholder of the second year's premium(s)*
3rd Instalment 15%	December of the year in which the second instalment is credited	When two years' premiums have been paid*

(\* Where a policy is paid by single premium, or issued for a one-year term, the agent is, of course, automatically entitled to these second and third instalments of commission.)

**18. Example**

Assume that an agent secures a proposal for \$16,000 under Table AL to be paid half-yearly and that all papers are completed and the first half-year's premium paid in time for the policy to be issued in March, 1970.

Full commission is \$17.50 x 16 = \$280

**First Instalment**

March, 1970 — 70% of \$280 = \$196

**Second Instalment**

March, 1971 — 15% of \$280 = \$42

**Third Instalment**

December, 1971 — 15% of \$280 = \$42

However, while commission instalments are credited as above, the agent's full entitlement to them is contingent on payment by the policyholder of the first two years' premiums. Thus, if the second half-yearly premium on the policy in our example — due in September, 1970 — were not paid, one-half

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**Method of Crediting Commission to an ESTABLISHED AGENT'S Account and His Entitlement to it.**

- 16. Agents' commission accounts are made up monthly on a date in each month determined by the Manager of the Branch of the Society to which they are attached.
- 17. All commission as set out above (with the exception of commission on policies paid by yearly premiums under Tables TA, TA Special, CTA, S.A.4 and S.A.5) is credited to an established agent's account in three instalments as follows and the agent's entitlement to each instalment accrues separately<sup>10</sup> as shown:—

(continued)

Instalment of Commission	Month in Which Credited to Agent's Commission Account	How Agent's Entitlement Thereto Accrues
1st Instalment 70%	Month policy issued	Pro-rata with payment by policyholder of the first year's premium(s)
2nd Instalment 15%	One year after first instalment credited	Pro-rata with payment by policyholder of the second year's premium(s)*
3rd Instalment 15%	December of the year in which the second instalment is credited	When two years' premiums have been paid*

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(\* Where a policy is paid by single premium, or issued for a one-year term, the agent is, of course, automatically entitled to these second and third instalments of commission.)

**18. Example**

Assume that an agent secures a proposal for \$16,000 under Table AL to be paid half-yearly and that all papers are completed and the first half-year's premium paid in time for the policy to be issued in March, 1966.

Full commission is \$17.50 x 16 ... .. = \$280<sup>40</sup>

**First Instalment**

March, 1966 — 70% of \$280 ... .. = \$196

**Second Instalment**

March, 1967 — 15% of \$280 ... .. = \$42

**Third Instalment**

December, 1967 — 15% of \$280 ... .. = \$42

However, while commission instalments are credited as above, the agent's full entitlement to them is contingent on payment by the policyholder of the first two years' premiums. Thus, if the second half-yearly premium on the policy in our example — due in September, 1966 — were not paid, one-half<sup>50</sup>

**First Instalment** March, 1974—70% of \$320 = \$224  
**Second Instalment** March, 1975—15% of \$320 = \$48  
**Third Instalment** December, 1975—15% of \$320 = \$48

10 However, while commission instalments are credited as above, the agent's full entitlement to them is contingent on payment by the policyholder of the first two years' premiums. Thus, if the third half-yearly premium on the policy in our example—due in March, 1975—were not paid, the agent would lose his entitlement to 50% of the full commission payable on the policy. An adjusting debit would be made to his account at that time. Similarly, if the policyholder paid the first, second and third half-yearly premiums, but failed to pay the fourth, the agent would lose his entitlement to 25% of the full commission payable.

19. If a lapsed policy is subsequently reinstated, the amount of commission debited to the agent's account is re-credited.
20. It will be seen that the system outlined above has the following advantages:
- (a) The first instalment of commission is credited to the agent's account in advance of his full entitlement to it.
  - (b) The second and third instalments of commission automatically coming forward from previous years help—
    - 20 (i) to tide an agent over a period of low immediate earnings due to sickness or temporarily low new business writings;
    - (ii) to meet the cost of debits-back due to policyholders unexpectedly failing to continue premiums for at least two years;
    - (iii) to provide agents with a larger cash drawing in respect of their December account each year. Most agents take leave from their agency in December or January, their personal and holiday expenses are usually high in those months, and their new business writings for credit to their January account are usually low because of their holidays.

**Method By Which Commission Will Be Credited to a NEW AGENT'S Account and His Entitlement to It**

21. During the first two years of an agent's appointment he will not have "reserve" commission coming forward from previous years, in the manner outlined above, as does an established agent. All commission as set out in paragraphs 10 to 15 above (with the exception of commission on policies under Tables S.A.4 and S.A.5) will, therefore, be credited to his account until further notice as follows:

40

Instalment of Commission	Month in Which Credited to a New Agent's Commission Account
<b>Policies Procured in First Year of His Agency</b>	
1st Instalment 90%	Month policy issued
2nd Instalment 10%	One year after first instalment credited
<b>Policies Procured in Second Year of His Agency</b>	
1st Instalment 80%	Month policy issued
2nd Instalment 10%	One year after first instalment credited
3rd Instalment 10%	December of the year in which the second instalment is credited
<b>Policies Procured in Third and Subsequent Years of His Agency</b> As shown in paragraph 17 above	

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of the commission of \$196 already paid to the agent, and the whole of the second and third instalments of \$42 each, would be debited back against his account at that time. He would only become re-entitled to these amounts if the policyholder subsequently reinstated and paid premium arrears. On the other hand, if the policyholder paid the first, second and third half-yearly premiums, but failed to pay the fourth, one-half of the second instalment of commission (i.e. one-half of \$42), and the whole of the third instalment of \$42, would be debited back against his account.

19. It will be seen that the system outlined above has the following advantages:— 10
- (a) For all policies where premiums are paid more frequently than yearly, the first instalment of commission is credited to the agent's account in advance of his full entitlement to it.
  - (b) The second and third instalments of commission automatically coming forward from previous years help:—
    - (i) to tide an agent over a period of low immediate earnings due to sickness or temporarily low new business writings
    - (ii) to meet the cost of debits-back due to policyholders unexpectedly 20 failing to continue premiums for at least two years
    - (iii) to provide agents with a larger cash drawing in respect of their December account each year. Most agents take leave from their agency in December or January, their personal and holiday expenses are usually high in those months, and their new business writings for credit to their January account are usually low because of their holidays.

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**Crediting of, and Entitlement to, Commission on Policies Paid by Yearly  
Premium under Tables TA, TA Special and CTA**

20. In these cases, the agent becomes entitled to commission of 5% of the yearly premium on payment of the first year's premium and issue of the policy, and provided, of course, that the policy is for more than a one-year term to further commission of the same amount on payment of the second year's premium. However, the total of first and second year commissions is credited to his account in the same three instalments of 70%, 15% and 15% as set 40 out in paragraph 17 above.

**Method By Which Commission Will Be Credited to YOUR Account and  
Your Entitlement to It**

21. During the first two years of your agency with the Society you will not have "reserve" commission coming forward from previous years as does an established agent in the manner outlined above. All commission as set out in paragraphs 10 to 15 above (with the exception of commission on policies 50 under Tables S.A.4 and S.A.5) will, therefore, be credited to your account until further notice as follows:—

22. Although commission will be credited to a new agent's account as above, his entitlement to it will accrue as shown in paragraph 18. In other words, should the policyholder fail to pay the first two years' premiums, the Society would debit his account with the same proportion of commission as set out in that paragraph.

10 **Method of Crediting Commission for Tables S.A.4 and S.A.5 and Your Entitlement to It**

23. **Initial Commission**—20% of the annual premium. Although this will be credited to your account in full for the month in which the policy is issued, irrespective of whether a full year's premium is paid to commence the policy, your entitlement to it will accrue pro-rata with payment by the policyholder of the first two years' premiums.

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24. **Renewal Commission**—15% of every premium paid including the first. This will be credited to your account for the month in which the premium is due on each occasion for so long as:

(a) the policy remains in force,

and (b) you continue to hold a full agency appointment with the Society or are in receipt of a retirement annuity from the Society,

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and (c) the policy is registered in the same State as the Branch of the Society to which you are attached.

However, your entitlement to renewal commission depends on the policyholder keeping the policy in full force by payment of yearly premiums as due. In the event of non-renewal or cancellation of the policy, any commission over-credited to your account in respect of the year, or portion of year, for which the policy does not remain in force will be debited back to your account. In the event of your death while still holding a full agency appointment with the Society, renewal commission in respect of premiums which, during the three years immediately following your death, fall due and are paid on policies under Tables S.A.4 and S.A.5 procured by you will be paid to your estate.

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**Commission on Units of Insurance Issued Under Table GB Policies**

25. A Table GB policy is a blanket policy of temporary insurance covering the lives of a number of eligible employees of a large organisation, with premiums payable entirely by the employees. The commission payable for units of insurance under Table GB is not the same for all policies and you should enquire at your Branch Office for details.

Commission for Table GB business will be credited to your account at the end of the calendar year in which the unit of insurance is issued provided that it is still in force then. Your entitlement to the commission accrues in full immediately it is credited.

26. In all respects other than as set out in paragraph 25, units of insurance issued under a Table GB policy to an individual are subject to the same terms and conditions of this booklet as if the units were an individual policy of Ordinary life insurance.

**Further General Conditions Governing Commission Entitlement**

27. Your entitlement to all commission set out above will be established prima facie by the lodgment of a proposal signed within the limits of your agency district and endorsed with your name and the name of your sub-agent, if any, and the completion of a policy based on that proposal within three months of the date of the proposal (but see para. 28) provided that no other proposal by the same person or on the same life has been lodged with the Society within the previous three months and remains uncompleted.

28. Should your agency be terminated for any reason other than death, permanent disablement or retirement, your entitlement to commission in respect of a proposal lodged by you prior to your termination will also be contingent on completion of a policy based on that proposal within one month of the date of your termination.

29. In respect of any insurance which the Society reinsures with another life insurance office, because the sum insured proposed together with insurance on the same life already held by the Society exceeds the

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Instalment of Commission		Month in Which Credited to Your Commission Account
<b>Policies Procured in First Year of Your Agency</b>		
1st Instalment	90%	Month policy issued
2nd Instalment	10%	One year after first instalment credited
<b>Policies Procured in Second Year of Your Agency</b>		
1st Instalment	80%	Month policy issued
2nd Instalment	10%	One year after first instalment credited
3rd Instalment	10%	December of the year in which the second instalment is credited
<b>Policies Procured in Third and Subsequent Years of Your Agency</b>		
As shown in paragraph 17 above		

22. Although commission will be credited to your account as above, your entitlement to it will accrue as shown in paragraphs 17 and 20. In other words, should the policyholder fail to pay the first two years' premiums, the Society would debit your account with the same proportions of commission as set out in those paragraphs.

and (b) you continue to hold a full agency appointment with the Society or are in receipt of a retirement annuity from the Society  
and (c) the policy is registered in the same State as the Branch of the Society to which you are attached.

However your entitlement to renewal commission depends on the policyholder keeping the policy in full force by payment of yearly premiums as due. In the event of non-renewal or cancellation of the policy, any commission over-credited to your account in respect of the year, or portion of year, for which the policy does not remain in force will be debited back to your account.

**Method of Crediting Commission for Tables S.A.4 and S.A.5 and Your Entitlement to It**

23. **Initial Commission** — 20% of the annual premium. Although this will be credited to your account in full for the month in which the policy is issued, irrespective of whether a full year's premium is paid to commence the policy, your entitlement to it will accrue pro-rata with payment by the policyholder of the first two years' premiums.

25. In the event of your death while still holding a full agency appointment with the Society, renewal commission in respect of premiums which, during the three years immediately following your death, fall due and are paid on policies under Tables S.A.4 and S.A.5 procured by you will be paid to your estate.

24. **Renewal Commission** — 15% of every premium paid including the first. This will be credited to your account for the month in which the premium is due on each occasion for so long as

(a) the policy remains in force

**Commission on Units of Insurance Issued Under Table GB Policies**

26. A Table GB policy is a blanket policy of temporary insurance covering the lives of a number of eligible employees of a large organisation, with premiums payable entirely

amount of risk which it is prepared to hold, the rate of commission payable to you may be limited to that payable by the other life office to the Society.

30. Where another member-office of the Life Offices' Association for Australia substantiates a "twisting" claim against the Society, commission in respect of the sum insured which is the subject of the twisting claim may be deducted from any commission otherwise payable to you.

In terms of the agreement between member-offices, business is regarded as having been "twisted" in the following circumstances:

(a) A new policy is effected with one L.O.A. office and a renewal premium as follows on an existing policy on the same life with another L.O.A. office is not paid within 3 months of its due date—

(i) any renewal premium due on the existing policy 3 months before or after the date on which the proposal for the new policy was signed,

(ii) the renewal premium next due on the existing policy.

Or

(b) A new policy is effected with one L.O.A. office and an existing policy on the same life with another L.O.A. office is surrendered or made paid-up, or reduced, within 3 months before or after the date on which the proposal for the new policy was signed or at any time between the date of such proposal and a date three months after the date on which the next premium on the existing policy would have fallen due.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

31. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing insurance (other than temporary insurance) with the Society in the name, or on the life, of the policy-

holder or his or her spouse, or child under age 21, is converted, reduced, surrendered, made paid-up or allowed to lapse, commission paid or payable on the new policy will be reduced by an amount equal to the commission on the voided sum insured at the rate payable to you on new policies issued under the same table as the voided business. (\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)

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32. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.

33. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by you within the period of deferment, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum insured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.

34. No commission is payable in respect of policies effected by members of the Society's salaried staff.

35. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.

36. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds, the Society will determine the amount of commission, if any, payable.

37. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.



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by the employees. If you procure a proposal from such an employee for units of insurance under a Table GB policy you will be entitled to commission as follows:—

Name of Organisation	Commission Payable for Each Unit of Insurance Under a Table GB Policy
Australian Consolidated Industries Limited ... ..	\$4
State Electricity Commission of Victoria ... ..	40c
Any other organisation holding a Table GB policy except the Commonwealth Bank of Australia and the Reserve Bank of Australia ... ..	75c

This commission will be credited to your account at the end of the calendar year in which the unit of insurance is issued provided that it is still in force then. Your entitlement to the commission accrues in full immediately it is credited.

27. In all respects other than as set out in paragraph 26, units of insurance issued under a Table GB policy to an individual are subject to the same terms and conditions of this booklet as if the units were an individual policy of Ordinary life insurance.

**Further General Conditions Governing Commission Entitlement**

28. Your entitlement to all commission set out above will be established prima facie by the lodgment of a proposal signed within the limits of your agency district and endorsed with your name and the name of your sub-agent, if any, and the completion of a policy based on that proposal within three months of the date of the proposal (but see para. 29) provided that no other proposal by the same person or on the same life has been lodged with the Society within the previous three months and remains uncompleted.

29. Should your agency be terminated for any reason other than death, permanent disablement or retirement, your entitlement to commission in respect of a proposal lodged by you prior to your termination will also be contingent on completion of a policy based on that

proposal within one month of the date of your termination.

30. In respect of any insurance which the Society reinsures with another life insurance office, because the sum insured proposed together with insurance on the same life already held by the Society exceeds the amount of risk which it is prepared to hold, the rate of commission payable to you may be limited to that payable by the other life office to the Society.

31. Where another member-office of the Life Offices' Association for Australasia substantiates a "twisting" claim against the Society, commission in respect of the sum insured which is the subject of the twisting claim may be deducted from any commission otherwise payable to you.

In terms of the agreement between member-offices, business is regarded as having been "twisted" in the following circumstances:

(a) A new policy is effected with one L.O.A. office and a renewal premium as follows on an existing policy on the same life with another L.O.A. office is not paid<sup>3</sup> within 3 months of its due date —

(i) any renewal premium due on the existing policy 3 months before or after the date on which the proposal for the new policy was signed,

(ii) the renewal premium next due on the existing policy.

40

Or

(b) A new policy is effected with one L.O.A. office and an existing policy on the same life with another L.O.A. office is surrendered or made paid-up, or reduced, within 3 months before or after the date on which the proposal for the new policy was signed or at any time between the date of such proposal and the date on which the next premium on the existing policy is due.

50

by the employees. If you procure a proposal from such an employee for units of insurance under a Table GB policy you will be entitled to commission as follows:—

Name of Organisation	Commission Payable for Each Unit of Insurance Under a Table GB Policy
Australian Consolidated Industries Limited .....	\$4
1 State Electricity Commission of Victoria .....	40c
Any other organisation holding a Table GB policy except the Commonwealth Bank of Australia and the Reserve Bank of Australia .....	75c

20 This commission will be credited to your account at the end of the calendar year in which the unit of insurance is issued provided that it is still in force then. Your entitlement to the commission accrues in full immediately it is credited.

27. In all respects other than as set out in paragraph 26, units of insurance issued under a Table GB policy to an individual are subject to the same terms and conditions of this booklet as if the units were an individual policy of Ordinary life insurance.

30 **Further General Conditions Governing Commission Entitlement**

28. (a) Your entitlement to all commission set out above will be established prima facie by the lodgment of a proposal signed within the limits of your agency district and endorsed with your name and the name of your sub-agent, if any, and the completion of a policy based on that proposal within three months of the date of the proposal (but see (b) below) provided that no other proposal by the same person or on the same life has been lodged with the Society within the previous three months and remains uncompleted.

40 (b) Should your agency be terminated for any reason other than death, permanent disablement or retirement, your entitlement to commission in respect of a proposal lodged by you prior to your termination will also be contingent on completion of a

policy based on that proposal within one month of the date of your termination.

29. In respect of any insurance which the Society reassures with another life insurance office, because the sum insured proposed together with insurance on the same life already held by the Society exceeds the amount of risk which it is prepared to hold, the rate of commission payable to you may be limited to that payable by the other life office to the Society.

30. Where another member-office of the Life Offices' Association of Australasia substantiates a "twisting" claim against the Society commission in respect of the sum insured which is the subject of the twisting claim may be deducted from any commission otherwise payable to you.

In terms of the agreement between member-offices, business is regarded as having been "twisted" in the following circumstances:—

(a) A new policy is effected with one L.O.A. office and a renewal premium as follows on an existing policy on the same life with another L.O.A. office is not paid within 3 months of its due date:—

- (i) any renewal premium due on the existing policy 3 months before or after the date on which the proposal for the new policy was signed,
- (ii) the renewal premium next due on the existing policy.

Or

(b) A new policy is effected with one L.O.A. office and an existing policy on the same life with another L.O.A. office is surrendered or made paid-up, or reduced, within 3 months before or after the date on which the proposal for the new policy was signed or at any time between the date of such proposal and the date on which the next premium on the existing policy is due.

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by the employees. If you procure a proposal from such an employee for units of insurance under a Table GB policy you will be entitled to commission as follows:—

Name of Organisation	Commission Payable for Each Unit of Insurance Under a Table GB Policy
Australian Consolidated Industries Limited	\$4
State Electricity Commission of Victoria	40c
Any other organisation holding a Table GB policy except the Commonwealth Bank of Australia and the Reserve Bank of Australia	75c

This commission will be credited to your account at the end of the calendar year in which the unit of insurance is issued provided that it is still in force then. Your entitlement to the commission accrues in full immediately it is credited.

27. In all respects other than as set out in paragraph 26, units of insurance issued under a Table GB policy to an individual are subject to the same terms and conditions of this booklet as if the units were an individual policy of Ordinary life assurance.

**Further General Conditions Governing Commission Entitlement**

28. (a) Your entitlement to all commission set out above will be established prima facie by the lodgment of a proposal signed within the limits of your agency district and endorsed with your name and the name of your sub-agent, if any, and the completion of a policy based on that proposal within three months of the date of the proposal (but see (b) below) provided that no other proposal by the same person or on the same life has been lodged with the Society within the previous three months and remains uncompleted.
- (b) Should your agency be terminated for any reason other than death, permanent disablement or retirement on or after "normal retirement date" (see Section IV of this booklet), your entitlement to commission in respect of a proposal lodged

by you prior to your termination will also be contingent on completion of a policy based on that proposal within one month of the date of your termination.

29. In respect of any assurance which the Society reassures with another life assurance office, because the sum assured proposed together with assurance on the same life already held by the Society exceeds the amount of risk which it is prepared to hold, the rate of commission payable to you may be limited to that payable by the other life office to the Society.

30. Where another member-office of the Life Officers' Association of Australia substantiates a "twisting" claim against the Society commission in respect of the sum assured which is the subject of the twisting claim may be deducted from any commission otherwise payable to you.

In terms of the agreement between member-offices, business is regarded as having been "twisted" in the following circumstances:—

- (a) A new policy is effected with one L.O.A. office and a renewal premium as follows on an existing policy on the same life with another L.O.A. office is not paid within 3 months of its due date:—
- (i) any renewal premium due on the existing policy 3 months before or after the date on which the proposal for the new policy was signed,
  - (ii) the renewal premium next due on the existing policy.

Or

- (b) A new policy is effected with one L.O.A. office and an existing policy on the same life with another L.O.A. office is surrendered or made paid-up, or reduced, within 3 months before or after the date on which the proposal for the new policy was signed or at any time between the date of such proposal and the date on which the next premium on the existing policy is due.

**Commission on Policies Under a Superannuation Scheme**

38. A "superannuation scheme" means the A.M.P. Personal Superannuation Fund, the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is insured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme.

For new policies which you procure under the A.M.P. Personal Superannuation Fund and the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Personal Superannuation Fund or the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid less than two years' premiums, a special commission adjustment may be made.

39. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

**Allowances**

**40. Initial Full-Time Training Allowance**

You will be paid an allowance for the two weeks of your attendance at the initial full-time training course. In addition, if you are resident in the country, your travelling expenses to attend the course will be reimbursed, reasonable bed and breakfast accommodation provided and a further allowance paid to cover other meals.

**41. Training Allowance For First Year**

During your first year as an agent, and contingent upon your applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

**42. Expense Allowance**

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:

**Payment of Commission and Allowances During Continuance of Your Agency**

43. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.

44. During your probationary period, regular advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of \$ \_\_\_\_\_ per week. Tax will be calculated monthly on your total advances, and will be treated as a further advance against your account.

45. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Agency Manager as to the manner in which you are applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

**Payment of Commission After Termination of Agency**

46. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over a period not exceeding five years. If your agency appointment is terminated for any

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(c) A proposal for insurance is lodged with one L.O.A. office and has not been deferred, declined or accepted other than as submitted (or if it has been accepted other than as submitted this has been agreed to by the proponent); and within six weeks of the date of the proposal the first premium on it has been paid or a voluntary group deduction order has been lodged; and within the same six weeks a second proposal on the same life is signed with another L.O.A. office and subsequently completed; and as a result of this the first proposal is not completed at all or is completed for a lesser amount.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

32. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing insurance (other than temporary insurance) with the Society in the name, or on the life, of the policyholder or his or her spouse, or child under age 21, is converted, reduced, surrendered, made paid-up or allowed to lapse, commission paid or payable on the new policy will be reduced by an amount equal to the commission on the voided sum insured at the rate payable to you on new policies issued under the same table as the voided business. (\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)
33. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.
34. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by you within the period of deferment, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum insured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.
35. No commission is payable in respect of policies effected by members of the Society's salaried staff.
36. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.
37. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds, the Society will determine the amount of commission, if any, payable. (Full details of rules which have been formulated on this matter will be supplied to you later. In the meantime, it is suggested that you refer to the office to ascertain the extent of any interest you may have in such business.)
38. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.

Or

(c) A proposal for insurance is lodged with one L.O.A. office and has not been deferred, declined or accepted other than as submitted (or if it has been accepted other than as submitted this has been agreed to by the proponent); and within six weeks of the date of the proposal the first premium on it has been paid or a legal standing order or authority to pay premiums has been lodged; and within the same six weeks a second proposal on the same life is signed with another L.O.A. office and subsequently completed; and as a result of this the first proposal is not completed at all or is completed for a lesser amount.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

32. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing insurance (other than temporary insurance) with the Society in the name, or on the life, of the policyholder or his or her spouse, or child under age 21, is converted, reduced, surrendered, made paid-up or allowed to lapse, commission paid or payable on the new policy will be reduced by an amount equal to the commission on the voided sum insured at the rate payable to you on new policies issued under the same table as the voided business. (\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)

33. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.

34. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by you within the period of deferment, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum insured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.

35. No commission is payable in respect of policies effected by members of the Society's salaried staff.

36. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.

37. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds, the Society will determine the amount of commission, if any, payable. (Full details of rules which have been formulated on this matter will be supplied to you later. In the meantime, it is suggested that you refer to the office to ascertain the extent of any interest you may have in such business.)

38. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.

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(c) A proposal for insurance is lodged with one L.O.A. office and has not been deferred, declined or accepted other than as submitted (or if it has been accepted other than as submitted this has been agreed to by the proponent); and within six weeks of the date of the proposal the first premium on it has been paid or a legal standing order or authority to pay premiums has been lodged; and within the same six weeks a second proposal on the same life is signed with another L.O.A. office and subsequently completed; and as a result of this the first proposal is not completed at all or is completed for a lesser amount.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

31. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing insurance (other than temporary insurance) with the Society in the name, or on the life, of the policyholder or his or her spouse, or child under age 21, is converted, reduced, surrendered, made paid-up or allowed to lapse, commission paid or payable on the new policy will be reduced by an amount equal to the commission on the voided sum insured at the rate payable to you on new policies issued under the same table as the voided business. (\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)
32. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.
33. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by

you within the period of deferment, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum insured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.

34. No commission is payable in respect of policies effected by members of the Society's salaried staff.
35. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.
36. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds the Society will determine the amount of commission, if any, payable. (Full details of rules which have been formulated on this matter will be supplied to you later. In the meantime, it is suggested that you refer to the office to ascertain the extent of any interest you may have in such business.)
37. No commission is payable in respect of a policy on the life of any person who at the time of the proposal for the policy was about to proceed in the services to Vietnam or was in a unit nominated for service in Vietnam, or was being posted to such a unit, or intended to enlist in such a unit. In respect of policies on the lives of other service personnel the commission otherwise payable is subject to the limitation that in no case is it to exceed 55% of the basic yearly premium for the policy, ignoring any additional premium charged for assessment or because the mode of payment is more frequent than yearly.
38. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.

Or

(c) A proposal for assurance is lodged with one L.O.A. office and has not been deferred, declined or accepted other than as submitted (or if it has been accepted other than as submitted this has been agreed to by the proponent); and within six weeks of the date of the proposal the first premium on it has been paid or a legal standing order or authority to pay premiums has been lodged; and within the same six weeks a second proposal on the same life is signed with another L.O.A. office and subsequently completed; and as a result of this the first proposal is not completed at all or is completed for a lesser amount.

It should be noted that such a claim can succeed even though the loss of business sustained by the other life office resulted purely from the action of the policyholder and not through any inducement or encouragement on your part.

31. If a new Ordinary policy is completed and, within six months\* before or after the new policy is completed, existing assurance (other than temporary assurance) with the Society in the name, or on the life, of the policyholder or his or her spouse, or child under age 21, is reduced, surrendered or made paid-up or allowed to lapse, commission will only be payable in respect of the "effective increase" in sum assured or premium resulting. Full details of the rules for calculating "effective increase" will be supplied to you upon request.

(\*This period is twelve months where the new policy is one under Table AL, ALF, ALA, ALAF, NL or XNL.)

32. If within thirteen months after the commencement of a policy the Society, at the request of the policyholder, agrees to cancel the policy and refund all premiums paid, no commission will be payable on that policy.

33. If consideration of a proposal submitted by another agent of the Society has been deferred (on the grounds of the personal or family history of the proponent) and another proposal on the same life is submitted by

you within the period of deferment, as a result of which a policy is completed, the Society will pay commission to the other agent in respect of the sum assured or premium (as the case may be) of the proposal submitted by him and any balance of commission on the completed policy to you.

34. No commission is payable in respect of policies effected by members of the Society's salaried staff.

35. In any case where an agreement has been entered into by the Society for payment to a third party of commission on new business completed on the lives of clients of, or members of, any organisation, such commission will be deducted from any commission otherwise payable to you.

36. In respect of any policy which the Society requires to be effected in terms of investment of the Society's funds the Society will determine the amount of commission, if any, payable. (Full details of rules which have been formulated on this matter will be supplied to you later. In the meantime, it is suggested that you refer to the office to ascertain the extent of any interest you may have in such business.)

37. No commission is payable in respect of a policy on the life of any person who at the time of the proposal for the policy was about to proceed in the services to Vietnam or was in a unit nominated for service in Vietnam, or was being posted to such a unit, or intended to enlist in such a unit.

In respect of policies on the lives of other service personnel the commission otherwise payable is subject to the limitation that in no case is it to exceed 55% of the basic yearly premium for the policy, ignoring any additional premium charged for assessment or because the mode of payment is more frequent than yearly.

38. The Society may debit your commission account for any amounts over-credited to it, or obtain a refund from you of any amounts overpaid in terms of the various paragraphs of this section.

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other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, and any amounts due to you will be paid not later than two years and three months after the calendar month in which your agency terminated.

#### Bonus Commission

47. Representatives who qualify by length of service as set out below (or earlier by having introduced to the Society a sufficient volume of new business) are eligible to receive bonus commission at the rates shown under "A" on page 12.
48. A year for bonus purposes is the same as the income tax year, i.e., 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.
49. To qualify for a bonus you must:
  - (a) **At the beginning of a bonus year either** have completed 2 years of "current service as an A.M.P. Ordinary Representative" **or** have completed one year of such service and have written new business totalling at least the amounts shown under "B" on page 12.
  - (b) **During the bonus year** have been credited with commissions (excluding all allowances and A.M.P. Fire commissions) totalling at least the amounts shown under "C" on page 12.
  - (c) **In respect of the calendar year which ends during the bonus year,** not have a lapse rate, as regards both sums insured and numbers of policies, greater than 10%.
  - (d) **During the whole of the bonus year** have been in the Society's service either as a representative or staff officer. However, this requirement will be relaxed in event of termination, during the bonus year, by death or retirement.

#### Notes:

- (i) If and when you consider you have

become eligible for bonus commission under the second alternative in para. 49(a) you should notify the Society.

- (ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative or Collector<sup>10</sup> Agent count if they were separated from the current period only by war service or service as an Agency Manager or Superintendent of the Society.

50. "Bonus-eligible earnings," i.e., the earnings for the bonus year on which bonus commission is calculated for a qualifying Representative, are:

(a) all his Ordinary and Superannuation commissions in excess of the amounts<sup>20</sup> shown under "C" on page 12.

- or (b) all his Ordinary commissions and those Superannuation commissions which do not arise from Deposit Administration contracts (see page 33)

whichever is the lesser. In neither case are allowances included.

Examples of the calculation of bonus commission are shown on page 12.

51. Bonus commission is paid in one lump sum in July each year. When you have had 10 years' current service the Society may decide, after considering your wishes, that in future it will pay bonus commission directly to you at the rate of either 5% of eligible earnings or at a greater rate (at the Society's discretion), and apply the amount in excess of that payment as an additional contribution by the Society to the Death, Permanent Disablement<sup>40</sup> and Retirement Benefits Plan described in Section IV, to provide increased benefits in respect of your membership of the Plan.

If the excess over 5% is applied in this way, it has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions<sup>50</sup> to the Plan and for your personal life, sickness and accident insurance premiums.

**Commission on Policies Under a Superannuation Scheme**

39. A "superannuation scheme" means the A.M.P. Personal Superannuation Fund, the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is insured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme.

For new policies which you procure under the A.M.P. Personal Superannuation Fund and the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Personal Superannuation Fund or the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid less than two years' premiums, a special commission adjustment may be made.

40. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

**Allowances**

**41. Initial Full-Time Training Allowance**

You will be paid an allowance for the two weeks of your attendance at the initial full-time training course. In addition, if you are resident in the country, your travelling expenses to attend the course will be reimbursed, reasonable bed and breakfast accommodation provided and a further allowance paid to cover other meals.

**42. Training Allowance For First Year**

During your first year as an agent, and contingent upon you applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

**43. Expense Allowance**

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:

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**Payment of Commission and Allowances During Continuance of Your Agency**

44. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.

(continued)

45. During your probationary period, regular advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of \$.....per week. Tax will be calculated monthly on your total advances, and will be treated as a further advance against your account.

46. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Supervisor or Regional Manager as to the manner in which you are applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

**Bonus Commission**

47. When you have been a Representative for five years (or earlier if you have introduced to the Society a sufficient volume of new business) you become eligible for both a "Normal" and a "Special" bonus, based on your "bonus-eligible earnings." Details are shown on the following page.

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(continued)

### Commission on Policies Under a Superannuation Scheme

39. A "superannuation scheme" means the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is insured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme.

For new policies which you procure under the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid less than two years' premiums, a special commission adjustment may be made.

40. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

### Allowances

#### 41. Initial Full-Time Training Allowance

For the two weeks during which you will take part in a full-time training course at the Society's capital city office in your State, you will be paid an allowance of \$45 per week. In addition, if you are resident in the country, your expenses of travel to and from the city will be reimbursed to you, reasonable bed and breakfast accommodation provided and \$2 a day paid to cover other meals.

#### 42. Training Allowance For First Year

During your first year as an agent, and contingent upon you applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

#### 43. Expense Allowance

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:

10

### Payment of Commission and Allowances During Continuance of Your Agency

44. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.

45. During your probationary period, regular<sup>20</sup> advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of ..... per<sup>30</sup> week. Tax will be calculated monthly on<sup>30</sup> your total advances, and will be treated as a further advance against your account.

46. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Supervisor or Regional Manager as to the manner in which you are<sup>40</sup> applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

### Bonus Commission

47. When you have been a Representative for five years (or earlier if you have introduced to the Society a sufficient volume of new business) you become eligible for both a "Normal" and a "Special" bonus, based on your "bonus-eligible earnings", at the rates<sup>50</sup> shown under "A" on page 12A. Details are as follows:

### Commission on Policies Under a Superannuation Scheme

39. A "superannuation scheme" means the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is assured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme.

For new policies which you procure under the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid less than two years' premiums, a special commission adjustment may be made.

40. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

### Allowances

#### 41. Initial Full-Time Training Allowance

For the two weeks during which you will take part in a full-time training course at the Society's capital city office in your State, you will be paid an allowance of \$45 per week. In addition, if you are resident in the country, your expenses of travel to and from the city will be reimbursed to you, reasonable bed and breakfast accommodation provided and \$2 a day paid to cover other meals.

#### 42. Training Allowance For First Year

During your first year as an agent, and contingent upon you applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:—

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

#### 43. Expense Allowance

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:—

#### Payment of Commission and Allowances During Continuance of Your Agency

44. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.

45. During your probationary period, regular advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of ..... per week. Tax will be calculated monthly on your total advances, and will be treated as a further advance against your account.

46. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Supervisor or Regional Manager as to the manner in which you are applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

#### Bonus Commission

47. When you have been a Representative for five years (or earlier if you have introduced to the Society a sufficient volume of new business) you become eligible for bonus commission at an initial rate of 5% of your "bonus-eligible earnings" rising to 7½% after 10 years of service and 10% after 15 years of service. Details are as follows.

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### Commission on Policies Under a Superannuation Scheme

39. A "superannuation scheme" means the A.M.P. Self-Employed Persons Superannuation Fund, or any arrangement under which one or more employees is assured under policies with part or all of the premiums paid by their employer or any other arrangement which the Society considers to be a superannuation scheme.

For new policies which you procure under the A.M.P. Self-Employed Persons Superannuation Fund, the rates and conditions of commission set out earlier in this section apply.

Where a member of the A.M.P. Self-Employed Persons Superannuation Fund becomes ineligible to remain a member and is granted a paid-up policy, having paid less than two years' premiums, a special commission adjustment may be made.

40. Different rates and conditions apply to commission on other superannuation policies. These will be advised to you on confirmation of your agency appointment or earlier should you be successful in procuring this type of business.

### Allowances

#### 41. Initial Full-Time Training Allowance

For the two weeks during which you will take part in a full-time training course at the Society's capital city office in your State, you will be paid an allowance of \$45 per week. In addition, if you are resident in the country, your expenses of travel to and from the city and accommodation (up to \$6 per day) in the city will be reimbursed to you.

#### 42. Training Allowance For First Year

During your first year as an agent, and contingent upon you applying yourself in a satisfactory way to the training courses provided by the Society, your account will be credited with the following special training allowance:—

For the first six months — \$20 monthly.

During the second six months — \$10 monthly.

#### 43. Expense Allowance

From completion of your full-time initial training, during the continuance of your agency, and until further notice, an expense allowance will be credited to your account each month as follows:—

10

### Payment of Commission and Allowances During Continuance of Your Agency

44. After your agency appointment is confirmed, the amount available in your commission and allowances account will be paid to you once a month as soon as possible after the date fixed each month for making up the account.
45. During your probationary period, regular advances against future commissions will be paid to you for the purpose of assisting you to meet reasonable living and working expenses while you are building up sufficient new business commissions in your account and sufficient prospects of future new business to enable your appointment to be confirmed. In your case, these advances have been set at an initial rate of ..... per week. Tax will be calculated monthly on your total advances, and will be treated as a further advance against your account.
46. All advances made to you constitute a debt owing by you and deductible from your commission earnings. The rate of advance may be reviewed each month. Continuance of advances will be dependent on the recommendation of your Supervisor or Regional Manager as to the manner in which you are applying yourself to achieving success in your new career. His guidance and help to this end will be available to you at all times.

### Bonus Commission

47. When you have been a Representative for five years (or earlier if you have introduced to the Society a sufficient volume of new business) you become eligible for bonus commission at an initial rate of 5% of your "bonus-eligible earnings" rising to 7½% after 10 years of service and 10% after 15 years of service. Details are as follows.

April, 1968

11 Aust.

Ben. & Con.

Paras. renumbered and text relocated on pages 10 and 12.

**A. RATES OF BONUS AS A PERCENTAGE OF "BONUS-ELIGIBLE EARNINGS"**

Length of "Current Service as an  
A.M.P. Ordinary Representative"  
at Beginning of the Bonus Year

Bonus Rate

Under 5 years	7½%
5 to 10 years	10%
10 to 14 years	13¼%
15 years and over	17½%

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**B. AMOUNTS TO BE READ IN CONJUNCTION WITH PARAGRAPH 49(a)**

Bonus Year Commencing  
1st July, 1974

Net Credit Sum Insured\*  
\$650,000

(continued)

In subsequent years the qualifying level will be 100 times the earnings level described in "C" below.

**C. AMOUNTS TO BE READ IN CONJUNCTION WITH PARAGRAPHS 49(b) AND 50(a)**

Bonus Year Commencing  
1st July, 1974

Amount  
\$6,500

20

In subsequent years the qualifying level will be 45% of the average life earnings, in the last completed calendar year, of representatives who, at the commencement of that calendar year had completed 5 years' service.

**EXAMPLES OF THE CALCULATION OF BONUS COMMISSION APPLICABLE TO BONUS YEAR COMMENCING 1st JULY, 1974**

Current Service at Beginning of Bonus Year	2 years	7 years	12 years	15 years
Commissions for Bonus Year—See Para. 49(b)				
Ordinary and non-D.A. Superannuation	\$9,000	\$11,000	\$8,000	\$16,000
D.A. Superannuation	—	\$2,000	\$10,000	\$6,000
Total	\$9,000	\$13,000	\$18,000	\$22,000
Eligible Earnings	\$2,500	\$6,500	\$8,000	\$15,500
Bonus Rate	7½%	10%	13¼%	17½%
Bonus for Year	\$187	\$650	\$1,060	\$2,712

**40 Net Credit Sum Insured**

Firstly, *Credit Sum Insured* means the total of the following:

Basic Tables under Ordinary, S.E.P., P.S.F. and Under-5 Schemes	—100% of sum insured
W Benefit	—\$52 per unit
FB	—50% of initial sum insured
R and GB units, and all other individual temporary insurance	—10% of initial sum insured
S.A.4 and S.A.5	—\$100 per unit
D.I.I.	—Monthly benefit x 20

50 *Net Credit Sum Insured* is *Credit Sum Insured* less all lapses of *Credit Sum Insured* after adding back reinstatements of *Credit Sum Insured*, i.e., the figure showing in the "Total Individual" column in the monthly completions list.

Ben. & Con.

12 AUST.

May, 1974

Paras. renumbered and text relocated from page 11.

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48. A year for bonus purposes is the same as the income tax year, i.e. 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.

49. To qualify for a bonus you must:—

(a) At the beginning of a bonus year either have completed 5 years of "current service as an A.M.P. Ordinary Representative" or in a shorter period of such service have received gross commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling at least the amounts shown under "B" on page 12A.

(b) During the bonus year have been credited with commissions (excluding all allowances and A.M.P. Fire commissions) totalling at least the amounts shown under "C" on page 12A.

**Notes:**

(i) If and when you consider you have become eligible for bonus commission under the second alternative in para. 49(a) you should notify the Society.

(ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative or Collector Agent count if they were separated from the current period only by war service or service as a Supervisor, Regional Manager or Superintendent of the Society.

50. "Bonus-eligible earnings", i.e., the earnings on which the normal and special bonuses are calculated for a qualifying Representative, are:

(a) all his commissions (excluding allowances and A.M.P. Fire commissions) for the bonus year in excess of the amounts shown under "D" on page 12A.

or (b) all his Ordinary and Self-Employed Persons Superannuation Fund commissions for the bonus year (i.e. excluding all allowances and commissions from employee-superannuation business, sick-

ness and accident business and A.M.P. Fire)

whichever is the lesser.

The practical effect is that employee-superannuation and sickness and accident commissions are taken into account in determining whether you qualify for a bonus in terms of para. 49 but do not count when calculating the actual amount of bonus.

Examples of the calculation of normal and special bonuses are shown on page 12A.

51. Bonus commission is paid in one lump sum in July each year. When you have had, as at the 1st July in any year, 10 years' current service or earlier if you qualify for a special bonus, the Society will continue to pay you bonus commission at the rate of 5%. After considering your wishes in the matter, the Society will decide whether the amount in excess of 5% will be paid to you or will be applied as an additional contribution by the Society to the Death, Permanent Disablement and Retirement Benefits Plan described in Section IV, to provide increased benefits in respect of your membership of the Plan.

If the excess over 5% is applied in this way, it has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions to the Plan and for your personal life, sickness and accident insurance premiums.

**Payment of Commission After Termination of Agency**

52. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over a period not exceeding five years. If your agency appointment is terminated for any other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, and any amounts due to you will be paid not later than two years and three months after the calendar month in which your agency terminated.

48. A year for bonus purposes is the same as the income tax year, i.e. 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.
49. To qualify for a bonus you must:—
- 10 (a) At the beginning of a bonus year either have completed 5 years of "current service as an A.M.P. Ordinary Representative" or in a shorter period of such service have received gross commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling at least \$25,000.
- 20 (b) During the bonus year have been credited with commissions (excluding all allowances and A.M.P. Fire commissions) totalling more than \$5,000.

**Notes:**

- (i) If and when you consider you have become eligible for bonus commission under the \$25,000 alternative above, you should notify the Society.
- 30 (ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative or Collector Agent count if they were separated from the current period only by war service or service as a Supervisor, Regional Manager or Superintendent of the Society.
- 40 50. "Bonus-eligible earnings", i.e. the earnings on which bonus commission is calculated for a qualifying Representative, are:—
- (a) all his commissions for the bonus year in excess of \$5,000 (i.e. excluding all allowances and A.M.P. Fire commissions)
- or (b) all his Ordinary and Self-Employed Persons Superannuation Fund commissions for the bonus year (i.e. excluding all allowances and commissions from
- 50 employee-superannuation business, sick-

ness and accident business and A.M.P. Fire) whichever is the lesser.

The practical effect is that employee-superannuation commission is taken into account in determining whether you qualify for a bonus vide 49 above but does not count when calculating the actual amount of bonus.

51. Bonus commission is paid in one lump sum in July each year. When you have had, as at the 1st July in any year, 10 years' current service, the Society will continue to pay you bonus commission at the rate of 5%. After considering your wishes in the matter, the Society will decide whether the amount in excess of 5% will be paid to you or will be applied as an additional contribution by the Society to the Death, Permanent Disablement and Retirement Benefits Plan described in Section IV, to provide increased benefits in respect of your membership of the Plan.

If the excess over 5% is applied in this way, it has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions to the Plan and for your personal life, sickness and accident insurance premiums.

**Payment of Commission After Termination of Agency**

52. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over a period not exceeding five years. If your agency appointment is terminated for any other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, and any amounts due to you will be paid not later than two years and three months after the calendar month in which your agency terminated.

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48. A year for bonus purposes is the same as the income tax year, i.e. 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.
49. To qualify for a bonus you must:—
- (a) **At the beginning of a bonus year either** have completed 5 years of "current service as an A.M.P. Ordinary Representative" or in a shorter period of such service have received gross commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling at least \$25,000.
- (b) **During the bonus year** have been credited with commissions (excluding all allowances and A.M.P. Fire commissions) totalling more than \$5,000.

**Notes:**

- (i) If and when you consider you have become eligible for bonus commission under the \$25,000 alternative above, you should notify the Society.
- (ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative or Collector Agent count if they were separated from the current period only by war service or service as a Supervisor, Regional Manager or Superintendent of the Society.
50. "Bonus-eligible earnings", i.e. the earnings on which bonus commission is calculated for a qualifying Representative, are:—
- (a) all his commissions for the bonus year in excess of \$5,000 (i.e. excluding all allowances and A.M.P. Fire commissions)
- or (b) all his Ordinary and Self-Employed Persons Superannuation Fund commissions for the bonus year (i.e. excluding all allowances and commissions from employee-superannuation business, sick-

ness and accident business and A.M.P. Fire)

whichever is the lesser.

The practical effect is that employee-superannuation commission is taken into account in determining whether you qualify for a bonus vide 49 above but does not count when calculating the actual amount of bonus.

51. Bonus commission is paid in one lump sum<sup>10</sup> in July each year. When you become eligible for bonus commission at the 7½% rate (i.e. when you have had, as at the 1st July in any year, 10 years' current service) you may, if you wish, give the Society notice in writing that, while continuing to receive in cash bonus commission at the rate of 5%, you would like to have amounts of additional bonus commission to which you become entitled applied as contributions by the Society to increase your benefits under the Death, Permanent Disablement and Retirement Benefits Plan described in Section IV of this booklet.<sup>20</sup>
- This has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are regarded as contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions to the Plan and for your personal life, sickness and accident insurance premiums.<sup>30</sup>

**Payment of Commission After Termination of Agency**

52. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over a period not exceeding five years. If your agency appointment is terminated for any other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, but all amounts due to you will be paid not later than two years and three months after the calendar month in which your agency terminated.<sup>40</sup><sup>50</sup>

48. A year for bonus purposes is the same as the income tax year, i.e. 1st July to the following 30th June. Thus commission actually credited to your account during the twelve months June to the following May inclusive is the basis on which any bonus payable to you is calculated.

49. To qualify for a bonus you must:—

10 (a) At the beginning of a bonus year either have completed 5 years of "current service as an A.M.P. Ordinary Representative" or in a shorter period of such service have received gross commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling at least \$25,000.

20 (b) During the bonus year have been credited with commissions and allowances from the Society (i.e. excluding A.M.P. Fire) totalling more than \$5,000.

**Notes:**

(i) If and when you consider you have become eligible for bonus commission under the \$25,000 alternative above, you should notify the Society.

30 (ii) "Current service as an A.M.P. Ordinary Representative" is normally the period of continuous service from the date of a representative's last appointment, but previous periods of service as an A.M.P. Ordinary Representative or Collector Agent count if they were separated from the current period only by war service or service as a Supervisor, Regional Manager or Superintendent of the Society.

40 50. "Bonus-eligible earnings", i.e. the earnings on which bonus commission is calculated for a qualifying Representative, are:—

(a) all his commissions for the bonus year in excess of \$5,000 (i.e. excluding all allowances and A.M.P. Fire commissions)

50 or (b) all his Ordinary and Self-Employed Persons Superannuation Fund commissions for the bonus year (i.e. excluding all allowances and commissions from employee-superannuation business, sick-

ness and accident business and A.M.P. Fire)

whichever is the lesser.

The practical effect is that employee-superannuation commission is taken into account in determining whether you qualify for a bonus vide 49 above but does not count when calculating the actual amount of bonus.

51. Bonus commission is paid in one lump sum in July each year. When you become eligible for bonus commission at the 7½% rate (i.e. when you have had, as at the 1st July in any year, 10 years' current service) you may, if you wish, give the Society notice in writing that, while continuing to receive in cash bonus commission at the rate of 5%, you would like to have amounts of additional bonus commission to which you become entitled applied as contributions by the Society to increase your benefits under the Death, Permanent Disablement and Retirement Benefits Plan described in Section IV of this booklet.

This has the advantage that such amounts will not be taxable as income in your hands in the year they are applied for your benefit and, because they are regarded as contributions by the Society to the Plan, they will leave intact the full taxation deduction for your own contributions to the Plan and for your personal life, sickness and accident insurance premiums.

**Payment of Commission After Termination of Agency**

52. If your agency appointment is terminated because you are transferred to the Society's salaried staff, payment of any balance of commission due to you may be spread over a period not exceeding five years. If your agency appointment is terminated for any other reason, any balance of commission due to you will be paid to you at the discretion of the Society, having regard to the mode of payment of premiums on the policies concerned and the lapse rate generally of business introduced by you, but all amounts due to you will be paid not later than two years and three months after the calendar month in which your agency terminated.

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## SECTION III — BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR AGENCY WITH A.M.P. FIRE AND GENERAL

(continued)

### Procurement of Business

1. You are entitled to write business for A.M.P. Fire anywhere in the Commonwealth of Australia or in New Zealand as the case may be, but it is preferable that you confine your canvassing activities to those areas where you can give adequate service. All fire and general business written by you must be placed with A.M.P. Fire if it will accept the business.

### Payment Away of Your Commission, Sub-Agents

2. You are not to appoint sub-agents for the purposes of your agency with A.M.P. Fire nor to pay your commission either directly or indirectly to any other person.

### Collection of Premiums

3. You are authorised to collect new and renewal premiums on behalf of A.M.P. Fire. Provisional premium receipt books provided by A.M.P. Fire are to be used to keep true accounts of such premiums and to issue receipts for them. All such moneys are to be considered the property of A.M.P. Fire and are to be paid over to it immediately.

### Relations with Other General Insurance Offices

4. General insurance policies are usually year to year contracts and there is nothing to preclude you from "switching" business from any other general insurance office to A.M.P. Fire. It is usual for a "switch" to be arranged at the expiry date of the existing contract.

### "Register" of Fire and General Business

5. Every policy procured by you on behalf of A.M.P. Fire is recorded by that Company in a "register" in your name. You will be supplied with a record of the register comprising a folder containing copies of renewal notices for the policies concerned. It is your responsibility to keep this record in good order and up-to-date by retaining only the notice for the premium most recently due on each policy.
6. In some cases, and particularly in the case of an agent newly appointed to a country agency, a register of existing A.M.P. Fire business procured by a previous agent in the

district may be available for transfer into the new agent's name. Depending on the circumstances of the previous agent's termination, this register may be transferred to the new agent free of cost or at a price negotiated between the old and the new agent.

### Rates of Commission

7. Commission on business procured on behalf of A.M.P. Fire is calculated as a percentage of each year's premium paid. The commission rates differ as between various classes of fire and general business and, because different premium rates apply, commission rates also differ from State to State in Australia and in New Zealand. The commission rates applying in your case are set out on page 14A.
8. It should be noted that these rates are the maximum allowable where no other party has a commission interest in the business. If it appears, for any reason, that a lower rate of commission should be paid in respect of any new business obtained through your agency, you will be advised before the business is completed.

### Entitlement to Commission

9. Subject to the conditions set out in this Section, you are entitled to commission on each premium paid in respect of every policy on your register.
  10. Inspectors employed by A.M.P. Fire are available to assist and advise agents in the sale of new fire and general insurance. In some more technical classes of insurance, and particularly in the early months of your agency work, actual completion of the proposal for fire and general insurance may be carried out by an inspector with the client. The life insurance requirement regarding lodgment of a proposal with your name on it does not therefore apply to your entitlement to commission on this type of business and full commission will be credited to your account for such business.
- To establish a right to A.M.P. Fire commission you must, however, be able to show

November, 1971

Paras. have been relocated to provide room for amendments on page 14.

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### SECTION III — BENEFITS AND CONDITIONS APPLYING ONLY TO YOUR AGENCY WITH A.M.P. FIRE AND GENERAL

Exhibit A8  
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Amendments  
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#### Procuration of Business

- 10 1. You are entitled to write business for A.M.P. Fire anywhere in the Commonwealth of Australia or in New Zealand as the case may be, but it is preferable that you confine your canvassing activities to those areas where you can give adequate service. All fire and general business written by you must be placed with A.M.P. Fire if it will accept the business.

6. In some cases, and particularly in the case of an agent newly appointed to a country agency, a register of existing A.M.P. Fire business procured by a previous agent in the district may be available for transfer into the new agent's name. Depending on the circumstances of the previous agent's termination, this register may be transferred to the new agent free of cost or at a price negotiated between the old and the new agent.

#### Payment Away of Your Commission, Sub-Agents

- 20 2. You are not to appoint sub-agents for the purposes of your agency with A.M.P. Fire nor to pay your commission either directly or indirectly to any other person.

#### Rates of Commission

7. Commission on business procured on behalf of A.M.P. Fire is calculated as a percentage of each year's premium paid. The commission rates differ as between various classes of fire and general business and, because different premium rates apply, commission rates also differ from State to State in Australia and in New Zealand. The commission rates applying in your case are set out on page 14A.

8. It should be noted that these rates are the maximum allowable where no other party has a commission interest in the business. If it appears, for any reason, that a lower rate of commission should be paid in respect of any new business obtained through your agency, you will be advised before the business is completed.

#### Collection of Premiums

- 30 3. You are authorised to collect new and renewal premiums on behalf of A.M.P. Fire. Provisional premium receipt books provided by A.M.P. Fire are to be used to keep true accounts of such premiums and to issue receipts for them. All such moneys are to be considered the property of A.M.P. Fire and are to be paid over to it immediately.

#### Relations with Other General Insurance Offices

4. General insurance policies are usually year to year contracts and there is nothing to preclude you from "switching" business from any other general insurance office to A.M.P. Fire. It is usual for a "switch" to be arranged at the expiry date of the existing contract.

#### Entitlement to Commission

9. Subject to the conditions set out in this Section, you are entitled to commission on each premium paid in respect of every policy on your register.
10. Inspectors employed by A.M.P. Fire are available to assist and advise agents in the sale of new fire and general insurance. In some more technical classes of insurance, and particularly in the early months of your agency work, actual completion of the proposal for fire and general insurance may be carried out by an inspector with the client.

#### 40 "Register" of Fire and General Business

- 50 5. Every policy procured by you on behalf of A.M.P. Fire is recorded by that Company in a "register" in your name. You will be supplied with a record of the register comprising a folder containing copies of renewal notices for the policies concerned. It is your responsibility to keep this record in good order and up-to-date by retaining only the notice for the premium most recently due on each policy.

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that you have personally influenced the business to A.M.P. Fire. The fact that a person has effected previous insurance through your agency with A.M.P. Fire or that you are continuing to receive renewal commission on that business, does not of itself establish automatically a right for you to receive commission on further insurance effected by that person with A.M.P. Fire.

11. Your title to commission will also depend on your attending to requirements needed to complete domestic-type insurances and to conservation of existing business. You will be expected to do all you reasonably can to ensure that renewal premiums are paid.

**Transfer of Policies Between Registers**

12. You are not encouraged to influence existing A.M.P. Fire policyholders to transfer their policies from a fellow agent's register to your register. In all cases, other than those resulting from interstate transfers, where a policy is transferred from another A.M.P. agent's register to your register without the concurrence of the "original" agent, you will be required to pay to the "original" agent an amount equal to two years' commission on the transferred policy. The amount must be paid in cash, in advance and evidence given to the office that this has been done.

**Disposal of Your Register**

13. If your life agency terminates, or your agency district changes, depending on the circumstances, one or more of the following courses of action will be available to you:
  - A. If it is thought that you (or your widow) could service the register satisfactorily, you (or she) may be allowed to retain it.
  - B. The register may be sold within a reasonable time to other Ordinary agents approved by the Society. The Society will, if asked, give an opinion of its value based on various factors including the composition of the register and its persistency record, but determination of purchase price is a matter between buyer and seller.
  - C. If the annual commission\* is at least \$200, the Society will, if requested, buy the register for an amount not less than one year's commission.\*

(\*Commission in this connection excludes commission on Workers' Compensation and Motor Vehicle Insurance.)

- D. A rearrangement or sale of your register, on an equitable basis, will be negotiated between yourself, other agents concerned and the Society.

E. The register will revert to the Society.

**On your Death Before or After Retirement**

Courses A, B and C will be available. 10

**On your Retirement Due to Age or Invalidity**  
Courses A, B and C will be available.

**On your Resignation or on Termination of your Agency by the Society**

Courses A and B may be available at the Society's discretion. Otherwise Course E will apply.

**On Change of your Life Insurance Agency District**

Course D will be available. 20

14. You may sell the whole or part of your fire agency, while still retaining your life agency, to other Ordinary agents approved by the Society. The conditions of the sale will be as in 13B.

15. The Society reserves the right to withdraw your register at any time, without notice, if it is not serviced satisfactorily.

**Expense Allowance**

30

16. An expense allowance for postages, telephone calls and certain other office expenses will be paid to you. Should you consider that expenses incurred by you in connection with your fire and general agency warrant special additional reimbursement, this may be taken up with the Society.

**Method of Crediting and Paying Commission and Allowances**

40

17. The account for your commissions and your expense allowance is maintained by A.M.P. Fire. These commissions and allowance are credited to your account only when the respective premiums have been paid. During your probationary term of appointment as an agent of the A.M.P. Society, all such amounts (except those relating to a register you have purchased) will be credited to your life commission account. Thereafter, A.M.P. Fire commission will be paid to you separately from your life commission. 50

The life insurance requirement regarding lodgment of a proposal with your name on it does not therefore apply to your entitlement to commission on this type of business and full commission will be credited to your account for such business.

To establish a right to A.M.P. Fire commission you must, however, be able to show that you have personally influenced the business to A.M.P. Fire. The fact that a person has effected previous insurance through your agency with A.M.P. Fire or that you are continuing to receive renewal commission on that business, does not of itself establish automatically a right for you to receive commission on further insurance effected by that person with A.M.P. Fire.

- 11. Your title to commission will also depend on your attending to requirements needed to complete domestic-type insurances and to conservation of existing business. You will be expected to do all you reasonably can to ensure that renewal premiums are paid.

**Disposal of Your Register**

- 12. If your life agency terminates, or your agency district changes, depending on the circumstances, one or more of the following courses of action will be available to you:

A. If it is thought that you (or your widow) could service the register satisfactorily, you (or she) may be allowed to retain it.

B. The register may be sold within a reasonable time to other Ordinary agents approved by the Society. The Society will, if asked, give an opinion of its value based on various factors including the composition of the register and its persistency record, but determination of purchase price is a matter between buyer and seller.

C. If the annual commission\* is at least \$200, the Society will, if requested, buy the register for an amount not less than one year's commission.\*

(\*Commission in this connection excludes commission on Workers' Compensation and Motor Vehicle Insurance).

D. A rearrangement or sale of your register, on an equitable basis, will be negotiated between yourself, other agents concerned and the Society.

E. The register will revert to the Society.

**On your Death Before or After Retirement**  
Courses A, B and C will be available.

**On your Retirement Due to Age or Invalidity**  
Courses A, B and C will be available.

**On your Resignation or on Termination of your Agency by the Society**

Courses A and B may be available at the Society's discretion. Otherwise Course E will apply.

**On Change of your Life Insurance Agency District**

Course D will be available.

- 13. You may sell the whole or part of your fire agency, while still retaining your life agency, to other Ordinary agents approved by the Society. The conditions of the sale will be as in 12B.

- 14. The Society reserves the right to withdraw your register at any time, without notice, if it is not serviced satisfactorily.

**Expense Allowance**

- 15. An expense allowance for postages, telephone calls and certain other office expenses will be paid to you. Should you consider that expenses incurred by you in connection with your fire and general agency warrant special additional reimbursement, this may be taken up with the Society.

**Method of Crediting and Paying Commission and Allowances**

- 16. The account for your commissions and your expense allowance is maintained by A.M.P. Fire. These commissions and allowance are credited to your account only when the respective premiums have been paid. During your probationary term of appointment as an agent of the A.M.P. Society, all such amounts (except those relating to a register you have purchased) will be credited to your life commission account. Thereafter, A.M.P. Fire commission will be paid to you separately from your life commission.

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**SECTION IV — DEATH, PERMANENT DISABLEMENT AND  
RETIREMENT BENEFITS PLAN**

Exhibit A8  
(Applicants)  
Amendments  
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1. You are now eligible to join this Plan under which, conditionally on your also contributing to the Plan and subject to the conditions as set out below, the Society provides at its expense:

- 10
- a lump sum when you die, retire or are disabled
  - an income when you retire or are disabled
  - a widow's pension.

The Plan is administered by a Committee of Management at least one of whom is an Ordinary Representative of the Society. The Trustee of the Plan is A.M.P. Superannuation Pty. Limited.

20 **Note:** The following abbreviated description of the Plan applies to a new member joining the Plan provided that:

- (a) he is aged less than 45 (40 for females),
- (b) he is assessed by the Society as a standard or Class 1 insurance risk, and
- (c) he has not had earlier service with the Society.

30 In other cases some modifications may apply and will be advised on request.

**Retirement Date**

2. Normal retirement date is your 65th birthday (60th for females), but you may delay your retirement beyond that date for so long as the Society allows. When you reach age 60 (age 55 for females) and have completed 20 years' service, you may enter into voluntary early retirement.

40 Upon your retirement your agency agreement will be terminated. Should you wish to write new business subsequently, the Society will be pleased to negotiate with you special terms to be known as Retirement Terms.

**Your Contributions**

3. Upon becoming a member of the Plan, you are required to contribute the following amounts by deduction from your commission account each month:

50

(a) For each complete calendar month from the date of your probationary appointment up to the end of that calendar year.

\$5

(b) For each calendar month of the following calendar year.

\$10

(c) For each calendar month thereafter until the earliest of your:

- actual retirement date
- permanent and total disablement
- death

5% of the average monthly rate of net income which you declare you earned from your Ordinary life agency during the previous taxation year. When the total of Service and Earnings Credits (see paragraph 10) reaches \$25,000 the most you will be required to contribute is \$20 per month.

With the consent of the Trustee you may, if you wish, contribute amounts greater than those shown above.

**Benefits Provided by Your Own Contributions**

4. Your contributions, and those of your fellow agents who are members of the Plan, are carried to a special blanket insurance policy known as a Table GTA policy.

Portion of the premiums paid to this policy are used to provide a guaranteed death and disablement sum insured on the scale set

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**SECTION IV — DEATH, PERMANENT DISABLEMENT AND  
RETIREMENT BENEFITS PLAN**

(continued)

1. You are now eligible to join this Plan under which, conditionally on your also contributing to the Plan and subject to the conditions as set out below, the Society provides at its expense:

- a lump sum when you die, retire or are disabled
- an income when you retire or are disabled
- a widow's pension.

The Plan is administered by a Committee of Management at least one of whom is an Ordinary Representative of the Society. The Trustee of the Plan is A.M.P. Superannuation Pty. Limited.

**Note:** The following abbreviated description of the Plan applies to a new member joining the Plan provided that:

- (a) he is aged less than 45 (40 for females),
- (b) he is assessed by the Society as a standard or Class 1 assurance risk, and
- (c) he has not had earlier service with the Society.

In other cases some modifications may apply and will be advised on request.

**Retirement Date**

2. Normal retirement date is your 65th birthday (60th for females), but you may delay your retirement beyond that date for so long as the Society allows. When you reach age 60 (age 55 for females) and have completed 20 years' service, you may enter into voluntary early retirement.

Upon your retirement your agency agreement will be terminated. Should you wish to write new business subsequently, the Society will be pleased to negotiate with you special terms to be known as Retirement Terms.

**Your Contributions**

3. Upon becoming a member of the Plan, you are required to contribute the following amounts by deduction from your commission account each month:

**Your Monthly Contribution**

- (a) For each complete calendar month from the date of your probationary appointment up to the end of that calendar year. \$5 10
- (b) For each calendar month of the following calendar year. \$10
- (c) For each calendar month thereafter until the earliest of your:
  - normal retirement date
  - voluntary early retirement
  - permanent and total disablement
  - death5% of the average monthly rate of net income which you declare you earned from your Ordinary life agency during the previous taxation year. When the total of Service and Earnings Credits (see paragraph 10) reaches \$20,000 the most you will be required to contribute is \$20 per month.
- (d) For service after normal retirement date. Nil

With the consent of the Trustee you may, if you wish, contribute amounts greater than those shown above.

**Benefits Provided by Your Own Contributions** 40

4. Your contributions, and those of your fellow agents who are members of the Plan, are kept separate from the Society's portion of the Plan and are carried to a special blanket assurance policy known as a Table GN policy.

Portion of the premiums paid to this policy are used to provide a guaranteed death and disablement sum assured on the scale set

**SECTION IV — DEATH, PERMANENT DISABLEMENT AND  
RETIREMENT BENEFITS PLAN**

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		<b>Your Monthly Contribution</b>
10	<p>1. You are now eligible to join this Plan under which, conditionally on your also contributing to the Plan and subject to the conditions as set out below, the Society provides at its expense:</p> <ul style="list-style-type: none"> <li>• a lump sum when you die, retire or are disabled</li> <li>• an income when you retire or are disabled</li> <li>• a widow's pension.</li> </ul> <p>The Plan is administered by a Committee of Management at least one of whom is an Ordinary Representative of the Society. The Trustee of the Plan is A.M.P. Superannuation Pty. Limited.</p> <p><b>Note:</b> The following abbreviated description of the Plan applies to a new member joining the Plan provided that:</p> <ul style="list-style-type: none"> <li>(a) he is aged less than 45 (40 for females),</li> <li>(b) he is assessed by the Society as a standard or Class 1 assurance risk, and</li> <li>(c) he has not had earlier service with the Society.</li> </ul> <p>In other cases some modifications may apply and will be advised on request.</p>	<p>(a) For each complete calendar month from the date of your probationary appointment up to the end of that calendar year. <b>\$5.</b></p> <p>(b) For each calendar month of the following calendar year. <b>\$10</b></p> <p>(c) For each calendar month thereafter until the earliest of your:</p> <ul style="list-style-type: none"> <li>• normal retirement date</li> <li>• voluntary early retirement</li> <li>• permanent and total disablement</li> <li>• death</li> </ul> <p>5% of the average monthly rate of net income which you declare you earned from your Ordinary life agency during the previous taxation year. When the total of Service and Earnings Credits (see paragraph 10) reaches \$20,000 the most you will be required to contribute is \$20 per month.</p> <p>(d) For service after normal retirement date. <b>Nil</b></p>

**Retirement Date**

2. Normal retirement date is your 65th birthday (60th for females), but you may delay your retirement beyond that date for so long as the Society allows. When you reach age 60 (age 55 for females) and have completed 20 years' service, you may enter into voluntary early retirement.

**Your Contributions**

3. Upon becoming a member of the Plan, you are required to contribute the following amounts by deduction from your commission account each month:

**Benefits Provided by Your Own Contributions**

4. Your contributions, and those of your fellow agents who are members of the Plan, are kept separate from the Society's portion of the Plan and are carried to a special blanket assurance policy known as a Table GN policy.

Portion of the premiums paid to this policy are used to provide a guaranteed death and disablement sum assured on the scale set

## SECTION IV — DEATH, PERMANENT DISABLEMENT AND RETIREMENT BENEFITS PLAN

Exhibit A8  
(Applicants)  
Amendments to the  
Benefits and  
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made between  
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(continued)

1. You are now eligible to join this Plan, under which the Society provides a lump sum and an income when you reach retirement age and a lump sum in the event of your death or disablement before that age, conditional on you contributing to the Plan yourself as set out below.

The Plan is administered by a Committee of Management at least one of whom is an Ordinary Representative of the Society and the Trustee of the Plan is A.M.P. Superannuation Pty. Limited.

Note: The following abbreviated description of the Plan applies to a new member joining the Plan now provided that—

- (a) he is aged less than 45 (40 for females), is assessed by the Society as a standard or Class 1 assurance risk, and
- (b) he has not had earlier service with the Society.

Where a Representative joined the Plan in earlier years, or at the date of joining has served the Society in some other capacity, or does not qualify as at (a) above, some modifications may apply and will be advised upon request.

### Retirement Date

2. You will be entitled to retire on your 65th birthday (60th for females) which is described as the "normal retirement date" but you may at your request, and shall at the Society's request, enter on your retirement annuity at any time on or after that date.

Upon entering on your retirement annuity your agency agreement will be terminated, and any business completed subsequently would be for a rate of commission as decided by the Society from time to time and referred to as Retirement Terms.

### Your Contributions

3. Upon becoming a member of the Plan, you are required to contribute the following amounts by deduction from your commission account each month:—

	<b>Your Monthly Contribution</b>
(a) For each complete calendar month from the date of your probationary appointment up to the end of that calendar year.	<b>\$5</b> 10
(b) For each calendar month of the following calendar year.	<b>\$10</b>
(c) For each calendar month thereafter until normal retirement date.	5% of the average monthly rate of net income which you declare you earned from your Ordinary <sup>20</sup> life agency during the previous taxation year. (This will be taken to the nearest dollar per month, and the minimum contribution is that which will provide the guaranteed sum as <sup>30</sup> assured set out at 4(a) below.)
(d) After normal retirement date.	<b>Nil</b>

With the consent of the Trustee you may, if you wish, contribute amounts greater than those shown above.

### Benefits Provided by Your Own Contributions<sup>40</sup>

4. Your contributions, and those of your fellow agents who are members of the Plan, are kept separate from the Society's portion of the Plan and are carried to a special blanket assurance policy known as a Table GN policy.

Portion of the premiums paid to this policy are used to provide a guaranteed death and disablement sum assured on the scale set<sup>50</sup>

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out below and, after meeting the cost of these benefits from year to year, and a small expense charge by the Society, the balance of the premiums are used to accumulate a reserve fund (known as the "Accumulated Reserve") for each member in relation to his own contributions. Interest is allotted to this Reserve at a rate fixed each year in relation to the rate earned by the Society on its Australian Superannuation funds. The benefits thus provided are shown below.

(a) **Upon Your Death or "Permanent and Total Disablement" Before Retirement** a cash sum, which will be either the guaranteed sum insured shown below or the Accumulated Reserve to your credit, whichever is the greater, will be paid:

	<b>Guaranteed Sum Insured</b>
From the date of your probationary appointment to the end of that calendar year	\$5,000
Thereafter until reduced as shown below	\$10,000
On and from the 1st January coincident with or next following your:	
61st birthday (56th females)	\$8,000
62nd birthday (57th females)	\$6,000
63rd birthday (58th females)	\$4,000
64th birthday (59th females)	\$2,000
65th birthday (60th females)	Nil

The question of what constitutes "Permanent and Total Disablement" is decided by the Society on the merits of each case.

(b) **On Retirement** the amount of the Accumulated Reserve standing to your credit under the GTA policy will be paid to you in a lump sum.

(c) **Upon Your Withdrawal From the Plan** (and this will automatically occur upon your ceasing, otherwise than by death, retirement or permanent and total disable-

ment, to be a full-time life agent of, or employed by, the Society) the amount of the Accumulated Reserve standing to your credit under the GTA policy will be paid to you in a lump sum.

In addition, if you were assessed as a standard insurance risk when you joined the Plan and you have not attained age 60, you will have the right to effect with the Society, without further evidence of health, a replacement whole life or endowment insurance policy for an amount equal to the guaranteed sum insured then applying in your case (as set out at 4(a) above) less the amount of your Accumulated Reserve.

**Benefits In Lieu of Bonus Commission**

5. Where, in terms of paragraph 51 of Section II of this booklet, amounts are applied to increase your benefits under this Plan, these will be used to accumulate an "Additional Lump Sum Benefit" for you under the Table GTA policy described above. This additional benefit will receive interest at the same rate as the "Accumulated Reserve" and it will be payable in addition to the benefits described at 4 above and upon happening of the events described there.

**Benefits Provided Entirely by the Society**

6. In addition to the foregoing benefits, the Society provides:

- (a) A lump sum benefit and
- (b) Annuity benefits.

**The Society's Lump Sum benefit**

7. This benefit is \$5,000 plus \$250 for each complete year of your agency service after the 20th year of your agency service and up to your 65th birthday (60th for females) as at the date the benefit is paid.

8. The Society's lump sum benefit is payable on the earliest of the following:

- (a) **Your Death Prior to Normal Retirement Date** — the full benefit is payable in one lump sum.

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out below and, after meeting the cost of these benefits from year to year, and a small expense charge by the Society, the balance of the premiums are used to accumulate a reserve fund (known as the "Accumulated Reserve") for each member in relation to his own contributions. Interest is allotted to this Reserve at a rate fixed each year in relation to the rate earned by the Society on its Australian Superannuation funds. The benefits thus provided are shown below.

- (a) **Upon Your Death or "Permanent and Total Disablement" Before Retirement** a cash sum, which will be either the guaranteed sum assured shown below, or the Accumulated Reserve to your credit, whichever is the greater, will be paid:

	<b>Guaranteed Sum Assured</b>
From the date of your probationary appointment to the end of that calendar year	\$5,000
Thereafter until reduced as shown below	\$10,000
On and from the 1st January coincident with or next following your:	
61st birthday (56th females)	\$8,000
62nd birthday (57th females)	\$6,000
63rd birthday (58th females)	\$4,000
64th birthday (59th females)	\$2,000
65th birthday (60th females)	Nil

The question of what constitutes "Permanent and Total Disablement" is decided by the Society on the merits of each case.

- (b) **On Retirement** the amount of the Accumulated Reserve standing to your credit under the GN policy will be paid to you in a lump sum. If your actual retirement is deferred beyond the normal retirement date the Reserve will accrue at interest until it is paid.

- (c) **Upon Your Withdrawal From the Plan** (and this will automatically occur upon your ceasing, otherwise than by death, retirement or permanent and total disable-

ment, to be a full-time life agent of, or employed by, the Society) the amount of the Accumulated Reserve standing to your credit under the GN policy will be paid to you in a lump sum.

In addition, if you were assessed as a standard assurance risk when you joined the Plan and you have not attained age 60, you will have the right to effect 10 with the Society, without further evidence of health, a replacement whole life or endowment assurance policy for an amount equal to the guaranteed minimum sum assured then applying in your case (as set out at 4(a) above) less the amount of your Accumulated Reserve.

**Benefits In Lieu of Bonus Commission**

5. Where, in terms of Section II, paragraph 49, of this booklet, amounts due to you as bonus commission are applied instead to increase your benefits under this Plan, these will be used to accumulate an "Additional Lump Sum Benefit" for you under the Table GN policy described above. This additional benefit will receive interest at the same rate as the "Accumulated Reserve" and it will be payable in addition to the 30 benefits described at 4 above and upon happening of the events described there.

**Benefits Provided Entirely by the Society**

6. In addition to the foregoing benefits, the Society provides:
- (a) A lump sum benefit and
  - (b) Annuity benefits.

**The Society's Lump Sum benefit**

7. This benefit is \$4,000 plus \$200 for each complete year of your agency service after the 20th and up to your 65th birthday (60th for females) as at the date the benefit is paid.
8. The Society's lump sum benefit is payable on the earliest of the following:
- (a) **Your Death Prior to Normal Retirement Date** — the full benefit is payable in one lump sum.

out below and, after meeting the cost of these benefits from year to year, and a small expense charge by the Society, the balance of the premiums are used to accumulate a reserve fund (known as the "Accumulated Reserve") for each member in relation to his own contributions. Interest is allotted to this Reserve at a rate fixed each year in relation to the rate earned by the Society on its overall assurance funds. The benefits thus provided are shown below.

(a) Upon Your Death or "Permanent and Total Disablement" Before Retirement a cash sum, which will be either the guaranteed sum assured shown below, or the Accumulated Reserve to your credit, whichever is the greater, will be paid:

**Guaranteed  
Sum Assured**

From the date of your probationary appointment to the end of that calendar year \$5,000

Thereafter until reduced as shown below \$10,000

On and from the 1st January coincident with or next following year:

61st birthday (56th females)	\$8,000
62nd birthday (57th females)	\$6,000
63rd birthday (58th females)	\$4,000
64th birthday (59th females)	\$2,000
65th birthday (60th females)	Nil

The question of what constitutes "Permanent and Total Disablement" is decided by the Society on the merits of each case.

(b) On Retirement the amount of the Accumulated Reserve standing to your credit under the GN policy will be paid to you in a lump sum. If your actual retirement is deferred beyond the normal retirement date the Reserve will accrue at interest until it is paid.

(c) Upon Your Withdrawal From the Plan (and this will automatically occur upon your ceasing to be a full-time life agent of, or employed by, the Society otherwise than by death, retirement or permanent and total disablement) the amount of the Accumulated Reserve standing to your credit under the GN policy will be paid to you in a lump sum.

In addition, if you were assessed as a standard assurance risk when you joined the Plan and you have not attained age 60, you will have the right to effect with the Society, without further evidence of health, a replacement whole life or endowment assurance policy for an amount equal to the guaranteed minimum sum assured then applying in your case (as set out at 4(a) above) less the amount of your Accumulated Reserve.

**Benefits In Lieu of Bonus Commission**

5. Where, in terms of Section II, paragraph 49, of this booklet, amounts due to you as bonus commission are applied instead to increase your benefits under this Plan, these will be used to accumulate an "Additional Lump Sum Benefit" for you under the Table GN policy described above. This additional benefit will receive interest at the same rate as the "Accumulated Reserve" and it will be payable in addition to the benefits described at 4 above and upon happening of the events described there.

**Benefits Provided Entirely by the Society**

6. In addition to the foregoing benefits, the Society provides:—  
 (a) A lump sum benefit and  
 (b) Annuity benefits.

**The Society's Lump Sum benefit**

7. This benefit is \$3,000 plus \$150 for each complete year of your agency service after the 20th and up to your 65th birthday (60th for females) as at the date the benefit is paid.

Exhibit A8  
 (Applicants Amendments to the Benefits and Conditions made between 8th May 196 and 23rd April 1975)

(continued)

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Exhibit A8  
(Applicants)  
Amendments  
to the  
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(continued)

- (b) **Your Permanent and Total Disablement Prior to Normal Retirement Date** — the full benefit is payable either in one lump sum or in five annual instalments at the Society's discretion.
- (c) **Your Retirement at the Normal Retirement Date**—the full benefit is payable in one lump sum.
- (d) **Your Retirement or Death After Normal Retirement Date** — the full benefit is payable in one lump sum plus interest thereon from the normal retirement date.
- (e) **Your Voluntary Early Retirement** — the actuarial equivalent (taking into account service to your actual date of retirement) of the benefits which would have been paid if you had remained in service until normal retirement date is payable in one lump sum.

No benefit is payable if you withdraw from the Plan in other circumstances.

**Description of the Society's Annuity Benefits**

- 9. (a) **A Disablement Annuity** is provided by the Society upon an agent's permanent and total disablement prior to normal retirement date, the amount being determined by the Society on the merits of each case.
- (b) **A Retirement Annuity** is provided upon your actual retirement. It will be paid monthly up to and including the monthly due date preceding your death. The amount is calculated as described in paragraphs 10 and 11 below.
- (c) **A Widow's Pension** can be payable when an agent dies, whether in service or after retirement. Conditions of eligibility and the method of determining the amount of the pension are described in paragraphs 12 to 14 below.

**Method of Calculation of Retirement Annuity**

- 10. The amount of your retirement annuity will depend partly on the number of years for which you hold your full-time life agency and partly on your earnings from year to year.

This is achieved by setting up a "retirement account" for you to which nominal "credits" will be carried as follows:

- (a) **"Service" Credits — \$20.83 (\$250 p.a.)** for each completed month of your service from the date of your probationary appointment until the actual date of your retirement.

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- (b) **"Earnings" Credits** — an amount each month equal to the amount you are required to contribute under the Plan as set out in paragraph 3.

The retirement annuity for an agent who:

- retires at normal retirement date or
- retires after normal retirement date having a retirement account of at least \$10,000

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is 1/8th (i.e. 12.5%) of the final balance in the account (10.5% for a female).

- 11. If, upon retirement, an agent has attained age 66 (61 for a female) and has a retirement account of less than \$10,000, concessional annuity rates are allowed instead of the standard 12.5% (10.5% for females). The concessional rates are:

Age Last Birthday on Retirement		Percentage of Total in Account	
Males	Females	Males	Females
66	61	12.8%	10.7%
67	62	13.1	10.9
68	63	13.4	11.1
69	64	13.7	11.3
70	65	14.0	11.5
& over	& over		

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When application of the above concessional rates produces an annuity for males greater than \$1,250 (i.e. 12.5% of \$10,000) the annuity will be limited to \$1,250. Similarly, the annuity produced by the application of the concessional rate to female members will be limited to \$1,050.

(b) **Your Permanent and Total Disablement Prior to Normal Retirement Date** — the full benefit is payable either in one lump sum or in five annual instalments at the Society's discretion.

(c) **Your Retirement at the Normal Retirement Date**—the full benefit is payable in one lump sum.

10 (d) **Your Retirement or Death After Normal Retirement Date** — the full benefit is payable in one lump sum plus interest thereon from the normal retirement date.

20 (e) **Your Voluntary Early Retirement** — the actuarial equivalent (taking into account service to your actual date of retirement) of the benefits which would have been paid if you had remained in service until normal retirement date is payable in one lump sum.

No benefit is payable if you withdraw from the Plan in other circumstances.

**Description of the Society's Annuity Benefits**

30 9. (a) **A Disablement Annuity** is provided by the Society upon an agent's permanent and total disablement prior to normal retirement date, the amount being determined by the Society on the merits of each case.

(b) **A Retirement Annuity** is provided upon your actual retirement. It will be paid monthly up to and including the monthly due date preceding your death. The amount is calculated as described in paragraphs 10 and 11 below.

40 (c) **A Widow's Pension** can be payable when an agent dies, whether in service or after retirement. Conditions of eligibility and the method of determining the amount of the pension are described in paragraphs 12 to 14 below.

**Method of Calculation of Retirement Annuity**

50 10. The amount of your retirement annuity will depend partly on the number of years for which you hold your full-time life agency and partly on your earnings from year to year.

This is achieved by setting up a "retirement account" for you to which nominal "credits" will be carried as follows:

(a) **"Service" Credits — \$16.66 (\$200 p.a.)** for each completed month of your service from the date of your probationary appointment until the actual date of your retirement.

(b) **"Earnings" Credits** — an amount each month equal to the amount you are required to contribute under the Plan as set out in paragraph 3.

Although Earnings Credits will normally cease at your normal retirement date, if at that date the total of your Service and Earnings Credits is less than \$10,000 and your retirement is postponed, the Society will continue Earnings Credits until the total in your account reaches \$10,000 or until your earlier retirement or death.

The retirement annuity for an agent who:

- retires at normal retirement date or
  - retires after normal retirement date having a retirement account of at least \$10,000
- is 1/8th (i.e. 12.5%) of the final balance in the account (9.25% for a female).

11. If an agent has a retirement account of less than \$10,000 upon reaching normal retirement date and retirement is postponed, concessional annuity rates are allowed instead of the standard 12.5% (9.25% for females). The concessional male rates are:

Age Last Birthday At Date of Actual Retirement	Percentage of Total in Account
66	12.8%
67	13.1
68	13.4
69	13.7
70 and over	14.0

When application of the above concessional rates brings out an annuity greater than \$1,250, the annuity will be limited to \$1,250 p.a., i.e. 12.5% of \$10,000.

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8. The Society's lump sum benefit is payable as follows:—
- (a) **Upon Your Death Prior to Normal Retirement Date** — the full benefit is payable in one lump sum.
  - (b) **Upon Your Permanent and Total Disablement Prior to Normal Retirement Date** — the full benefit is payable either in one lump sum or in five annual instalments at the Society's discretion.
  - (c) **Upon Your Retirement at the Normal Retirement Date** — the full benefit is payable in one lump sum.
  - (d) **Upon Your Retirement or Prior Death After Normal Retirement Date** — the full benefit is payable in one lump sum plus interest thereon from the normal retirement date.
  - (e) **Upon Your Withdrawal From the Plan** — no benefit.

**Description of the Society's Annuity Benefits**

9. (a) A **Disablement Annuity** is provided by the Society upon an agent's permanent and total disablement prior to normal retirement date, the amount being determined by the Society on the merits of each case.
- (b) A **Retirement Annuity** is provided upon your actual retirement on or after the normal retirement date. This will be paid to you monthly up to and including the monthly due date preceding your death and the amount of it is calculated as described at 10 and 11 below.
- (c) A male member of the Plan may, if he so wishes, request the Trustee to reduce the amount of the retirement annuity which would otherwise be payable to him in terms of 10 and 11 below in order that, should he predecease his wife (or other nominated beneficiary) either before or after his retirement, a **Reversionary Annuity** may be paid to her for the remainder of her lifetime. This annuity is described in paragraphs 12 to 14 below.

**Method of Calculation of Retirement Annuity**

10. The amount of your retirement annuity will depend partly on the number of years for which you hold your full-time life agency and

partly on your earnings from year to year. This is achieved by setting up a "retirement account" for you to which nominal "credits" will be carried as follows:—

- (a) **"Service" Credits** — \$12.50 for each completed month of your service from the date of your probationary appointment until the actual date of your retirement.
- (b) **"Earnings" Credits** — an amount each month exactly equal to the amount you will be contributing under the Plan vide paragraph 3. These earnings credits will be continued by the Society until your normal retirement date. However, should the total of Service and Earnings Credits in your account reach \$15,000, Earnings Credits from then on will be limited to \$20 each month.

Although Earnings Credits will normally cease at your normal retirement date, if at that date the total of your Service and Earnings credits is less than \$10,000 and your retirement is postponed, the Society will continue Earnings Credits until the total in your account reaches \$10,000 or until your earlier retirement or death.

The retirement annuity for an agent who has a retirement account of at least \$10,000 is 1/8th (i.e. 12.5%) of the final balance in the account (9.25% for a female).

11. If an agent has a retirement account of less than \$10,000 upon reaching normal retirement date and retirement is postponed, concessional annuity rates are allowed instead of the standard 12.5% (9.25% for females). The concessional male rates are:—

Age Last Birthday	At Date of Actual Retirement	Percentage of Total in Account
	66	12.8%
	67	13.1
	68	13.4
	69	13.7
	70 and over	14.0

When application of the above concessional rates brings out an annuity greater than \$1,250, the annuity will be limited to \$1,250 p.a., i.e. 12.5% of \$10,000.

**EXAMPLE:**

Assume that a male representative commences with the Society in the May prior to his 29th birthday in July. Assume also that for the whole of his service after the second calendar year he averages a net income from his life insurance agency of \$10,560 p.a. and that he retires in the May following his 65th birthday, i.e. after exactly 37 years' service. His retirement account would build up as follows:

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Calendar Year	Service Credits		Earnings Credits	
	(Commenced June)	\$	(Commenced June)	\$
1	\$20.83 x 7 months =	146	\$5 x 7 months =	35
2	\$20.83 x 12 months =	250	\$10 x 12 months =	120
3-33 incl.	\$250 x 31 years =	7,750	\$528 x 31 years =	16,368
			(5% of \$10,560)	
34 (Jan. to June)	\$20.83 x 6 months =	125	\$44 x 6 months =	264
	Total to Date =	\$8,271	Total to Date =	\$16,787
	Total of Service and Earnings Credits to Date = \$25,058			
	(Earnings credits now reduce to \$20 a month)			
34 (July to Dec.)	\$20.83 x 6 months =	125	\$20 x 6 months =	120
35-37 incl.	\$250 x 3 years =	750	\$240 x 3 years =	720
38 (Jan. to May)	\$20.83 x 5 months =	104	\$20 x 5 months =	100
	Total on Retirement	<u>\$9,250</u>		<u>\$17,727</u>

Total in Retirement Account  $\$9,250 + \$17,727 = \$26,977$ .

Therefore Retirement Annuity  $\$26,977 \div 8 = \$3,372$  p.a.

It will be seen that a quite reasonable retirement income is possible for an average representative — provided entirely at the Society's expense. In addition a representative will have at retirement the Society's lump sum benefit, the benefit purchased by his own contributions (paragraph 4(b)), benefits in lieu of bonus commission (para. 5), other savings he may make from his higher-than-average income and the possibility of continuance of his fire and general renewal commissions.

**Widow's Pension**

12. **Eligibility** — On a member's death, those eligible to receive a pension are:

(a) the member's widow, provided the marriage took place before the member's permanent and total disablement, normal retirement date or his earlier retirement, and any children of that marriage under the age of 16 years.

(b) the member's children under the age of 16 years of a marriage which ceased during his lifetime, provided the marriage took place before the member's permanent and total disablement, normal retirement date or his earlier retirement.

The rights of children to a pension are subject to the prior right of an eligible widow.

**EXAMPLE:**

Assume that a male representative commences with the Society in the May prior to his 29th birthday in July. Assume also that for the whole of his service after the second calendar year he averages a net income from his life assurance agency of \$8,400 p.a. and that he retires in the May following his 65th birthday, i.e. after exactly 37 years' service. His retirement account would build up as follows:

Calendar Year	Service Credits		Earnings Credits	
	(Commenced June)		(Commenced June)	
1	\$16.66 x 7 months	= \$117	\$5 x 7 months	= \$35
2	\$16.66 x 12 months	= 200	\$10 x 12 months	= 120
3-33 incl.	\$200 x 31 years	= 6,200	\$420 x 31 years (5% of \$8,400)	= 13,020
34 (Jan. to June)	\$16.66 x 6 months	= 100	\$35 x 6 months	= 210
	Total to Date	= \$6,617	Total to Date	= \$13,385
	Total of Earnings and Service Credits to Date = \$20,002 (Earnings credits now reduce to \$20 a month)			
34 (July to Dec.)	\$16.66 x 6 months	= 100	\$20 x 6 months	= 120
35-36	\$200 x 2 years	= 400	\$240 x 2 years	= 480
37	\$200 x 1 year	= 200	\$20 x 7 months (to 65th birthday in July)	= 140
38 (Jan. to May)	\$16.66 x 5 months	= 83	(Past 65th birthday)	Nil
	Total on Retirement	= \$7,400		= \$14,125

Total in Retirement Account  $\$7,400 + \$14,125 = \$21,525$

Therefore Retirement Annuity  $\$21,525 \div 8 = \$2,691$  p.a.

It will be seen that a quite reasonable retirement income is possible for an average representative—provided entirely at the Society's expense. In addition a representative will have at retirement the Society's lump sum benefit, the benefit purchased by his own contributions (paragraph 4(b)), benefits in lieu of bonus commission (para. 5), other savings he may make from his higher-than-average income and the possibility of continuance of his fire and general renewal commissions.

**Widow's Pension**

12. **Eligibility**— On a member's death, those eligible to receive a pension are:

- (a) the member's widow, provided the marriage took place before the member's permanent and total disablement, normal retirement date or his earlier retirement, and any children of that marriage under the age of 16 years.
- (b) the member's children under the age of 16 years of a marriage which ceased

during his lifetime, provided the marriage took place before the member's permanent and total disablement, normal retirement date or his earlier retirement.

The rights of children to a pension are subject to the prior right of an eligible widow.

**Payment of Pension**

13. The pension is paid to the member's eligible widow. On her death or on her re-marriage before age 55, it will be paid to one or more of the member's eligible children in such

**EXAMPLE:**

Assume that a male representative commences with the Society in the May prior to his 32nd birthday in July. Assume also that for the whole of his service after the second calendar year he averages a net income from his life assurance agency of \$7,200 p.a. and that he retires in the May following his 65th birthday, i.e. after exactly 34 years' service. His retirement account would build up as follows:—

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Calendar Year	Service Credits	Earnings Credits
	(Commenced June)	(Commenced June)
1	\$12.50 x 7 months = \$88	\$5 x 7 months = \$35
2	\$12.50 x 12 months = 150	\$10 x 12 months = 120
3	\$12.50 x 12 months = 150	\$30 x 12 months = 360
4 - 30 incl.	\$150 x 27 years = 4,050	\$360 x 27 years = 9,720 (5% of \$7,200)
31 (Jan. to Aug.)	\$12.50 x 8 months = 100	\$30 x 8 months = 240
	<b>Total to Date \$4,538</b>	<b>Total to Date \$10,475</b>
	<b>\$4,538 + \$10,475 = \$15,013</b>	
31 (Sept. to Dec.)	\$12.50 x 4 months = 50	\$20 x 4 months = 80
32	\$12.50 x 12 months = 150	\$20 x 12 months = 240
33	\$12.50 x 12 months = 150	\$20 x 12 months = 240
34	\$12.50 x 12 months = 150	\$20 x 7 months = 140 (to 65th birthday in July)
35 (Jan. to May)	\$12.50 x 5 months = 62	(Past 65th birthday) Nil
<b>Total on Retirement</b>	<b>\$5,100</b>	<b>\$11,175</b>

Total in Retirement Account \$5,100 + \$11,175 = \$16,275

Therefore Retirement Annuity \$16,275 ÷ 8 = \$2,034 p.a.

It will be seen that quite a reasonable retirement income is possible for an average representative — provided entirely at the Society's expense. In addition a representative will have at retirement the Society's lump sum benefit, the benefit purchased by his own contributions (paragraph 4(b)), benefits in lieu of bonus commission (para. 5), other savings he may make from his higher-than-average income and the possibility of continuance of his fire and general renewal commissions.

**Reversionary Annuity for Nominated Beneficiary**

12. As already mentioned, the standard Retirement Annuity from age 65 for a male agent is 1/8th of the amount standing to his credit at retirement. In other words each \$100 of Service and Earnings Credits which goes into your account builds up your personal retirement income by \$12.50 per annum. If you wish you can seek approval from the Trustee of the Plan to have part or all of your credits earmarked so that, instead of an income of \$12.50 per annum for you alone, it will produce —

- (a) a lower retirement income for you; and
- (b) an income equal to (a) payable monthly to your wife (or other nominated beneficiary) from the date of your death, whether before or after your retirement, for the rest of her lifetime.

The amount of this lower income varies according to your age, and your beneficiary's age, at the date each \$100 of your Retirement Account is applied to the Reversionary Annuity Option. The following table illustrates the current income scale:—

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Some text relocated from page 18.

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13. **Payment of Pension** — The pension is paid to the member's eligible widow. On her death or on her re-marriage before age 55, it will be paid to one or more of the member's eligible children in such shares and proportions as the Committee of Management determines.

Payment will cease:

- (a) on the death of the widow or on her re-marriage before age 55, or
- (b) when all the eligible children of the member have attained 16 years of age, if this is later.

14. **Amount of Pension** — The pension for the widow of a retired member is half the amount the member was receiving.

The pension for the widow of a member who dies in service is 6½% of his credits. The pension for the widow of a member in receipt of a disablement pension is at a rate determined by the Society.

These rates are dependent on the widow being not more than 10 years younger than the member. Otherwise a reduced rate is payable, but no reduction is made where the pension is payable to children of a marriage which ceased during the member's lifetime.

#### Income Tax Limits

15. The Commissioner of Taxation has indicated the level of benefits which he regards as "not excessive" for the purposes of Section 23F of the Income Tax Assessment Act. If it is necessary to restrict the benefit for any member under the Plan in order to keep within the acceptable limit, he will be advised

of the position and suitable adjustments will be made to the future contributions to the Plan.

#### Society's Right to Recover

16. All the foregoing benefits of the Plan are subject to the Society's right to recover any sums owing by you to the Society. <sup>10</sup>

#### Further Details of the Plan

17. If you require any further explanation or details of the Plan, or wish to inspect the Trust Deed and Rules under which it is constituted, you should refer to your Regional Manager or Supervisor. <sup>20</sup>

#### Joining the Plan

18. Provided your life has been assessed as a standard or Class 1 A.M.P. insurance risk, membership of this Plan means that you will immediately be covered for \$10,000 against your death or permanent and total disablement (\$5,000 under the Table GTA policy as a result of your own contributions and \$5,000 provided by the Society). This will increase to \$15,000 when, at the beginning of the following calendar year, your contributions are increased. <sup>30</sup>

In order that you and your family may gain this protection at the earliest possible moment, you should complete the application form which has been issued to you and hand it to your Trainer at the commencement of your Stage 1 Training Course. <sup>40</sup>

shares and proportions as the Committee of Management determines.

Payment will cease:

- (a) on the death of the widow or on her re-marriage before age 55, or
- (b) when all the eligible children of the member have attained 16 years of age, if this is later.

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**14. Amount of Pension**

The pension for the widow of a retired member is half the amount the member was receiving.

The pension for the widow of a member who dies in service is 64% of his credits. The pension for the widow of a member in receipt of a disablement pension is at a rate determined by the Society.

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These rates are dependent on the widow being not more than 10 years younger than the member. Otherwise a reduced rate is payable, but no reduction is made where the pension is payable to children of a marriage which ceased during the member's lifetime.

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**Income Tax Limits**

- 15. The Commissioner of Taxation has indicated the level of benefits which he regards as "not excessive" for the purposes of Section 23F of the Income Tax Assessment Act. If it is necessary to restrict the benefit for any member under the Plan in order to keep within the acceptable limit, he will be advised

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of the position and suitable adjustments will be made to the future contributions to the Plan.

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**Society's Right to Recover**

- 16. All the foregoing benefits of the Plan are subject to the Society's right to recover any sums owing by you to the Society.

**Further Details of the Plan**

- 17. If you require any further explanation or details of the Plan, or wish to inspect the Trust Deed and Rules under which it is constituted, you should refer to your Regional Manager or Supervisor.

**Joining the Plan**

- 18. Provided your life has been assessed as a standard or Class I A.M.P. assurance risk, membership of this Plan means that you will immediately be covered for \$9,000 against your death or permanent and total disablement (\$5,000 under the Table GN policy as a result of your own contributions and \$4,000 provided by the Society). This will increase to \$14,000 when, at the beginning of the following calendar year, your contributions are increased.

In order that you and your family may gain this protection at the earliest possible moment, you should complete the application form which has been issued to you and hand it to your Trainer at the commencement of your Basic I Training Course.

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shares and proportions as the Committee of Management determines.

Payment will cease:

- (a) on the death of the widow or on her re-marriage before age 55, or
- (b) when all the eligible children of the member have attained 16 years of age, if this is later.

#### Amount of Pension

14. The pension for the widow of a retired member is half the amount the member was receiving.

The pension for the widow of a member who dies in service is 64% of his credits. The pension for the widow of a member in receipt of a disablement pension is at a rate determined by the Society.

These rates are dependent on the widow being not more than 10 years younger than the member. Otherwise a reduced rate is payable, but no reduction is made where the pension is payable to children of a marriage which ceased during the member's lifetime.

#### Society's Right to Recover

15. All the foregoing benefits of the Plan are subject to the Society's right to recover any sums owing by you to the Society.

#### Further Details of the Plan

16. If you require any further explanation or details of the Plan, or wish to inspect the Trust Deed and Rules under which it is constituted, you should refer to your Regional Manager or Supervisor.

#### Joining the Plan

17. Provided your life has been assessed as a standard or Class I A.M.P. assurance risk, membership of this Plan means that you will immediately be covered for \$9,000 against your death or permanent and total disablement (\$5,000 under the Table GN policy as a result of your own contributions and \$4,000 provided by the Society). This will increase to \$14,000 when, at the beginning of the following calendar year, your contributions are increased.

In order that you and your family may gain this protection at the earliest possible moment, you should complete the application form which has been issued to you and hand it to your Trainer at the commencement of your Basic I Training Course.

Whole page has been rewritten.

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Agent's Age at end of the year in which \$100 is applied to the Reversionary Annuity	Amount of Annual Income Purchased by \$100 if his Wife (or other female beneficiary) is then aged			
	9 to 10 Years Younger	4 to 5 Years Younger	0 to 1 Years Younger	4 to 5 Years Older
	\$	\$	\$	\$
30	4.41	4.87	5.32	5.98
35	4.58	5.06	5.53	6.26
40	4.77	5.28	5.78	6.56
45	5.02	5.57	6.11	6.91
50	5.38	5.98	6.56	7.40
55	5.91	6.56	7.17	8.08
60	6.63	7.33	8.01	8.92
65	7.58	8.33	9.01	9.85

For example, if you did not apply for the option until you attained age 50, each \$100 already in your Retirement Account at that time would purchase the annual income appropriate to your age 50 in the above table. Thereafter as a further amount were credited to your account each year it would purchase income at a rate which would increase each year as your age increases to 51, 52 etc. (For brevity only quinquennial rates have been shown above.)

(continued)

13. The following conditions apply to this optional benefit:—

(a) The option must be exercised before you attain age 60.

(b) Within one month of your probationary appointment, this option is available without medical examination. Thereafter medical examination is necessary in conjunction with any application to exercise the option or to increase the amount being allocated to it, and you must be assessed at the time as a standard or Class I assurance risk.

(c) If you are assessed as a Class I risk a maximum of 50% of your retirement account can be earmarked under this option. Otherwise any portion or the whole of your account may be used, except credits to your account after you attain age 65.

(d) You can at any time cancel the option in respect of future credits to your account but not in respect of past credits. Fresh evidence of health will be required as in (b) above before the option would be recommenced after a cancellation.

(e) If your nominated beneficiary predeceases you, the reduction in your own retirement income stands in respect of past credits to your account but not in respect of future credits.

14. Paragraphs 12 and 13 above apply to male agents. Female agents may also arrange a Reversionary Annuity for a nominated beneficiary. Details will be supplied upon request.

**Society's Right to Recover**

15. All the foregoing benefits of the Plan are subject to the Society's right to recover any sums owing by you to the Society.

**Further Details of the Plan**

16. Should you require any further explanation or details of the Plan, or wish to inspect the Trust Deed and Rules under which it is constituted, you should refer to your Regional Manager or Supervisor.

**Joining the Plan**

17. Provided your life has been assessed as a standard or Class I A.M.P. assurance risk, membership of this Plan means that you will immediately be covered for \$8,000 against your death or permanent and total disablement (\$5,000 under the Table GN policy as a result of your own contributions and \$3,000 provided by the Society). This will increase to \$13,000 when, at the beginning of the following calendar year, your contributions are increased.

In order that you and your family may gain this protection at the earliest possible moment, you should complete the application form which has been issued to you and hand it to your Trainer at the commencement of your Basic I Training Course.



## SECTION V — "FRINGE" BENEFITS

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### Concessional Premium Rates and Commission on Life, Fire and General Insurance

1. Commission at normal rates is payable on all life insurance effected by you with the Society (except insurance on your life under the Table GTA policy described in Section IV). Life insurance policies on your own or your family's lives may be paid by monthly instalments deducted from your life commission account with the Society (if its state permits) but the premium rate applying will be the same as if premiums were paid yearly, i.e. the usual additional charge for more frequent payment will be waived.

Concessional rates of premium also apply on your own personal business with A.M.P. Fire, these concessions being in lieu of normal commission.

### Decreasing Temporary Insurance

2. As your initial training as an A.M.P. representative proceeds, you will possibly come to realise, more than ever before, the various financial needs which life insurance can solve for a breadwinner and his family. We have seen that initial death cover of \$10,000 (increasing quickly to \$15,000) is provided for a standard or Class I life under the superannuation plan for which you are now eligible. It is recognised that, in the early period of your agency, your earnings may not be as high as they will be later. It could, therefore, prove difficult for you to make your contributions under the superannuation plan, pay premiums on life insurance you already have in existence and still purchase the additional death protection you may need, if all this protection had to be purchased under basic whole-life and endowment insurance tables.
3. The Society has, therefore, provided a special decreasing temporary insurance contract carrying low premium rates, for the benefit of its representatives and, unless you were advised to the contrary when being notified of your probationary appointment, the death cover it provides is available to you now. Your

Trainer at the initial training school and your Regional Manager or Supervisor can supply you with the premium rates and other details applying under this policy — Table AB.

4. Alternatively, you could consider attaching temporary insurance (under Table R or Table W of which you will learn more at your initial training course) to existing policies you may have with the Society, or to new whole-life or endowment insurance which you may decide to effect.
5. Either way, premiums may, if you wish, be deducted from your commission account monthly.
6. The second alternative has the advantages that
  - (a) the insurance on your life will be of a type available to all members of the public and will enable you to demonstrate your own faith in the product you will be selling to them; and
  - (b) premiums in the first few years will be largely offset by the commission payable to you in respect of any new basic insurance you effect.

### Protection Against Disablement—Before Confirmation

7. As the relationship between the Society and its representatives is that of principal and agent, they are not covered under the terms of the various State and Federal Workers' Compensation Acts (except in Queensland where specific provisions in the Act include agents).
8. We have seen that the Society's superannuation plan for Representatives provides initial cover of \$10,000 (increasing quickly to \$15,000), plus an annuity, against the possibility of permanent and total disablement, whether resulting from sickness or accident.

## SECTION V — "FRINGE" BENEFITS

### Concessional Premium Rates and Commission on Life, Fire and General Insurance

1. Commission at normal rates is payable on all life assurance effected by you with the Society (except assurance on your life under the Table GN policy described in Section IV). Life assurance policies on your own or your family's lives may be paid by monthly instalments deducted from your life commission account with the Society (if its state permits) but the premium rate applying will be the same as if premiums were paid yearly, i.e. the usual additional charge for more frequent payment will be waived.

Concessional rates of premium also apply on your own personal business with A.M.P. Fire, these concessions being in lieu of normal commission.

### Decreasing Temporary Assurance

2. As your initial training as an A.M.P. representative proceeds, you will possibly come to realise, more than ever before, the various financial needs which life assurance can solve for a breadwinner and his family. We have seen that initial death cover of \$9,000 (increasing quickly to \$14,000) is provided for a standard or Class I life under the superannuation plan for which you are now eligible. It is recognised that, in the early period of your agency, your earnings may not be as high as they will be later. It could, therefore, prove difficult for you to make your contributions under the superannuation plan, pay premiums on life assurance you already have in existence and still purchase the additional death protection you may need, if all this protection had to be purchased under basic whole-life and endowment assurance tables.

3. The Society has, therefore, provided a special decreasing temporary assurance contract carrying low premium rates, for the benefit of its representatives and, unless you were advised to the contrary when being notified of your probationary appointment, the death cover it provides is available to you now. Your

Trainer at the initial training school and your Regional Manager or Supervisor can supply you with the premium rates and other details applying under this policy — Table AB.

4. Alternatively, you could consider attaching temporary assurance (under Table R or Table W of which you will learn more at your Basic Training Course) to existing policies you may have with the Society, or to new whole-life or endowment assurance which you may decide to effect.

5. Either way, premiums may, if you wish, be deducted from your commission account monthly.

6. The second alternative has the advantages that

- (a) the assurance on your life will be of a type available to all members of the public and will enable you to demonstrate your own faith in the product you will be selling to them; and
- (b) premiums in the first few years will be largely offset by the commission payable to you in respect of any new basic assurance you effect.

### Protection Against Disablement

7. As the relationship between the Society and its representatives is that of principal and agent, they are not covered under the terms of the various State and Federal Workers' Compensation Acts (except in Queensland where specific provisions in the Act include agents).

8. We have seen that the Society's superannuation plan for Representatives provides initial cover of \$9,000 (increasing quickly to \$14,000), plus an annuity, against the possibility of **permanent and total disablement**, whether resulting from sickness or accident. Some additional cover against the same hazard becomes available to a male agent at the time of confirmation of his appointment or on his

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9. A special policy is available which provides cover against disablement while you are on probation. It provides a benefit of 75% of the amount of the regular weekly advance against commission agreed upon at the time of your appointment. This benefit will commence when a period of disablement has continued for two weeks and will be payable in respect of any one period of disablement for not more than 24 weeks. The premium rate is 1% of the weekly advance.

#### Protection Against Disablement—After Confirmation

10. Again the benefits under the Society's superannuation plan for Representatives apply. In addition, members of that plan will be eligible for the protection of two integrated disablement benefit plans:
- one to which members are not required to contribute, which provides a benefit of \$100 a week commencing two weeks after disablement commences and running for up to six weeks;
  - the other, for which members contribute, which provides a benefit related to the members average earnings. Benefit commences when a disablement has lasted for two months and runs so long as disablement continues up to age 65 (60 females).
11. At the time of confirmation of his appointment or on his marriage (whichever occurs later) a male agent may take up some permanent and total disablement protection under the Table AB policy mentioned in paragraph 3 above.
12. The Society also provides assistance to its staff and agents in meeting their medical, nursing and hospital expenses and those of their wives and children. You become eligible for this Medical Benefits Plan after you have had one year's service and have been confirmed in your appointment.
13. Full details of the benefits outlined in paragraphs 10 to 12 will be supplied in Section VI of this booklet, to be issued to you on confirmation of your appointment.

*It is suggested that, during your initial training school in the office, or immediately afterwards, you discuss with your trainer, Regional Manager or*

*Supervisor your needs for life and disablement insurance, the amount of protection you already carry, and which of the various courses open to you will best serve your needs. He will also assist you to "programme" your fire and general insurance.*

#### Finance for Home and Car

14. If your appointment is to a country agency and you do not have adequate means of transport, consideration will be given to assisting you from the outset of your probationary appointment with finance for the purchase of a suitable car, and the terms applying will be discussed with you personally. Wherever possible, it is desirable to avoid the expense of repayment of such an advance in the early stages of your agency work.

Advances to city agents for purchase of motor cars are generally not available until they have had 12 months' service.

15. A further benefit and condition attaching to all car loans by the Society to its staff and agents is that the borrower insures his life for the amount of his indebtedness by means of a decreasing temporary insurance known as "Credit Insurance". This carries an especially favourable premium and the borrower pays this by easy instalments spread over the term of the loan.
16. Loans for purchase or building of homes are also provided at reduced interest rates under certain conditions. Agents are normally not eligible until their appointment has been confirmed.

#### Office Facilities Available to You

17. During your initial training the facilities available to you, in the office to which you are attached, will be explained to you. Some of these are:
- (a) An agents' room in which a desk and telephone facilities are available.
  - (b) Use of the staff luncheon room at Branch Offices where all members of the field and office staffs may obtain good meals at very reasonable cost.
  - (c) Advice of the staff welfare officer and use of the staff canteen in the purchase of your everyday requirements.

## SECTION VI — "FRINGE" BENEFITS (CONTINUED)

### PROTECTION AGAINST DISABLEMENT

1. A brief description of the protection against disablement available to you on confirmation of your appointment was supplied at the time of your probationary appointment (see paragraphs 10-12 of Section V). Full details are now set out below.

### EARNINGS CONTINUANCE PLAN

#### 1. (E.C. PLAN)

#### 2. Eligibility

On confirmation, agents who:

- are contributors to the Ordinary Agents' Retirement Benefits Plan,
  - have not attained age 60 (55 females), and
  - were not excluded from eligibility on appointment,
- are eligible to apply for membership.

#### 20 3. Evidence of Health

If application for membership is made within one month of becoming eligible, the only evidence of health required will be to the effect that the applicant is able to perform his normal duties at the date of application.

#### 4. Total Disablement

For the purposes of the Plan, "total disablement" will be defined in the same way as it is defined in Disablement Income Insurance policies.

#### 30 5. Amount of Benefit

The monthly benefit is currently one-twelfth of 80% of the member's net earnings (see below), subject to a maximum benefit of \$1,000 a month. However, the percentage and the maximum benefit are subject to adjustment from time to time.

#### 6. Net Earnings

40 For the purposes of the Plan, "net earnings" is taken, except in the circumstances mentioned below, as the average of the amounts on which your Retirement Benefits Plan contributions in the current year and the two preceding years are based.

The exceptions are:

- For members who have completed between 1½ and 3½ years of service at the beginning of the year, net earnings is taken as the amount on which their Retirement Benefits Plan contributions in the current year are based.

- For members who have completed less than 1½ years of service at the beginning of the year, net earnings is taken as 85% of the average life earnings in the year next but one earlier, of representatives for whom that year was their first calendar year of service.
- If, in the opinion of the Trustees or of the Society, any amount determined in the manner described above is inappropriate, such other amount as is considered appropriate may be used.

#### 7. Entitlement to Benefit

Benefit will commence to be payable in respect of periods of total disablement which have commenced before the member attains age 60 (55 females), but after his or her admission to the Plan, and which have persisted continuously for a qualifying period of two months. Benefit will not be payable in respect of the first two months after the commencement of any disablement.

Payment of benefit having commenced, it will continue until the member dies, ceases to be totally disabled, or attains age 65 (60 females), whichever happens first.

If benefit has been paid in respect of a period of total disablement and within six months following the end of that period the member suffers a recurrence of total disablement which in the Society's opinion has arisen from the same or a related cause, the successive periods of total disablement will be regarded as one for the purpose of the qualifying period.

#### 8. Excluded Risks

The risks excluded in Disablement Income Insurance policies and, in addition, disablements resulting from pregnancy, childbirth, abortion or miscarriage, or conditions which result from one of these, will be excluded under the Plan.

#### 9. Offsets

The following will be offset against benefits payable under the Plan:

- (a) Benefits payable in respect of the period of total disablement in terms of any other disability or personal accident and sick-

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## SECTION VI — "FRINGE" BENEFITS (CONTINUED)

### DISABILITY UNITS UNDER DECREASING TEMPORARY ASSURANCE POLICY (TABLE AB)

1. When you were appointed as a probationary representative you were told of this decreasing temporary assurance contract (Section V of this Booklet, paragraph 3) and possibly took up some or all of the ten units of low-cost death cover available under it.
2. Now that your appointment has been confirmed and if you are a married man and aged less than 45 years, you are eligible to arrange for a maximum of two units under the policy to provide not only cover against your death, but also cover against your permanent and total disablement. Application must be made within three months of your appointment being confirmed or of your marriage, whichever is the later.
3. Your Regional Manager or Supervisor will be able to supply further details. Act now.

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*Brief outlines only of the Society's Disability Benefits Plan, and Medical Benefits Plan — both furnished without charge to A.M.P. Representatives — were supplied at the time of your probationary appointment (see paragraphs 9 and 10 of Section V). Full details of both Plans are now set out below.*

### DISABILITY BENEFITS PLAN

#### 4. Eligibility

To qualify you must —

- (a) have completed one year's service as a full-time representative
- (b) be under age 65 (60 for females)

(c) not be specifically excluded from disability benefits by the terms of your appointment

(d) have been, in the opinion of the Society, working reasonably consistently in the Society's interests at the time of becoming disabled.

10

#### 5. "Disability"

"Disability" means a condition due to sickness or accident which, in the opinion of the Society, prevents you from carrying out your work. It does not include the result of any misdemeanour, etc.

Any claim for disability benefit must be accompanied by a Medical Certificate specifying the cause. The Society may require you to be examined by a Medical Officer nominated by it before determining any claim you may make.

#### 6. Amount of Benefit

The first two weeks of any period of disability are excluded from any claim. 30

The rate of benefit is \$40 weekly (and pro rata for fraction of a week) inclusive of the weekly equivalent of your fixed monthly Expense Allowance.

Total payments are limited to three weeks for each year of your service, with a maximum of fifty-two weeks. Any prior continuous service you may have had as a member of the staff, an Assistant Agent or Collector Agent counts as service, but any benefits then received are taken into account.

#### 7. General

The Society reserves the right to modify or cancel the Plan at any time.

ness policy, except that some relaxation will be allowed in respect of fixed agency expenses during the first 12 months of disablement.

- (b) Any pension or social services payment payable as a result of the total disablement.
- (c) Any amounts payable or claimable as compensation for bodily injury or sickness.
- (d) Any disability pension payable under the Retirement Benefits Plan.
- (e) Any amount of income earned during a period of total disablement except that some relaxation will be allowed in respect of reserve and other commissions.

Lump sum benefits payable on permanent total disablement, which are:

- The Society's Lump Sum Benefit in the Retirement Benefits Plan,
  - The Sum Insured under the Retirement Benefits Plan Table GTA policy,
  - Disablement Benefits under Table ABD,
- will not be offset. However, payment of these benefits, with the exception of sufficient to discharge any home purchase mortgage debt owing to the Society, will be deferred until the member dies or attains age 65 (60 females). Interest will be added to deferred payments.

**10. Contributions**

The monthly contribution is one-twelfth of 2% of the lesser of \$15,000 and net earnings.

The Plan is operated on a "self-experience" basis and the rate of contribution is subject to adjustment by the Society from time to time in the light of experience.

Contributions will cease to be payable at age 60 (55 females).

**DISABILITY BENEFITS PLAN**

- 11. For members of the E.C. Plan, the Disability Benefits Plan provides a benefit during the qualifying period of two months before payments commence under the E.C. Plan.

For representatives whose membership of the E.C. Plan terminated only because they had attained age 60 (55 females), the Disability Benefit is the same as for current members of the E.C. Plan.

For other representatives it provides a modest benefit on disablement which is paid for a period which is dependent on length of service and subject to a maximum aggregate payment.

The Plan is provided entirely at the Society's expense and the Society reserves the right to modify or cancel it at any time.

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**12. Eligibility**

To qualify you must:

- (a) be confirmed in your appointment;
- (b) be under age 65 (60 females);
- (c) not be specifically excluded from disability benefits by the terms of your appointment;
- (d) have been, in the opinion of the Society, working reasonably consistently in the Society's interests at the time of becoming disabled.

(continued)

**13. Disability**

"Disability" means a condition due to sickness or accident which, in the opinion of the Society, prevents you from carrying out your work. It does not include the result of any misdemeanour, etc.

**14. Amount of Benefit**

The first two weeks of any period of disability are excluded from any claim.

For members of the E.C. Plan and former members whose cover ceased at age 60 (55 females) the benefit is \$100 a week, inclusive of the weekly equivalent of their monthly expense allowance. For any one period of disability, payment will be limited to the period concluding two months after the commencement of disability. (At this point E.C. Plan benefits take over for existing E.C. Plan members.) Total payments under the Disability Benefits Plan will be limited to three weeks for each year of service subject to a maximum total payout of \$5,200.

For other representatives the benefit is \$50 a week, inclusive of the weekly equivalent of their monthly expense allowance. Total payments are limited to three weeks for each year of service subject to a maximum total payout of \$2,600.

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#### COVER UNDER TABLES AB AND ABD

15. When you were appointed on probation you were told (paragraph 3, Section V) about Table AB—a special decreasing temporary insurance contract for the Society's agents. Unless excluded by the terms of your appointment, you are entitled to effect:
- |                           |            |
|---------------------------|------------|
| if you are a married male | — 25 units |
| otherwise                 | — 20 units |
16. On confirmation, a married male agent under age 45 has two further entitlements, unless excluded by the terms of his appointment:
- (a) Fifteen units under Table AB may be effected on his wife's life, and
  - (b) He may effect, or convert from Table AB, twenty units of Table ABD—Table AB with cover against permanent and total disablement. However, he cannot hold more than 25 units of Tables AB and ABD combined.
- Both these entitlements will apply on subsequent marriage to a male agent who was single when confirmed.
17. Your Supervisor can supply further details including the circumstances under which evidence of health is required. Act now.

#### MEDICAL BENEFITS PLAN

18. This Plan is provided entirely at the Society's expense and the Society reserves the right to modify or cancel it at any time.
19. **Eligibility**  
To qualify you must:
- (a) have completed one year's satisfactory service and have been confirmed in your appointment;
  - (b) be a male under age 65 or a single or widowed female under age 60 (older agents and retired agents are eligible for benefits under the Retired Officers' and Agents' Plan);
  - (c) not be specifically excluded by the terms of your appointment;
  - (d) contribute to an approved Hospital and Medical Benefits Fund at the rate current in your State.
20. **Expenses Qualifying for Assistance**  
The Society will consider assistance with the following expenses incurred by an agent and:
- in the case of a male, his wife and those

- children recognised as dependants by the fund to which he contributes, and
  - in the case of a widow, her dependent children as above.
- (a) Fees of a registered doctor.
  - (b) Medicines prescribed by a doctor (up to \$80).
  - (c) Hospital charges (related to the accommodation level for which Hospital Fund contributions are paid). 10
  - (d) Dental treatment (some items restricted to 60% of accounts).
  - (e) Assistance in the home (up to \$200).
  - (f) Home nursing (up to \$200).
  - (g) Physiotherapy (up to \$200).
  - (h) Ambulance (up to \$30).
  - (i) Prescription spectacles (up to \$15).
  - (j) Hearing aids, artificial limbs or organs (refer Office). 20

#### Notes:

- (i) The bracketed amounts indicate the maximum admissible expenditure in any one benefit year.
- (ii) Items (e), (f) and (g) apply only if certified by a doctor.

#### 21. Benefit Year

The "benefit year" ends on 30th June and claims should normally be lodged, using form SA23(S), by 31st December. However, an agent's first claim could be for a part of the benefit year (from date of appointment to 30th June) in which case the date for lodgement of claim can be extended to a date one month following eligibility in terms of paragraph 19(a). 30

#### 22. Extent of Assistance

Assistance to be granted will be the lowest of the following, all references being to total admissible expenditure: 40

- (a) If expenditure is \$200 or less—75% of (expenditure minus \$40);
- (b) if expenditure is over \$200—100% of (expenditure minus \$80);
- (c) the excess of expenditure over rebates from Medical and Hospital Fund and Government or Social Service subsidies, excluding maternity allowance;
- (d) \$750. 50

#### 23. Income Tax

Payments received are taxable income.

**COVER UNDER TABLES AB AND ABD**

15. When you were appointed on probation you were told (paragraph 3, Section V) about Table AB—a special decreasing temporary insurance contract for the Society's agents. Unless excluded by the terms of your appointment, you are entitled to effect:

if you are a married male — 20 units  
otherwise — 15 units

16. On confirmation, a married male agent under age 45 has two further entitlements, unless excluded by the terms of his appointment:

- (a) Ten units under Table AB may be effected on his wife's life, and
- (b) He may effect, or convert from Table AB, ten units of Table ABD—Table AB with cover against permanent and total disablement. However, he cannot hold more than 20 units of Tables AB and ABD combined.

Both these entitlements will apply on subsequent marriage to a male agent who was single when confirmed.

17. Your Supervisor can supply further details including the circumstances under which evidence of health is required. Act now.

**MEDICAL BENEFITS PLAN**

18. This Plan is provided entirely at the Society's expense and the Society reserves the right to modify or cancel it at any time.

**19. Eligibility**

To qualify you must:

- (a) have completed one year's satisfactory service and have been confirmed in your appointment;
- (b) be a male under age 65 or a single or widowed female under age 60 (older agents and retired agents are eligible for benefits under the Retired Officers' and Agents' Plan);
- (c) not be specifically excluded by the terms of your appointment;
- (d) contribute to an approved Hospital and Medical Benefits Fund at the rate current in your State.

**20. Expenses Qualifying for Assistance**

The Society will consider assistance with the following expenses incurred by an agent and:

- in the case of a male, his wife and those

children recognised as dependants by the fund to which he contributes, and in the case of a widow, her dependent children as above.

- (a) Fees of a registered doctor.
- (b) Medicines prescribed by a doctor (up to \$80).
- (c) Hospital charges (related to the accommodation level for which Hospital Fund contributions are paid).
- (d) Dental treatment (some items restricted to 60% of accounts).
- (e) Assistance in the home (up to \$200).
- (f) Home nursing (up to \$200).
- (g) Physiotherapy (up to \$200).
- (h) Ambulance (up to \$30).
- (i) Prescription spectacles (up to \$15).
- (j) Hearing aids, artificial limbs or organs (refer Office).

**Notes:**

- (i) The bracketed amounts indicate the maximum admissible expenditure in any one benefit year.
- (ii) Items (e), (f) and (g) apply only if certified by a doctor.

**21. Benefit Year**

The "benefit year" ends on 30th June and claims should normally be lodged, using form SA23(S), by 31st December. However, an agent's first claim could be for a part of the benefit year (from date of appointment to 30th June) in which case the date for lodgement of claim can be extended to a date one month following eligibility in terms of paragraph 19(a).

**22. Extent of Assistance**

Assistance to be granted will be the lowest of the following, all references being to total admissible expenditure:

- (a) If expenditure is \$200 or less—75% of (expenditure minus \$40);
- (b) if expenditure is over \$200—100% of (expenditure minus \$80);
- (c) the excess of expenditure over rebates from Medical and Hospital Fund and Government or Social Service subsidies, excluding maternity allowance;
- (d) \$750.

**23. Income Tax**

Payments received are taxable income.

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15. If payment of premiums under a superannuation scheme or extension is discontinued or substantially reduced at any time between the date of formation and the second anniversary of such date of formation, the commission payable to you may be reduced by an amount to be determined by the Society.

**Servicing Arrangements**

(continued) 16. (a) If the Society deems it necessary to appoint an agent other than the originating agent to service any portion of a scheme, he will be credited with servicing commission in one sum at the following rates on the business he completes —

Table	Rate of Commission
AQ(F), AL(F), ALA(F), SL, SLB	} \$3.75 per \$1,000 sum assured.
DE, DES, DEBS	One-half the rate shown above.
Others	To be determined by the Society as and when required.

(b) While your commission is being calculated in terms of **Parts A and B of Schedule I** you will be debited with the servicing commission referred to in sub-paragraph (a) above. Otherwise you will not be debited with servicing commission.

(c) Where the Society appoints a salaried officer to service any portion of a scheme, you will be debited with servicing commission at the rates set out in sub-paragraph (a) above so long as your commission is being calculated in terms of **Parts A and B of Schedule I**.

**RIGHTS ON TERMINATION OF AGENCY**

**Death**

17. If you die whilst recognised as originating agent of a superannuation scheme the Society will credit to your commission account commission calculated on the basis set out

in Schedule I Part C or Schedule II or III (a) whichever is applicable except that —

- (a) no account shall be taken of any growth in the API occurring after a date two years from the date of your death, or a date four years from the date of formation of the scheme or extension, whichever occurs later; and
- (b) no commission shall be payable on policies issued under Table AQ(F), AL(F), ALA(F) written after the dates specified in (a) above.

**Retirement — Age or Ill-health**

18. Upon your retirement or on termination of your appointment by the Society solely on the grounds of ill-health, your commission account will continue to be credited with commission on a superannuation scheme or extension for which, at the date of such retirement or termination you are recognised as originating agent. Any commission payable will be calculated on the basis set out in Schedule I Part C or Schedule II, or paragraph (a) of Schedule III, whichever is applicable.

Provided that your interest will cease immediately if you or any employee of yours, or if, without the prior consent in writing of the Society, your spouse or child—

- (i) accepts an appointment as an agent or officer of another insurance office or of any "competing institution" (as described in paragraph 14 of Section I);
- (ii) is otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

**Termination of your Agency, other than as above**

19. If your agency is terminated for any reason other than those set forth in paragraphs 17 and 18 above, then in respect of any scheme or extension —

- (a) for which at the date of termination you are recognised as the originating agent; and
- (b) on which commission is being paid as a percentage of API in force; and

15. If payment of premiums under a superannuation scheme or extension is discontinued or substantially reduced at any time between the date of formation and the second anniversary of such date of formation, the commission payable to you may be reduced by an amount to be determined by the Society.

10 **Servicing Arrangements**

16. (a) If the Society deems it necessary to appoint an agent other than the originating agent to service any portion of a scheme, he will be credited with servicing commission in one sum at the following rates on the business he completes —

20	<b>Table</b>	<b>Rate of Commission</b>
	AQ(F), AL(F), ALA(F), SL, SLB	} \$3.75 per \$1,000 sum assured.
	DE, DES, DEBS	One-half the rate shown above.
	Others	To be determined by the Society as and when required.

30 (b) While your commission is being calculated in terms of Parts A and B of Schedule I you will be debited with the servicing commission referred to in subparagraph (a) above. Otherwise you will not be debited with servicing commission.

40 (c) Where the Society appoints a salaried officer to service any portion of a scheme, you will be debited with servicing commission at the rates set out in sub-paragraph (a) above so long as your commission is being calculated in terms of Parts A and B of Schedule I.

**RIGHTS ON TERMINATION OF AGENCY**  
**Death**

50 17. If you die whilst recognised as originating agent of a superannuation scheme the Society will credit to your commission account commission calculated on the basis set out

in Schedule I Part C or Schedule II or III (a) whichever is applicable except that —

(a) no account shall be taken of any growth in the API occurring after a date two years from the date of your death, or a date four years from the date of formation of the scheme or extension, whichever occurs later; and

(b) no commission shall be payable on policies issued under Table AQ(F), AL(F), ALA(F) written after the dates specified in (a) above.

**Retirement — Age or Ill-health**

18. Upon your retirement or on termination of your appointment by the Society solely on the grounds of ill-health, your commission account will continue to be credited with commission on a superannuation scheme or extension for which, at the date of such retirement or termination you are recognised as originating agent. Any commission payable will be calculated on the basis set out in Schedule I Part C or Schedule II, or paragraph (a) of Schedule III, whichever is applicable.

Provided that your interest will cease immediately if you accept an appointment as an agent or officer of another insurance office or if you are otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

**Termination of your Agency, other than as above**

19. If your agency is terminated for any reason other than those set forth in paragraphs 17 and 18 above, then in respect of any scheme or extension —

(a) for which at the date of termination you are recognised as the originating agent; and

(b) on which commission is being paid as a percentage of API in force; and

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(c) which has been in force for a period of less than eight years from the date of its formation;

the Society will continue to pay to you during the balance of that period any commission which would have become payable to you but for the termination of your agency, except that no account shall be taken of any growth in the A.P.I. occurring after such termination.

Provided that your interest will cease immediately if you or any employee of yours,

or if, without the prior consent in writing of the Society, your spouse or child—

- (i) accepts an appointment as an agent or officer of another insurance office or of any "competing institution" (as described in paragraph 14 of Section I);
- (ii) is otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

(continued)

**COMMISSION TERMS**

20. Commission terms are set out as follows:

**Superannuation Scheme based on Individual Policies**

- Initial Business.....Schedule I Part A
- Other than Initial Business.....Schedule I Parts B and C

**Superannuation Schemes based on Blanket Policies**

- Under Tables GN, GT, GTA, GE and GEK.....Schedule II
- Under Table GA.....Schedule III

Conservation of Superannuation business.....Schedule IV

Extensions of Superannuation Schemes .....commission terms are determined by the Society having regard to the circumstances of each case. Principles to be followed in dealing with a wide variety of cases have been laid down and promulgated to the Society's Branches and your Agency or Regional Manager will supply you with further information when the occasion arises.

(c) which has been in force for a period of less than eight years from the date of its formation;

the Society will continue to pay to you during the balance of that period any commission which would have become payable to you but for the termination of your agency, except that no account shall be taken of any growth in the API occurring after such termination.

Provided that your interest will cease immediately if you or any employee of yours,

or if, without the prior consent in writing of the Society, your spouse or child—

- (i) accepts an appointment as an agent or officer of another insurance office or of any "competing institution" (as described in paragraph 14 of Section I);
- (ii) is otherwise engaged in activities which are, in the opinion of the Society, in competition or conflict with any business or activity carried on by the Society or its subsidiaries.

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**COMMISSION TERMS**

20. Commission terms are set out as follows:—

- 20 Superannuation Scheme based on Individual Policies
  - Initial Business ..... Schedule I Part A
  - Other than Initial Business ..... Schedule I Parts B and C
- Superannuation Schemes based on Blanket Policies
  - Under Tables GN, GT and GE ..... Schedule II
  - Under Table GA ..... Schedule III
- 30 Conservation of Superannuation business ..... Schedule IV
- Extensions of Superannuation Schemes ..... commission terms are determined by the Society having regard to the circumstances of each case. Principles to be followed in dealing with a wide variety of cases have been laid down and promulgated to the Society's Branches and your Supervisor or Regional Manager will supply you with further information when the occasion arises.

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**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES**

**Part A — This part applies to all Initial Business.**

(continued)

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those tables.	As for Ordinary business — see Section II of this booklet paras. 10, 12 and 13.	As for Ordinary business (see Section II of this booklet, paras. 16 to 19, 21, 22 and 46) except that the first credit of commission will be made when the whole block of initial business has been completed.	Pro-rata with payment of the first two years' premiums, e.g. if a policy lapses after 18 months' premiums have been paid, $\frac{1}{4}$ of the commission on the policy would be debited against your account. See also Note (ii) below.
SL or SLB (except a policy for a term of less than 5 years)	\$10 per \$1,000 sum insured. Per \$1,000 S.I. Included in — 1st \$125,000 S.I. under the scheme \$10.00 Next \$125,000 S.I. under the scheme 7.50 Balance 5.00 (See note (i) below)		
—Less than 5 members in scheme			
—5 or more members in scheme			
E8 Benefit included in a new policy under Table SL or SLB.	5% of the commission payable on the basic policy.		
W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.	As for Ordinary business — see Section II of this booklet paras. 12 and 13.		
DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rates shown above for Tables SL and SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

Notes: (i) When calculating the rate of commission payable on initial business under Tables SL, SLB, DE, DES and DEBS, policies carrying the highest rate of commission are deemed to be written prior to those carrying a lower rate. Thus if the initial sum insured is \$290,000 — comprising \$30,000 under Table AL, \$210,000 under Table SL and \$50,000 under Table DES — the commission rates will be

First \$125,000	\$30,000	AL at \$17.50 per \$1,000 (male aged 15-21 n.b.)
	\$95,000	SL at \$10.00 per \$1,000
Next \$125,000	\$115,000	SL at \$7.50 per \$1,000
	\$10,000	DES at \$3.75 per \$1,000
Balance	\$40,000	DES at \$2.50 per \$1,000

(ii) In making this debit for policies under Tables SL, SLB, DE, DES and DEBS, the rate of commission to be used is the average rate which was paid for the Table concerned in the block of new business in which the void policy was originally processed. Thus, in the example used in Note (i) above, commission was paid on \$95,000 of the SL business at the rate of \$10 per \$1,000 and on a further \$115,000 at \$7.50, making an average rate of \$8.63 per \$1,000 for this batch of SL business. This average rate would be used if any of this SL business voided before two years' premiums had been paid on it.

**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED  
ON INDIVIDUAL POLICIES**

**Part A — This part applies to all Initial Business.**

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Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those tables.	As for Ordinary business — see Section II of this booklet paras. 10, 12 and 13.	As for Ordinary business (see Section II of this booklet, paras. 16 to 19, 21, 22 and 50) except that the first credit of commission will be made when the whole block of initial business has been completed.	(continued)
10 SL or SLB (except a policy for a term of less than 5 years)			
— Less than 5 members in scheme	\$10 per \$1,000 sum insured.		
	<b>Per \$1,000 S.I.</b>		
— 5 or more members in scheme	<b>Included in —</b>		
	1st \$125,000 S.I. under the scheme	\$10.00	As for Ordinary business (see Section II of this booklet paras. 16 to 19, 21 and 50) except that the first credit of commission will be made when the whole block of initial business has been completed.
	Next \$125,000 S.I. under the scheme	7.50	
	Balance (See note (i) below)	5.00	
E8 Benefit included in a new policy under Table SL or SLB.	5% of the commission payable on the basic policy.		Pro - rata with payment of the first two years' premiums, e.g. if a policy lapses after 18 months' premiums have been paid, $\frac{1}{2}$ of the commission on the policy would be debited against your account. See also Note (ii) below.
W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.	As for Ordinary business — see Section II of this booklet paras. 12 and 13.		
30 DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rates shown above for Tables SL and SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

Notes: (i) When calculating the rate of commission payable on initial business under Tables SL, SLB, DE, DES and DEBS, policies carrying the highest rate of commission are deemed to be written prior to those carrying a lower rate. Thus if the initial sum insured is \$290,000 — comprising \$30,000 under Table AL, \$210,000 under Table SL and \$50,000 under Table DES — the commission rates will be —

First	\$125,000 — \$30,000	AL	at \$17.50 per \$1,000
	\$95,000	SL	at \$10.00 per \$1,000
Next	\$125,000 — \$115,000	SL	at \$7.50 per \$1,000
	\$10,000	DES	at \$3.75 per \$1,000
Balance	— \$40,000	DES	at \$2.50 per \$1,000

(ii) In making this debit for policies under Tables SL, SLB, DE, DES and DEBS, the rate of commission to be used is the average rate which was paid for the Table concerned in the block of new business in which the void policy was originally processed. Thus, in the example used in Note (i) above, commission was paid on \$95,000 of the SL business at the rate of \$10 per \$1,000 and on a further \$115,000 at \$7.50, making an average rate of \$8.63 per \$1,000 for this batch of SL business. This average rate would be used if any of this SL business voided before two years' premiums had been paid on it.

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**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES (Continued)**

**Part B** — Subject to paragraph 11 of this Section this part applies to all business, other than initial business, until

- (a) the API exceeds \$5,000 and the membership exceeds four,
- or (b) the expiration of fifteen years from the date of formation, whichever occurs first.

(continued)

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those Tables.	As for Ordinary business — see Section II of this booklet, paras. 10, 12 and 13.	As for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21, 22 and 46.	
SL or SLB (except a policy for a term of less than 5 years) — Less than 5 members in the scheme initially until scheme membership first reaches 5. — Other cases	\$10 per \$1,000 sum insured. (including the policy which first takes membership to five).  New members — \$7.50 per \$1,000 sum insured. Existing members — \$5 per \$1,000 sum insured of new policies or increases of existing policies.	For all new policies — as for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21 and 46. For all increases of existing policies — credited in full in one sum.	For all new policies — pro-rata with payment of the first two years' premiums. For all increases of existing policies — full entitlement immediately.
E8 Benefit included in a new policy or increase under Table SL or SLB.  W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.  DE, DES or DEBS (except a policy for a term of less than 5 years).	5% of the commission payable on the basic policy or increase.  As for Ordinary business — see Section II of this booklet, paras. 12 and 13.  One-half of the rates shown above for Tables SL and SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

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**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES (Continued)**

**Part B — Subject to paragraph 11 of this Section this part applies to all business, other than initial business, until**

- (a) the API exceeds \$5,000 and the membership exceeds four,
- or (b) the expiration of fifteen years from the date of formation, whichever occurs first.

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
<p>10 AQ(F), AL(F), ALA(F) and W, R, E1, E2 and E7 Benefits when issued with a new policy under those Tables.</p> <p>SL or SLB (except a policy for a term of less than 5 years)</p> <p>— Less than 5 members in the scheme initially until scheme membership first reaches 5.</p> <p>20 — Other cases</p>	<p>As for Ordinary business — see Section II of this booklet, paras. 10, 12 and 13.</p> <p>\$10 per \$1,000 sum insured. (including the policy which first takes membership to five).</p> <p>New members — \$7.50 per \$1,000 sum insured.</p> <p>Existing members — \$5 per \$1,000 sum insured of new policies or increases of existing policies.</p> <p>5% of the commission payable on the basic policy or increase.</p>	<p>As for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21, 22 and 50.</p>	
<p>E8 Benefit included in a new policy or increase under Table SL or SLB.</p> <p>30 W, R, E1, E2 or E7 Benefit when issued with a new policy under Table SL or SLB.</p> <p>DE, DES or DEBS (except a policy for a term of less than 5 years).</p>	<p>As for Ordinary business — see Section II of this booklet, paras. 12 and 13.</p> <p>One-half of the rates shown above for Tables SL and SLB.</p>	<p>For all new policies—as for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21 and 50. For all increases of existing policies — credited in full in one sum.</p>	<p>For all new policies — pro-rata with payment of the first two years' premiums. For all increases of existing policies — full entitlement immediately.</p>
<p>Other tables, single premium contracts and all policies for terms of less than 5 years.</p>	<p>Determined by the Society as and when required.</p>		

(continued)



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**SCHEDULE I — COMMISSION TERMS FOR SUPERANNUATION SCHEMES BASED ON INDIVIDUAL POLICIES (Continued)**

**Part C — This part applies to business other than:**

- (i) initial business, and
- (ii) subsequent business on which commission is payable in terms of Part B.

(continued)

Table under which the Individual Policy is Completed	Rate of Commission Payable to you as Originating Agent	How the Commission is Credited to Your Account	How your Entitlement to the Commission Accrues
AQ(F) AL(F) ALA(F)	\$5.00 per \$1,000 sum insured less than the rate for Ordinary business having the same entry age and table — see Section II of this booklet, para. 10.	As for Ordinary business — see Section II of this booklet, paras. 16 to 19, 21, 22 and 46.	10
W, R, E1, E2 and E7 Benefits when issued with a new policy under Table AQ(F), AL(F) or ALA(F).	As for Ordinary business — see Section II of this booklet, paras. 12 and 13.		
SL or SLB (except a policy for a term of less than 5 years) and W, R, E1, E2, E7 or E8 Benefit included in a new policy or increase under Table SL or SLB.	15% of any growth in the API resulting from policies or increases written under the scheme during its first 15 years of existence (but see below) such growth being calculated at each review date of the scheme in relation to the previous highest API.	In full in one sum.	Full entitlement immediately calculations completed.
DE, DES or DEBS (except a policy for a term of less than 5 years).	One-half of the rate shown above for Table SL or SLB.		
Other tables, single premium contracts and all policies for terms of less than 5 years.	Determined by the Society as and when required.		

**Growth Interest Beyond The First 15 Years**

1. When a scheme emerges from the 15 year term mentioned above, the originating agent may retain a "growth interest" in respect of business written under Tables SL, SLB, DE, DES and DEBS in the scheme provided he services the scheme to the Society's satisfaction. Growth commission will be payable as described above except that the rate will be 6% in the case of Tables SL and SLB and 3% in the case of Tables DE, DES and DEBS. 40
2. Entitlement to growth commission will be determined after the scheme annual review has been presented to the client and the agent submits his written report on the form in use at his Branch.
3. Normally the originating agent would have first claim to be classified as the "growth agent", but the Society reserves the right to allocate any agent to a plan or to replace the growth agent if his service is unsatisfactory. A growth agent who is not the originating agent will be paid growth commission as in paragraph 1 above.
4. If an extension is secured by a growth agent, his growth interest will usually cease by being absorbed into the API on which renewal commission is paid.

**SCHEDULE II — COMMISSION TERMS FOR SUPERANNUATION SCHEMES WRITTEN UNDER DEPOSIT ADMINISTRATION CONTRACTS**

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While you are recognised as the originating agent of a superannuation scheme formed under Table GN, GT, GTA, GE or GEK, commission will be credited to your account and your entitlement to it will accrue as follows:

API	Rate of Commission on the API of the Initial Business	Rate of Commission on the API at Review Dates
10 Up to \$20,000	3%	3% on each of the first four review dates. 1½% on each of the fifth to fourteenth review dates inclusive.
Next \$20,000	3%	1½% on each of the first to fourteenth review dates inclusive.
20 Next \$60,000	2%	1% on each of the first to fourteenth review dates inclusive.
Beyond \$100,000	To be determined by the Society as and when required.	

(continued)

**Provided That**

- (i) If the interval between date of formation and first review date or between any two review dates is more or less than one year the Society will determine commission on an equitable basis consistent with the above table.
- 30 (ii) If a superannuation scheme formed under Table GN, GT, GTA, GE or GEK incorporates an existing scheme the Society will make an adjustment to the commission entitlement after taking into consideration the commission which has been paid on the former scheme and the rights of all agents involved.

**SCHEDULE IV — CONSERVATION OF SUPERANNUATION BUSINESS**

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If you are successful in conserving as Ordinary business any portion of the assurance on the life of a person who withdraws from a superannuation plan whether formed before or after 1st August, 1966, you will be entitled to commission as follows:

(continued)

Type of Assurance Conserved	Rate of Commission Payable to You Per \$1,000 Sum Assured Conserved	How the Commission is Credited to Your Account and Your Entitlement Accrues
<p>(a) Assurance conserved with no break in its continuity where such assurance was formerly under a superannuation plan on which commission is being paid on an API basis (this includes plans with commission on a growth interest as well as SL plans where commission is payable under Schedule I, Part C).</p> <p>— which is based on individual policies or blanket policies under Tables GR, GRB, GS, GRS, GES and GEBS.</p> <p>(i) Under Whole Life Tables effected prior to 1st August, 1966</p> <p>(ii) Under Endowment Assurance Tables</p> <p>(iii) Under Pure Endowment Tables</p> <p>(iv) Under other Tables (including Whole Life Tables effected on or after 1st August, 1966)</p> <p>(b) Assurance under any individual policy superannuation plan of five or more members where the plan policy is surrendered on termination of service and an Ordinary Replacement policy is issued.</p> <p>(c) Assurance under a blanket policy superannuation plan (other than as described in (b) above) conserved by the issue of a replacement Ordinary policy.</p> <p>(d) Assurance under any other superannuation plan based on individual policies.</p>	<p></p> <p></p> <p>\$10</p> <p>\$10</p> <p>\$5</p> <p>Nil</p> <p>\$15</p> <p>\$15</p> <p>Nil</p>	<p></p> <p></p> <p>In one sum on lodgement of an approved application on the form provided by the Society and after the conserved assurance has remained in force for at least 12 months from the date the life assured withdrew from the plan. Full entitlement to this commission accrues when it is credited.</p> <p>As for a new Ordinary policy.</p> <p>As for a new Ordinary policy.</p> <p></p>

Whole page has been rewritten.

EXHIBIT A9 (APPLICANTS)  
CIRCULAR TO AGENTS DATED THE 22ND DAY OF JUNE, 1972.

Exhibit A9  
(Applicants)  
Circular to  
Agents

South Australia Branch  
AUSTRALIAN MUTUAL PROVIDENT SOCIETY  
(Incorporated in New South Wales)

22nd June,  
1972

Telephone...51 0451

G.P.O. BOX 407C  
ADELAIDE 5001

In Reply Please Quote:

22nd June 1972

Admitted in  
Evidence on  
Page 23.

10 IMMEDIATE

Agents' Circular No. 36

Distribution: GENERAL

Dear Sir,

Subject I                      AGENTS' LETTERHEADS

20 Previous requirements aimed to ensure that the form of letterheads was not so designed as to convey the impression that an agent was operating as a broker or as an independent insurance adviser. To this end it was required that each letterhead should show clearly the agency relationship with the Society and, in addition, agency designations which might be held to have broker connotations, such as J. Smith and Associates, were not permitted.

30 It has now been pointed out that the introduction by the Society of agency companies and the need for the names of these companies to appear on the letterheads of the men concerned has altered the situation and that, as a result, a review of the Society's previous rulings concerning the form of letterheads would now be appropriate.

Accordingly, such a review has been carried out and the following revised rules will apply for the future:

(1) Where an agent is working alone or where two agents are working in partnership, the name or names of each agent or of their agency companies should appear on the letterhead.

40 (2) When three or more agents are working in association then either

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Circular to  
Agents

22nd June,  
1972

(continued)

- (a) each of their names should appear on the letterhead, or alternatively
  - (b) they may adopt a designation such as J. Smith and Partners or J. Smith and Associates provided
    - (i) the names of all partners and/or associates are listed and
    - (ii) all partners and/or associates hold agencies with the Society.
- (3) In all cases it is, of course, essential 10
- (a) that the letterhead should clearly indicate that the individual or group of individuals are agents or representatives of the Society, and
  - (b) the Society's name is conspicuously displayed on the letterhead.

Subject II                      GENERAL INSURANCE DIVISION

Within the Society's organisation structure, the Fire and General Division will be known by the above title, which more appropriately describes the activities of the Division. 20

Subject III                      PRODUCERS AND CITIZENS LIFE INSURANCE COMPANY LIMITED

The Life Offices' Association has advised that as from 1st June 1972, this Company has changed its name to AETNA LIFE OF AUSTRALIA AND NEW ZEALAND LIMITED.

Subject IV                      RADIO ADVERTISING

The Society has agreed to sponsor the radio special featuring the group "Chicago" on Station 5AD, Adelaide on Tuesday, 27th June between 8 p.m. and 9 p.m. 30

The programme will include A.M.P. commercials and advance promotion has commenced.

Subject V                      DIPLOMA NOTES - AUSTRALIAN INSURANCE INSTITUTE

Earlier this year the Society submitted and obtained a bulk order of Diploma Study Material for Representatives and Agents sitting for Examinations.

Should any further Study Material be required by any Representative or Agent he should personally obtain same from the Insurance Institute, Currie Street, Adelaide and not through this Office.

Exhibit A9  
(Applicants)  
Circular to  
Agents

22nd June,  
1972

Subject VI                      RATES AND OPTIONS BOOK

Supplies of the following amended pages for the Rates and Options Book are attached.

(continued)

	<u>Page No.</u>	<u>Brief Description of Amendment</u>
10	G11 Aust.	Under the heading "Obsolete Ordinary Tables" the description of the monthly income "X" Benefit, which was withdrawn in 1951, has been deleted and replaced by a description of the old style "W" Benefit.
	G12 Aust.	A description of the Collector Table KH series has been added.
20	J7, 11-13 Aust.	Figures have been adjusted for the bonus increase advised previously.

Please destroy all replaced pages.

Subject VII                      FIRE AGENTS HANDBOOK

Supplies of the following amended pages for the Fire Agents Handbook are attached.

	<u>Page No.</u>	<u>Brief Description of Amendment</u>
	A7/8	Addition of Note 5 re total disablement benefit on Page A8.
	B4	Note 4, (ii), (c) has been amended.
30	D4	Premium Schedule has been amended.
	F3/4 & F5	Minimum premium increased from \$5 to \$7.50

Please destroy all replaced pages.

Yours faithfully,

(Sgd.) M. BROWN

for ASSISTANT MANAGER (SALES)

Exhibit B22  
(Respondents)  
Message to  
Fieldmen

EXHIBIT B22 (RESPONDENTS)  
MESSAGE TO FIELDMEN, UNDATED

Undated

Head Office  
AUSTRALIAN MUTUAL PROVIDENT SOCIETY  
Sydney Cove

Admitted in  
Evidence on  
Page 112.

TELEPHONE No. 20530

GPO BOX No 4134  
SYDNEY 2001

REF.

A MESSAGE TO FIELDMEN FROM THE GENERAL MANAGER.

THE 1973 FEDERAL BUDGET

10

You will be aware that the 1973 Federal Budget contained provisions to alter the basis on which life offices are taxed. Indications are that the altered basis will result in the Society paying approximately 2½ times the amount of tax it would otherwise pay.

This increased tax burden can be met from only two sources - a reduction in our operating expenses and a reduction in the surplus available for distribution as bonuses. We have been and will continue to be conscious of the need to keep operating expenses as low as possible. This means that the only foreseeable source from which the increased tax liability can be met is the surplus which would otherwise have been distributed as bonuses to participating Ordinary and Collector policies. Exempt-Superannuation and S.E.P. business, not being subject to tax, is unaffected. 20

The present rate of bonus to existing policies will be maintained throughout 1973 by drawing upon reserves. However, it is clear that bonus rates for 1974 will be affected by the increased tax burden. Our best estimation of its effect is that it will reduce bonus rates for all participating policies, Ordinary and Collector (but not Exempt-Superannuation and S.E.P.) by \$4.50 per \$1,000. Knowing this, we cannot continue to issue new business quotations based on the bonus rates declared at the end of 1972. Amended Rates and Options Book pages are being prepared and after their receipt and in any case no later than 21st September, all quotations must be based on the amended bonus rates. For example, the rate to be used for Table AL quotations will be \$20.25 in lieu of \$24.75 per \$1,000. 40

While all life offices are subject to the tax

changes, each is affected differently according to, amongst other things, the nature of its investment portfolio. Nevertheless, we are satisfied that our competitive position will not be significantly affected.

Exhibit B22  
(Respondents)  
Message to  
Fieldmen

Undated

(continued)

You will be pleased to know that the L.O.A. has responded quickly to the Budget announcements by lodging a protest with the Treasurer. A letter has been written to him, with a copy to the Prime  
10 Minister, pointing out that, because of the principle of mutuality, the effect of the proposed legislation will be borne almost entirely by the owners of approximately 7½ million policies both Ordinary and Collector. The letter went on to say that the life offices have an obligation to inform their policyholders of the reasons for the decrease in their prospective policy benefits. Finally it asked the Treasurer to receive a deputation from the L.O.A.

So much for the unfortunate aspects of the  
20 Budget. Now let us consider its brighter side. Firstly, it has removed any doubts about the continuance of the \$1,200 deduction under Section 82H. With the extension of this deduction to certain A.I.D.C. investments, it seems that its removal or reduction is not envisaged in the foreseeable future.

Secondly, based on the increase in the amount of personal taxation the Treasury expects to receive, we can anticipate substantial rises in the level of personal incomes. This means more scope for life  
30 insurance sales with increased refunds (due to increased personal incomes) under the \$1,200 tax deduction.

Thirdly, our Exempt-Superannuation and S.E.P. business is unaffected by the tax changes; any uncertainties in prospects' minds have been removed. Because of the increased comparative advantage of S.E.P. with Ordinary, your S.E.P. prospects should be easier to close.

Fourthly, the increase in the tax rate for  
40 private companies and the increased comparative advantage of employee-superannuation with Ordinary makes our working director superannuation even more attractive than it was before.

Let there be no doubt in anyone's mind that, even with the lower bonus, A.M.P. Ordinary and Collector policies are still a magnificent investment - probably unsurpassed when the tax deduction is taken into account. In fact, the reduced bonus



Exhibit B22  
(Respondents)  
Message to  
Fieldmen

Undated

(continued)

rates are equivalent to the bonus rates which applied in the late 1950's and we had no trouble selling policies then. Even so you should never forget that investment is not the prime purpose of life insurance. In providing protection against the major hazards of life it stands unique - and just as essential to our way of life as it ever was.

No doubt some agents in the industry will lose their confidence through lack of a proper understanding of the situation. I would not expect any A.M.P. agent to fall into this category. This view is in accord with that expressed in the attached message from the Federal President of the Representatives' Association.

10

I am sure that everyone in our sales organisation will rise to the challenge which the Government action presents.

(Signed)

General Manager.

11th September, 1973.

20

### SALES PUBLICATIONS

#### Rate Books

To give effect to the reduced bonus rates for quotation purposes, we are reprinting all the affected pages of the Rates and Options Book. These will be in your hands in about one week's time. In addition, we hope to have amended copies of Volume II of the Special Rate Book sent to Supervisors and Regional Managers at about the same time.

#### Visual Aids

30

You will, of course, have to amend all visual aids which show bonus projections. Firstly, the figures and graphs must be based on the amended Rate Book figures. Secondly, the bonus qualification must be amended to read as shown on the foot of the amended Rates and Options Book pages. That is:

"Bonuses included above are illustrations only and are based on rates reflecting the current outlook. FUTURE BONUS RATES CANNOT BE GUARANTEED because they will depend upon future experience.

40

"Bonuses, once allotted, are GUARANTEED ADDITIONS to the sum insured."

It should be understood that, when the next review of bonuses is carried out following the annual valuation of assets and liabilities next March, we will probably revert to the previous form of bonus qualification. The wording above is an interim measure only.

Exhibit B22  
(Respondents)  
Message to  
Fieldmen

Undated

### Leaflets

(continued)

10 Unfortunately there will be an inevitable disruption in the use of sales leaflets. Obviously leaflets which show either:

- (a) figures based on the previous bonus rate and/or
- (b) a bonus qualification other than that shown above, even though the correct figures have been entered manually (e.g., quotation forms)

cannot continue to be used, with one or two minor exceptions.

20 We are hurriedly printing a supply of a general quotation form, while other essential leaflets will be reprinted as soon as possible.

You will be given full details of the leaflet position at the time your Rates and Options Book pages are issued.

### Information Manual

For the reasons given above, pages F8-17 cannot continue to be used. These, too, will be replaced shortly.

30 Sales Division,  
Head Office.  
11th September, 1973.

Exhibit B22  
(Respondents)  
Message to  
Fieldmen

THE FEDERATION OF ASSOCIATIONS  
OF A.M.P. SOCIETY REPRESENTATIVES (O.D.)

Undated

(continued)

Federal President:  
J.A. BOURKE

Federal Secretary:  
MISS N.M. NETTHEIM

Resident Vice-President:  
P.R. DAVIS

All Correspondence to be addressed: Vice-Presidents:  
FEDERAL SECRETARY D.R. BROWN  
P.O. BOX 103. CNR. GROSVENOR & TASMANIA  
HARRINGTON STREETS W.G. WOOLCOCK  
SYDNEY 2000. TEL. 27-3436 QUEENSLAND

10

SYDNEY,  
10th September 1973

CIRCULAR FROM FEDERAL PRESIDENT TO ALL FIELDMEN

The current Federal Budget created a bleak outlook for many sections of industry and business because of increased taxation and reductions of allowances etc.

It removes from life insurance institutions a taxation allowance that will substantially affect the future bonuses and consequently the expected maturity values of many policies already in force. It will make our competitive position with other avenues of saving and investment just a little more difficult. 20

As our sales climate has become progressively more favourable through higher deductions for life insurance and superannuation and higher bonuses from interest yields, many of us have tended towards the sale of oblique benefits, such as end results, taxation deductions, and yield after conversion rather than press the real purpose of life insurance, which is provision for dependants. 30

My purpose in forwarding this circular is to encourage you to re-think the insurance situation in relation to clients' needs NOW, making provision for those needs through the guarantees that only life insurance can give, and to reduce the emphasis on taxation deductions and future bonuses both of which are now demonstrated to be beyond the control of the insurer. 40

The need for immediate cover is just as valid now as at any other time in the past. So also is the client's need for a confident field man to present and sell the proper insurance policies to fill that need.

If we remember the advantages we still have, we can in fact remain confident to our own benefit. After all, in the late fifties our bonus rates were comparable with those we are now forced to quote - and we didn't have a lot of trouble selling a lot of policies then, even without the taxation concessions we have today.

Exhibit B22  
(Respondents  
Message to  
Fieldmen

Undated

Benefits will emerge from the new sales situation for men with initiative and the drive to seek them out. For example, SEP and employee superannuation business has not been affected - and this accounts for about 40% of our over-all new business.

(continued)

10

The present situation is a challenge to our selling skills and our belief in life insurance as the only solution to the family's financial security. I look to each member of the Association to face that challenge with confidence, so playing his part in maintaining the public's belief in life insurance which has been built up to its present high level by the efforts of fieldmen everywhere.

20

(Sgd.) John Bourke

FEDERAL PRESIDENT

EXHIBIT A17 (APPLICANTS)

MEMO TO AGENTS DATED THE 13TH DAY OF SEPTEMBER, 1973.

Exhibit A17  
(Applicants)  
Memo to  
Agents

MEMO TO K. Smith

A T T E N T I O N

SPECIAL MEETING - ALL REPRESENTATIVES

13th  
September,  
1973

A Special Meeting of ALL Representatives will be held on Monday, 17th September 1973.

Admitted in  
Evidence on  
Page 86.

30

The time will be 9.00 a.m. and the venue, the Auditorium, Basement, 1 King William Street,

You should be seated before 9.00 a.m.

Attendance at this meeting should be regarded by yourself as obligatory.

(Sgd.) M. Archdall  
for B. WELSH  
NEW BUSINESS SUPERVISOR

13th September 1973.

Exhibit A10  
(Applicants)  
Circular to  
Agents

EXHIBIT A10 (APPLICANTS)  
CIRCULAR TO AGENTS DATED THE 2ND APRIL, 1974.

2nd April,  
1974

South Australia Branch  
AUSTRALIAN MUTUAL PROVIDENT SOCIETY  
(Incorporated in New South Wales)

Admitted in  
Evidence on  
Page 24.

Telephone...51 0451

G.P.O. BOX 1151  
ADELAIDE 5001

Agents' Circular No. 14  
Distribution: General

2nd April 1974

SUBJECT I - TELEPHONE PROSPECTING.

10

An irate Factory Manager rang me this week to tell me of a phone call he had received, in which the opening remark from the caller was:-

"I'm from the A.M.P. Society. Could I please speak to your new employee - I've forgotten his name".

The Factory Manager, having advertised recently for employees, replied that he had three new staff. He then asked the caller his name to which our agent replied:-

20

"I don't want to divulge it" - and hung up.

If in fact the caller was an A.M.P. agent - or should I say a bad imitation of an A.M.P. agent - I hope he will mend his ways or find another position in which to practice deceit and duplicity.

The Factory Manager agreed that if the caller had given his name and asked if he had appointed staff as a result of his advertisement, he would have been pleased to co-operate.

It is a cardinal sin for an A.M.P. field man or 30 for A.M.P. staff to phone anyone without giving his name, clearly and distinctly.

SUBJECT II - POST DATED CHEQUES.

The Society does not seek post-dated cheques and, for new business, issue of an acceptance notice and acceptance of a post-dated cheque could create argument as to whether the Society is at risk. The

Society would be further embarrassed if a representative had issued a receipt.

Exhibit A10  
(Applicants)  
Circular to  
Agents

Your attention is therefore directed to the fact that a post-dated cheque is not, in itself legal tender, and no receipt is to be issued until such time as the cheque becomes "valid".

2nd April,  
1974

However, it is recognised that there can be occasions when it is desirable to accept a post-dated cheque for new business. In such instances NO RECEIPT MUST BE ISSUED but the cheque should be forwarded to Branch Office for holding by the Accountant on behalf of the client. When the cheque eventually becomes current it will be processed through the Branch cashier and a receipt will be issued DIRECT TO THE CLIENT.

(continued)

SUBJECT III - CLOSING DATES FOR ORDINARY NEW BUSINESS.

Although these are published in the Sales Bulletin each month, it may be helpful to let you know how closing dates are determined.

Except in the month of December, when there may be extraordinary considerations, the closing dates will be:-

- (1) For lodgement of proposals, medical reports and ancillary documents: on the fourth last working day at 10.00 a.m. at Branch Office.
- (2) First premiums lodged at Branch Office by 3.00 p.m. on the third last working day.

SUBJECT IV - A.M.P. PERSONAL SUPERANNUATION FUND.

The Memorandum to Fieldmen advising the launching of the Fund stated that Form NB 56 (S) (Elections "A" and "B") could be used for both the S.E.P. Fund and for the Personal Superannuation Fund. This was incorrect.

In the S.E.P. Fund the beneficiary must be a "relative", as defined whilst in the P.S. Fund the beneficiary must be a "dependant", as defined.

Therefore will you please note that:-

Form NB 56 (S) will be used for S.E.P. proposals and

Form NB 132 (S) is to be used for P.S. Fund cases.

Exhibit A10  
(Applicants)  
Circular to  
Agents

2nd April,  
1974

(continued

SUBJECT V - SOUTH EAST ASIA BUSINESSMAN'S  
ASSOCIATION (SEABA).

If you are approached to help enrol members in this organisation or to sell life assurance to be assigned to SEABA in connection with loans by it, please endeavour to obtain and forward to Sub Manager Sales as much information as possible concerning the organisation and its principals.

SUBJECT VI - LEAFLET 0008 "INVESTMENT - LINKED  
SUPERANNUATION".

10

Changes have been made to the wording of this leaflet. Therefore if you hold a copy of the previous leaflet it should be destroyed. A supply of the amended leaflet is being forwarded from Head Office.

(Sgd.) D.C. BROWN

SUB MANAGER SALES.

Exhibit B12  
(Respondents)  
Contract for  
Sale of  
General  
Insurance  
Register

Undated

Admitted in  
Evidence on  
Page 40.

EXHIBIT B12 (RESPONDENTS)

CONTRACT FOR SALE OF GENERAL INSURANCE REGISTER,  
UNDATED.

20

THIS AGREEMENT made the Sixth day of May 1975 BETWEEN LANCELOT JOHN CHAPLIN of 3 Sabina St., Salisbury (hereinafter called the Vendor) of the one part and LANCELOT MELVILLE HATCHER, of "GLENLAN" CRAIGMORE ROAD, SMITHFIELD AND RICHARD JOHN TURNER of 17 COOLIBAH ST., SALISBURY EAST, (hereinafter called the Purchasers), all in the State of South Australia of the other part.

WITNESSETH AS FOLLOWS:-

1. The Vendor agrees to sell and the Purchasers agree to purchase the general insurance register recorded in the name of the Vendor with the Australian Mutual Provident Society, 1 King William Street, Adelaide, South Australia for the sum of One thousand seven hundred and fifty dollars (\$1750.00).
2. The purchase money referred to in paragraph one

30

above shall be paid by the Purchasers to the Vendor on the nineteenth day of May 1975.

Exhibit B12  
(Respondents)  
Contract for  
Sale of  
General  
Insurance  
Register

3. The apportionment of the said purchase price as between the Purchasers shall be arranged by separate agreement between the Purchasers.

4. The Vendor hereby declares that he will not within the State of South Australia, engage in the insurance industry for monetary reward within the period of two years from the date of this agreement.

Undated  
(Continued)

10

AS WITNESS the hands of the parties hereto

SIGNED by the said LANCELOT  
JOHN CHAPLIN in the (Sgd.)  
presence of L.J. Chaplin  
J. Chaplin (Sgd.)

SIGNED by the said LANCELOT  
MELVILLE HATCHER in (Sgd.)  
the presence of Lance M. Hatcher  
J. Chaplin (Sgd.)

20 SIGNED by the said RICHARD  
JOHN TURNER in the (Sgd.)  
presence of R.J. TURNER  
J. Chaplin (Sgd.)

Received the Sum of One Thousand Seven  
Hundred and Fifty Dollars (\$1750.00)  
for Fire Register.

(Sgd.) L.J. Chaplin



Exhibit B14  
(Respondents)  
Advertisement  
Published by  
Mr. Chaplin

EXHIBIT B14 (RESPONDENTS)

ADVERTISEMENT PUBLISHED BY MR. CHAPLIN DATED 4TH  
DAY OF NOVEMBER, 1970.

4th  
November,  
1970

Admitted in  
Evidence on  
Page 44.

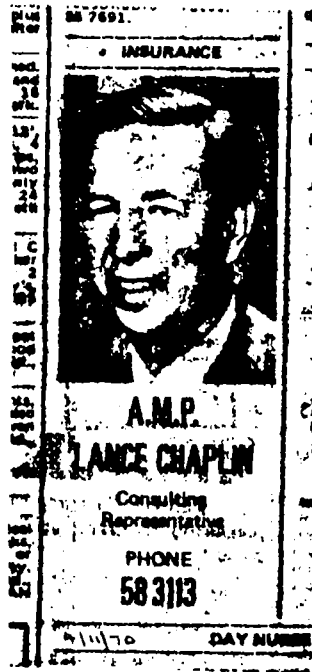


Exhibit B15  
(Respondents)  
Invitation to  
Quarterly  
Sales  
Meeting

EXHIBIT B15 (RESPONDENTS)

INVITATION TO QUARTERLY SALES MEETING DATED THE  
18TH DAY OF APRIL, 1975.

18th April,  
1975

SALES MEETING  
FRIDAY, 18TH APRIL, 1975  
A.M.P. THEATRETTE

Admitted in  
Evidence on  
Page 84.

- |                  |  |    |
|------------------|--|----|
| 3.30 - 4.00 p.m. | "Review"<br>Mr. D.C.P. Brown,<br>Sales Manager.  | 10 |
| 4.00 - 5.00 p.m. | "Overseas Friends: Lessons<br>for Australia" - Mr. Alan<br>Beaton, Personnel Executive,<br>A.W. Boulderstone Pty. Ltd. |    |

5TH FLOOR DINING ROOM  
5.00 - 6.15 p.m. Refreshments

EXHIBIT A16 (APPLICANTS)  
CORRESPONDENCE CONCERNING THE RESIGNATION OF  
K. SMITH (BUNDLE).

Exhibit A16  
(Applicants)  
Correspondence concerning the resignation of K. Smith (Bundle)

Date 1st Sept. 1975

Mr. C. Saultry,  
Agency Manager,  
A.M.P. Society,  
UNLEY. S.A. 5061

Admitted in Evidence on Page 85.

Dear Colin,

10 I acknowledge receipt of your letter dated 21st August and our discussion the previous day and will tender my resignation should I not meet the required objective.

Yours faithfully,

(Sgd.) Keith D. Smith

K.D. SMITH.

117 Greenhill Road,  
UNLEY, S.A. 5061

21st August, 1975.

20 Mr. K.D. Smith,  
UNLEY.

Dear Keith,

Further to my memo of 20th June, 1975 and our discussion today, I confirm that retention of your agency will be dependent upon you achieving the following net completions:-

	31st August, 1975	\$250,000
	30th September, 1975	\$325,000
	31st October, 1975	\$400,000
30	30th November, 1975	\$475,000
	31st December, 1975	\$500,000

Exhibit A16  
(Applicants)  
Correspondence concerning the resignation of K. Smith (Bundle)

Your past performance has indicated that you are capable of exceeding this objective, which while equalling last years actual performance, is really 20% down due to inflation.

It will be necessary for you to complete \$750,000 in 1976 to be really equal to your 1974 result and I would ask you to keep this in mind.

(continued)

Please acknowledge your acceptance of these conditions by completing and returning the enclosed letter.

10

Wishing you success.

Yours faithfully,

(Sgd.)

AGENCY MANAGER.

MEMORANDUM TO SALES MANAGER

Sub-Standard Agencies - Mr. K.D. Smith

Prior to receipt of your Memo No. 30 and subsequent letter of 27th May, 1975, I had counselled Mr. Smith on his performance to end of March 1975.

As a result of that counselling it was agreed that Mr. Smith review his attitudes and aptitudes. His attitude in relation to the job and work effort - his aptitudes in relation to the constant exercise and self discipline and quality of agency conduct.

20

Mr. Smith has determined to -

- (1) achieve a target of 8 proposals per month
- (2) improve the quality of his prospecting
- (3) undertake his Diploma
- (4) give me daily reports

To date he is making reasonable progress in (1), (3) and (4) - quality prospecting being a problem still at this stage as evidenced by his average sum assured over the last 3 months of \$8,000.

30

On receipt of your letter dated 27th May and following discussions between yourself and myself I showed Mr. Smith both the above letter and Memo No. 30. He agreed that the standards were realistic and accepted the principle that termination will follow if those standards not achieved.

Exhibit A16  
(Applicants)  
Correspondence concerning the resignation of K. Smith (Bundle)  
(continued)

10 If Mr. Smith's present work pattern is maintained he should meet our requirements easily. A monthly review of his results is undertaken and if there is any slackening or deterioration of performance firm objectives for maintenance of agency will be given, in writing.

(Sgd.)

20th June, 1975.

AGENCY MANAGER.

South Australia Branch  
AUSTRALIAN MUTUAL PROVIDENT SOCIETY  
(Incorporated in New South Wales)

Telephone...51 0451

GPO BOX 1151  
ADELAIDE 5001

20

27th May, 1975.

Mr. C. Saultry,  
UNLEY.

Dear Mr. Saultry,

SUB-STANDARD AGENCIES

Refer Memorandum to Agency/Regional Managers No. 30.

30 Unfortunately, it does seem quite possible that Keith Smith will fall within this category in 1975. This would probably mean that at the Review in January 1976, there would be a setting of reasonable objectives for 6 to 12 months of 1976, the achievement of these, or automatic cessation of agency.

Since his poor performance so far in 1975 makes all this such a clear possibility, I would like you to take all possible steps to change the disastrous course on which he appears to be set. Therefore, would you please have a particular counselling session with him covering :

Exhibit A16  
(Applicants)  
Correspondence concerning the resignation of K. Smith  
(Bundle)  
(continued)

- (i) Our concern for both his and the Society's welfare.
- (ii) The problems causing the poor performance so far this year and what the Society and he can do to correct.

I require that you report your counselling in writing to me for my consideration and for it to be placed on his file.

Should you feel, through your close contact, that he will not fall into this problem, then please write and tell me the glad tidings. 10

Yours faithfully,

(Sgd.)

SALES MANAGER

AMP O.D. SALES DIVISION - S.A. BRANCH

No. 30

MEMORANDUM TO : AGENCY MANAGERS  
REGIONAL MANAGERS

SUB-STANDARD AGENCIES

In the interests of all parties, I feel it timely to establish 1975 guidelines on this matter. 20

Agents will be considered sub-standard where production is less than -

- (a) 65 policies, or
- (b) \$500,000 individual, or
- (c) \$625,000 total non automatic

(You will notice this nearly parallels "bonus standard" for a first-year Agent).

A review of sub-standard agencies will be carried out early January 1976, and in subsequent years. 30

If, after full consideration by management,

including the Agency/Regional Manager, it is, for good reasons, decided not to terminate, then a further term with stated objectives will be set. Should these objectives not be attained then the cessation of agency will be automatic.

Naturally, in applying the above standards, official leave of absence, illness, advanced age, and the like, will be considered.

Please individually counsel any Agents who appear to be possibles for this category.

(Signed)

SALES MANAGER

9th May, 1975.

Exhibit A16  
(Applicants)  
Correspondence concerning the resignation of K. Smith (Bundle)  
(continued)

EXHIBIT B18 (RESPONDENTS) - 1971 INCOME TAX RETURN.

Exhibit B18 (Respondents) 1971 Income Tax Return

Admitted in Evidence on Page 106.



FORM B

1971 INCOME TAX RETURN BUSINESS and PROFESSIONAL 1 July 1970 to 30 June 1971

Table with 4 columns and 2 rows for stamping

FORM 'G' should be used for all Trust Estates and Partnerships.

TO COMPLETE THIS RETURN

- 1. Read carefully the separate form 'Instructions to Persons making Returns' and insert all of the information required on pages 1, 2, 3 and 4. If space under any item is insufficient, attach separate list.
2. Check to ensure that all your income has been disclosed and then complete and sign the declaration below.
3. If you consider that you are entitled to a refund please print the word 'REFUND' on the top left-hand corner of this page.
4. Post or deliver the return by 31 August 1971 to the Deputy Commissioner of Taxation in the State in which your income was derived.

FOR SOUTH AUSTRALIA AND THE NORTHERN TERRITORY THE ADDRESSES OF THE DEPUTY COMMISSIONERS ARE: G.P.O. BOX 288A, ADELAIDE 5001 OR P.O. BOX 227, DARWIN 5794

Main tax return form containing sections: Personal details (Surname: CHAPLIN, Christian Names: LANCELOT JOHN), Postal Address (D.J. Goldsworthy, 188 Glynburn Rd.), Residential Address (3 Sabrina Street, Salisbury), Occupation (CONSULTANT), Dividends and Interest, Age Allowance, Declaration, Particulars relating to sources of information, and Certificate by Agent.

10

20

30

40

50

(cont'd.)

**INCOME FROM A PROFESSION, TRADE or BUSINESS, including PRIMARY PRODUCTION**  
for the Twelve Months from 1 July 1970 to 30 June 1971

NATURE OF BUSINESS

CARRIED ON AT

Item	NATURE OF BUSINESS			Item	BUSINESS INCOME		
1	<b>WOOL ACCOUNT</b>	No. of Bales	Value \$	6	<b>TRADING ACCOUNT</b> (DO NOT include amounts shown in Items 1-4)		
	Delivered under Price Averaging Plan				*Gross Sales—cash and credit (not including value of goods taken from stock)		
	Gross sales (not including Price Averaging Plan deliveries)				<b>COST OF GOODS SOLD</b>		
	Advance and final payments received during year under Price Averaging Plan				Stock and materials (including partly manufactured goods) on hand at 1.7.70		
	Other receipts				Net purchases of stock		
	Wool on hand 30.6.71				Sub-total (i)		
	Total				<b>LESS</b>		
	Wool on hand 1.7.70				(a) Cost of goods taken from stock and used—		
	Produced during year from shearing				(i) for maintenance of self and family (No. of persons over age 16..... No. age 6 to 16.....)		
	Sheep and				(b) for maintenance of employees		
	Lambs				(c) for other purposes		
3	<b>WHEAT ACCOUNT</b>	No. of Bushels	Value \$		*Stock and materials (including partly manufactured goods) on hand at 30.6.71 (closing stock must be valued at cost price, market selling value, replacement price or other approved basis. Attach statement setting out basis adopted and details of methods used to value stock on that basis)		
	Delivered to Australian Wheat Board during year				Sub-total (ii)		
	Used for seed and fodder during year				<b>COST OF GOODS SOLD (Sub-total (i) less Sub-total (ii))</b>		
	Gross Sales (not including Wheat Board deliveries)						
	Wheat on hand 30.6.71				<b>BALANCE OF ACCOUNT</b>		
	Gross pool payments received during year—all pools (include refund of wheat tax)				(Gross sales less cost of goods sold)		
	Total						
	Wheat on hand 1.7.70						
	Produced during year						
20	<b>PRODUCE ACCOUNT, other than Wool and Wheat</b>			7	<b>GROSS INCOME from the PROFESSION OF</b>		
	State nature of produce		Gross sales \$				
	Value of stock and produce taken from business and used by self, family and employees, or exchanged for other goods			8	<b>Income from Wool, Wheat, Live Stock, etc., Accounts</b>		
	Value of skins and all other produce, except wool and wheat, on hand at 30.6.71				(Carried from Item No. 5)		
	Total			9	<b>Net profit from share-farming with</b>		
	Values of skins and all other produce, except wool and wheat, on hand at 1.7.70				(Attach details)		
				10	<b>Redemption of Drought Bonds (see separate Instruction Sheet)</b>		
30	<b>LIVE STOCK ACCOUNT</b>	Number	Value \$	11	<b>Bounties, subsidies, drought relief, Emergency Financial Assistance for Wool-growers, etc.</b>		
	Gross Sales			12	<b>Amounts received by way of insurance for loss of trading stock or loss of profits</b>		
	Sheep			13	<b>Income from commissions, discounts, rebates, sundry credits and bad debts recovered (Attach list)</b>		
	Cattle			14	<b>Gross amount earned from contracts, cartage, any other work or business sources (Attach list)</b>		
	Horses			15	<b>TOTAL INCOME FROM BUSINESS, ETC.</b>		
	Pigs						
	Killed for reasons			16	<b>BUSINESS DEDUCTIONS (Attach lists where called for)</b>		
	Sheep				Salaries and wages:		
	Cattle				(a) Total of statement No. 1 on page 3 which must be completed		
	Horses				(b) Total paid to other employees (Do not claim here wages for domestic assistance, alterations or new works or amounts included under Items 23 and 29)		
	Pigs			17	<b>Amount expended for food for business employees (not including wife or children under 16 years)</b>		
	Stock on hand 30.6.71				If not actual cost state rate per person per week \$		
	*cost			18	<b>Rent of business premises or land paid</b>		
	*market value				Less proportion of such rent paid for that part of premises used as residence (Do not claim Conditional Purchase payments or repayments of capital)		
	*Strike out whichever is not applicable			19	<b>Rates and Land Taxes paid in connection with the business but not including amounts claimed under Items 53 and 69 (Attach list)</b>		
	Losses by death, etc.			20	<b>Insurance premiums not including amounts claimed under Item 26 or 37</b>		
	Sheep			21	<b>Interest paid on borrowed money used in the business (Give details. Claim motor vehicle interest under Item 26)</b>		
	Cattle			22	<b>Depreciation on plant used in the business (Attach list of plant, etc. and value of each item at 1.7.70 and percentages written off). (See separate Instruction Sheet)</b>		
	Horses			23	<b>Repairs (not including alterations or additions) to property and plant used in the business but not including amounts claimed under Item 26 (Attach list)</b>		
	Pigs			24	<b>Bad debts written off during year (Attach statement showing name and address of each debtor, amount of debt, reason for writing off and year resumed as income)</b>		
	Total number should agree with total number Section B		Total Value Section A	25	<b>Subscriptions to trade, business or professional association other than amounts claimed under Item 66 (Attach list)</b>		
				26	<b>Motor vehicle expenses (including depreciation) Less proportion applicable to non-business use (Attach list and indicate basis of calculation)</b>		
40	<b>TOTAL OF ACCOUNTS (Wool, Wheat, Produce and Live Stock Section A)</b>			27	<b>Traveling expenses incurred in the business but not including amounts claimed under Item 26 (Attach list)</b>		
	Stock on hand 1.7.70			28	<b>Printing, stationery, advertising, postage, light, power, telephone (business expenses only)</b>		
	*cost			29	<b>Expenditure not claimed elsewhere (Attach full particulars):</b>		
	*market value				(a) Primary Production—special expenditure incurred by a taxpayer carrying on business of primary production (See separate Instruction Sheet)		
	*Strike out whichever is not applicable				(b) Agricultural or pastoral pursuits or forest operations—expenditure on bonding of land subject to national pastures		
	Purchases—at cost			30	<b>Seeds, fodder, fertilizers, etc. purchased during year</b>		
	Sheep			31	<b>Other business expenses (Attach list showing amounts paid and nature of payments)</b>		
	Cattle			32	<b>Investment Allowances (Attach details of claim—see separate Instruction Sheet)</b>		
	Horses			33	<b>Amounts subscribed to Drought Bonds for period ended 31 August 1971 (See separate Instruction Sheet)</b>		
	Pigs			34	<b>TOTAL BUSINESS DEDUCTIONS</b>		
	Selected values			35	<b>NET INCOME FROM BUSINESS, ETC.—Carried to Item 46, page 3</b>		
	\$			36	<b>EXPORT MARKET DEVELOPMENT EXPENDITURE</b>		
	\$				A rebate of tax based on this expenditure is available (See separate Instruction Sheet) Amount expended \$		
	\$				(Attach details of claim)		
50	<b>NET TOTAL Carried to Item No. 8</b>						

WHOLE DOLLARS—DO NOT USE CENTS

10

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Exhibit B18 (Respondents) 1971 Income Tax Return (cont'd.)

Form Page 4

63 NET INCOME (Carried from Item 62, page 3)

64 DEDUCTIONS (If space under any item is insufficient, attach separate list)

64 MEDICAL, CHEMIST, DENTAL, OPTICAL, FUNERAL EXPENSES, etc. (Receipts must be produced on request)

Name and address of legally qualified medical practitioner, hospital, chemist, dentist, optician, optometrist, etc.	Name of person receiving treatment and relationship to taxpayer. (If child not claimed as dependent, state date of birth)	AMOUNT PAID	SUB-TOTALS (IN DOLLARS)			
<b>MEDICAL PRACTITIONERS (including payments to surgeons and specialists)</b>						
Dr. Davenport		13	A 103			
Dr. Furler		50				
Dr. Kirkland		10				
Dr. Hamden		12				
Nthrn Clinic		15				
Dr. Kalinovsky		3	B 60			
Queen Victoria	HOSPITAL	57				
Adelaide Childrens		3	C			
CHEMIST (claim only amounts paid for medicines, etc., in respect of illness or operation)						
DENTIST						
P. Stewart		4	D 4			
OPTICIAN/OPTOMETRIST						
OTHER DEDUCTIBLE MEDICAL EXPENSES* OR FUNERAL EXPENSES (Give details)						
Various Chemists			F 73			
* N.B. Claim only expenditure of the nature described in the separate Instruction Sheet.		TOTAL	G			
SUBTRACT: Amounts reimbursed by, or claimable from, a medical or hospital benefits fund (including non-contributory funds), government, public authority, etc. . . . .						
NET AMOUNT CLAIMED FOR MEDICAL, ETC., EXPENSES						
Paid to:	Reference number (if any) on receipt or assessment notice	Amount paid \$				
E & WS	28943230010	73				
Salisbury	E 4312	64				
L/T		3				
Name of Company	Policy No.	Name of Life Assured	Amount paid \$			
See Schedule			978.88			
Name in Full	Date of Birth	Place of Residence of Dependant	Separate Net Income during Year. If no income write 'Nil'	If wholly maintained for whole of Year, write 'Wholly'. If not give details	Maximum Deduction for each Dependant \$	Amount Claimed for each Dependant \$
JILLIAN			All returns must be completed for each dependant		312	-
ALEXANDRA RUTH	11/24/66	W.T.P.	Nil	Full Yr	208	208
CAROLINE LOUISE	7/16/68	W.T.P.	Nil	Full Yr	156 (for one) 156 (others)	156
Name of Child	Age	Name of school, college, etc.	Amount paid \$	SUBTRACT (With restrictions (see below))	Amount claimed \$	
Alexandra		Sir Thomas Playford Kindergarten	12		12	

Please claim gross payments under each heading—subtract reimbursement from Medical/Hospital Benefits Fund in the space provided. Do not deduct amounts returned as income under Item 40 on page 3.

AMOUNT CLAIMED (IN DOLLARS) \$

WHOLE DOLLARS—DO NOT USE CENTS

## DEPRECIATION SCHEDULE

Form 236

Return of LANCE J CHAPLIN

Year ended 30 / 6 / 19 71

File Number C 35719

UNIT		Opening Written Down Value†	§ DISPOSALS, Etc. (Section 59)				ADDITIONS		Total Value for Depreci- ation	Rate %	DEPRECIATION			Closing Written Down Value	Tax Office Use Only	
Description of each Unit	Original Cost *		Proportion Private Use	Date	Consid- eration	ADJUSTMENTS		Date			Cost †	Section 57AA	Prime Cost Method			Diminish- ing Value Method
						Assess- able	Deduct- ible									
OFFICE DESK			11						11	15		2	9			
CHAIR			2						2	15		1	1			
CUPBOARD			2						2	15		1	1			
1967 HOLDEN		20%	1289				SEPT 70	1360	1289	22½						
FLOOR COVERINGS			49						49	15		7	42			
STREET DIRECTORIES			18						18	15		3	15			
FILING CABINET			73						73	15		11	62			
<b>ADDITIONS</b>																
HOLDEN		20%					SEPT 70	2750	2750	22½		46	2286			
<b>TOTALS</b>			1444									489				
				Deduct for private use					Deduct for private use			93				
				NET ADJUSTMENT					NET DEPRECIATION			396				
												AMOUNT CLAIMED FOR DEPRECIATION <u>396</u>				

Taxpayer's Signature

\* This column is provided for convenience where a separate record is not maintained.

† Show clearly any offset of an excess or disposal, etc., against the cost or depreciated value of any other unit of property—See Section 59(2A).

‡ Show consideration received on disposal, etc., of any unit of plant not now included in Depreciation Schedule.

347.

LANCELOT JOHN CHAPLIN

Exhibit  
B18  
(Respond-  
ents)  
1971  
Income  
Tax  
Return

BUSINESS INCOME

- (i) BOOKMAKERS CLERK  
(ii) LIFE ASSURANCE REPRESENTATIVE

MOTOR VEHICLE EXPENSES

PETROL, OIL & SERVICE	\$ 619.00
DRIVERS LICENCE	2.00
REG. & INSURANCE	<u>97.04</u>
	718.04

10	LESS: N.B.V. - 20%	<u>142.00</u>
		\$ <u>576.04</u>

(Cont'd.)

DEPRECIATIONOTHER BUSINESS EXPENSES

	ADVERTISING	351.25
	M. & W. ASSOCIATION	72.00
	ALLIED PUB.	45.00
	PRINTING	12.48
	R.A.A.	6.00
	ACCOUNTING	14.00
20	TELEPHONE AND TELEGRAMS	135.78
	NEWSPAPERS	48.00
	SUBSCRIPTIONS (A.I.M.A.)	10.50
	(A.M.P. REPS.)	11.00
	DONATIONS	6.00
	GOVERNMENT GAZETTES	22.10
	STATIONERY	8.32
	DEPRECIATION	396.00
	WAGES	1,200.00
	ENTERTAINMENT	350.00
30	CALENDARS AND CARDS	120.50
	GAS & ELECTRICITY	22.50
	J. ROBERTSON - COMMISSION	546.94
	B. GUNTHER - COMMISSION	42.17
		<u>\$ 3,996.08</u>

LANCELOT JOHN CHAPLIN

Exhibit  
B18  
(Respond-  
ents)  
1971  
Income  
Tax  
Return  
  
(cont'd.)

## Item 70 Life Assurance and Superannuation

A.M.P.	Policy No. SO 171603	L.J. Chaplin	249.84
A.M.P.	Superannuation	L.J. Chaplin	216.00
A.M.P.	S.O. 189998/190007	Jill Chaplin	324.00
A.M.P.	S.O. 170377	A.R. Chaplin	17.60
A.M.P.	S.O. 202839	A.R. Chaplin	50.04
A.M.P.	S.O. 188516	C.L. Chaplin	17.60
A.M.P.	S.O. 188984	C.L. Chaplin	43.80
A.M.P.	S.O. 176379	Jill Chaplin	60.00
			<hr/>
			\$ 978.88
			<hr/> <hr/>

10

EXHIBIT B19 (RESPONDENTS) - 1972 INCOME TAX RETURN.



FORM B

1972 INCOME TAX RETURN BUSINESS and PROFESSIONAL 1 July 1971 to 30 June 1972

FORM 'G' should be used for all Trust Estates and Partnerships.

PLEASE INSERT FILE NUMBER (AS SHOWN ON LAST ASSESSMENT) IN THIS BLOCK

Exhibit B19 (Respondents) 1972 Income Tax Return

Admitted in Evidence on Page 107.

TO COMPLETE THIS RETURN

- 1. Read carefully the separate form 'Instructions to Persons making Returns' and insert all of the information required on pages 1, 2, 3 and 4. If space under any item is insufficient, attach separate list.
2. Check to ensure that all your income has been disclosed and then complete and sign the declaration below.
3. If your postal address is unchanged insert the address exactly as shown on last year's return.
4. If you consider that you are entitled to a refund please print the word 'REFUND' in this box.
5. Post or deliver the return by 31 August 1972 to the Deputy Commissioner of Taxation in the State in which your income was derived.

FOR SOUTH AUSTRALIA AND THE NORTHERN TERRITORY THE ADDRESSES OF THE DEPUTY COMMISSIONERS ARE: G.P.O. BOX 288A, ADELAIDE 5001 OR P.O. BOX 227, DARWIN 5794

1 SURNAME (USE BLOCK LETTERS) CHRISTIAN NAMES
2 Mr CHAPLIN LANCELOT JOHN

POSTAL ADDRESS FOR SERVICE OF NOTICES (USE BLOCK LETTERS) D.J. Goldsworthy, 188 Glynburn Rd. Postcode 5073

HAVE YOU CHANGED YOUR POSTAL ADDRESS FROM THE ONE SHOWN ON LAST YEAR'S INCOME TAX RETURN FORM? IF 'YES', STATE POSTAL ADDRESS SHOWN ON THAT RETURN FORM— YES NO

RESIDENTIAL ADDRESS If same as postal address, write 'as above' 3 Sabina Ave., Salisbury Postcode 5108

20 YEAR OF LAST RETURN 1971 LAST RETURN LODGED AT (City) ADELAIDE FULL NAME OF WIFE OR HUSBAND JILLIAN

OCCUPATION CONSULTANT IF YOU CHANGED YOUR NAME, STATE NAME ON LAST RETURN If you were married during year, state date of marriage

IMPORTANT DIVIDENDS AND INTEREST PAID TO NON-RESIDENTS This section MUST be completed. Dividends 1.7.71 to 30.6.72 Interest 1.7.71 to 30.6.72

AGE ALLOWANCE: TO BE COMPLETED ONLY BY MALES OVER 65 AND FEMALES OVER 60

30 If you were born before 1 July 1907 (or before 1 July 1912, if you are a female) you may be entitled to the age allowance concession. 1. Your date of birth (show year in full, e.g. 1904) DAY MONTH YEAR

40 DECLARATION I, the person making this return, declare that the particulars shown therein, and also those stated in the Accounts, Balance Sheets, Documents and Lists herewith, are true and correct in every detail, and disclose a full and complete statement of the total income derived by me from all sources both in and out of Australia during the year 1 July 1971 to 30 June 1972.

PARTICULARS RELATING TO SOURCES OF INFORMATION To be given by—A. Any person who charges directly or indirectly any fee for preparing, or assisting to prepare, this return.

Question Answer (1) What books of account, if any, are kept by or on behalf of the taxpayer? (2) By whom are those books of account kept? (3) Are those books of account audited each year? If so, by whom? (4) Is the return in accordance with those books? (5) If the return is not in accordance with those books, on what basis and upon what information has the return been prepared? (6) Have you satisfied yourself, and, if so, how, that the books of account, or other sources of information upon which the return is based, are correct and disclose the whole of the taxpayer's income from all sources?

50 CERTIFICATE BY AGENT I, D.J. Goldsworthy, having charged the taxpayer a fee for preparing, or assisting in the preparation of this return, hereby certify that the answers set forth above in the second column in this statement, opposite to the questions set forth in the first column thereof, are true and correct in every particular.

Table with columns: Folio, Date, Section, Sub-section, Initials, Date. Includes rows A, B, C, D.

Exhibit B19 (Respondents) 1972 Income Tax Return (cont'd.)

INCOME FROM A PROFESSION, TRADE or BUSINESS, including PRIMARY PRODUCTION for the Twelve Months from 1 July 1971 to 30 June 1972

Form with columns: NATURE OF BUSINESS, CARRIED ON AT, BUSINESS INCOME, BUSINESS DEDUCTIONS, NET TOTAL. Includes sections for Wool, Wheat, Produce, Live Stock, and various business income and deduction items.





Exhibit  
B19  
(Respondents)  
1972  
Income  
Tax  
Return  
  
(cont'd.)

Item 65 <b>NET INCOME</b> (Carried from Item 64, page 3) .....										8					
Item 66 <b>DEDUCTIONS</b> (If space under any item is insufficient, attach separate list)															
<b>MEDICAL, CHEMIST, DENTAL, OPTICAL, FUNERAL EXPENSES, etc.</b> (Receipts must be produced on request)															
Name and address of legally qualified medical practitioner, hospital, chemist, dentist, optician, optometrist, etc.		Name of person receiving treatment and relationship to taxpayer. (If child not claimed as dependent, state date of birth)				GROSS AMOUNT PAID		TOTALS (IN DOLLARS)		Please claim gross payments under each heading—subtract in the space provided (i.e. G) amounts reimbursed by or claimable from Medical/Hospital Benefits Fund. Do not deduct amounts returned as income under Item 40 on page 3.					
<b>MEDICAL PRACTITIONER</b> (Including payments to surgeons and specialists)															
Dr. Welch						14		A 63				W H O L E  D O L L A R S    D O N O T U S E  C E N T S			
Drs. Nairne & Benson						10									
Dr. Trembold						33									
Dr. Richards						6									
<b>HOSPITAL</b>															
<b>CHEMIST</b> (Claim only amounts paid for medicines, etc., in respect of illness or operation)															
Spurling Pharmacy								C 69							
<b>DENTIST</b>															
Dr. P. Stewart								D 24							
<b>OPTICIAN/OPTOMETRIST</b>															
<b>FUNERAL EXPENSES (MAXIMUM \$100) OR OTHER MEDICAL EXPENSES</b> (See separate instruction sheet)															
Inst. of Med. & Vet.						8		F 25							
Dr. Gribble						17									
<b>TOTAL GROSS MEDICAL, ETC. PAYMENTS (TOTAL A-F)</b> →															
<b>FUND REIMBURSEMENTS</b> Amounts reimbursed by, or claimable from, medical or hospital benefits funds (including non-contributory funds), government, public authorities, etc.										G					
<b>NET AMOUNT CLAIMED FOR MEDICAL, ETC., EXPENSES</b> (Subtract Fund Reimbursements from Total Gross Medical etc. Payments)										20					
Item 67 <b>MEDICAL/HOSPITAL BENEFITS FUND</b>					Paid to: N.H.S.A.					H 96					
Item 68 <b>SUBSCRIPTIONS TO TRADE UNIONS, etc.</b>					Paid to: A.I.M.A.					I 15					
Item 69 <b>GIFTS to Approved Building Funds</b> (See separate instruction sheet)					Paid to:					J					
Item 70 <b>GIFTS to Public Institutions, etc.</b> (See separate instruction sheet)					Paid to:					K					
Item 71 <b>RATES AND LAND TAXES</b> (Do not claim for land rent)					Paid to: E. & W.S.		Reference number (if any) on receipt or assessment notice: 28943230		Amount paid \$: 79		L 155				
					Paid to: Salisbury Council		4407		71						
					Paid to:										
Item 72 <b>LIFE ASSURANCE PREMIUMS</b> (Do not claim for fire, household or motor vehicle insurance)					Name of Life Assured		Name of Company		Policy No.		Amount paid \$				
					SEE SCHEDULE						M 1209				
Item 73 <b>SUPERANNUATION</b>					Paid to:							N			
Item 74 <b>ZONE ALLOWANCE, OVERSEAS FORCES ALLOWANCE</b>					Place of residence within zone or overseas		Name of person first citizen		Period of residence to			O			
Item 75 <b>LIVING-AWAY-FROM-HOME ALLOWANCE DEDUCTION</b> (See note in separate instruction sheet)					Allowance while located at		Rate of allowance		Period of receipt			P			
Item 76 <b>DEPENDANT</b>		Name in Full		Date of Birth	Place of Residence of Dependant	Separate Net Income during Year. If no income write Nil	If Wholly Maintained for Whole of Year, write 'Wholly'. If not, state Period Wholly Maintained	Maximum Deduction for each Dependant \$	Amount Claimed for each Dependant \$			Q			
SPOUSE or DAUGHTER-UNDER 18 YEARS OF AGE		JILLIAN			WTP			312	-			R 364			
CHILDREN UNDER 16 YEARS OF AGE		ALEXANDRA RUTH		111268	WTP	Nil		208	208						
		CAROLINE LOUISE		171168	WTP	Nil		168	156						
Item 78 <b>STUDENTS 16 AND UNDER 25 YEARS OF AGE</b>		Give name of school also				Government assistance for living expenses	Other income	If not at school for whole year state period at school	208			S			
Item 79 <b>INVALID RELATIVES 16 YEARS AND OVER</b>		State also relationship to taxpayer				Person	Other income	208			T				
Item 80 <b>PARENTS/ PARENTS-IN-LAW</b>								312			U				
Item 81 <b>HOUSEKEEPER</b> (See note in separate instruction sheet)						State period of year wholly engaged as full-time housekeeper		312			V				
Item 82 <b>EDUCATION EXPENSES</b> (Please indicate, for each child or student, details of items claimed and of any education expenses paid by other persons)															
If space insufficient attach list															
Name of child or student		Age	Name of school, college, etc.			Gross amount paid \$	SUBTRACT C with assistance (see below)	Net amount claimed \$							
Alexandra			Salisbury Prim.			94		94			W 94				
* Commonwealth assistance means amounts received or receivable for school fees and text books under a Commonwealth scheme for secondary and technical scholarships															
Item 83 <b>CALLS—Mining and exploration</b> (not included under Item 84)					Paid to:		Number of shares		Date shares issued		Amount \$		X		
Item 84 <b>CAPITAL</b> subscribed direct to oil exploration companies and certain mining companies (not including premiums or payments for purchase of rights or issued shares)					Name of Company		Name of any Nominee (See note in separate instruction sheet)		Number of shares		Application and Allotment moneys \$		Calls \$		
Item 85 <b>ANY OTHER DEDUCTIONS</b> (Give full details)					Nature of Deduction							Amount \$		Y	
														Z	
Item 86 <b>TOTAL DEDUCTIONS (Items 66-85)</b>										TD					
Item 87 <b>TAXABLE INCOME</b> (Deduct Item 86 from Item 65)										8					

# DEPRECIATION SCHEDULE

Form 286

Return of **LANCE CHAPLIN**

Year ended 30 / 6 /1972

File Number C35 719

UNIT			Opening Written Down Value†	‡DISPOSALS, ETC (Section 59)			ADDITIONS		Total Value for Depreciation	Rate	DEPRECIATION			Closing Written Down Value	Tax Office Use Only	
Description of each Unit	Original Cost*	Proportion Private Use		Date	Consideration	ADJUSTMENTS		Date			Cost †	Section 57AA	Prime Cost Method			Diminishing Value Method
						Assessable	Deductible									
OFFICE DESK			9						9	15			1	8		
CHAIR			1						1	15			1	-		
CUPBOARD			1						1	15			1	-		
FLOOR COVERINGS			42	SCRAPPED	NIL	42			42	15			-	-		
STREET DIRECTORIES			15						15	15			2	13		
FILING CABINET			62						62	15			9	53		
HOLDEN		30%	2286	15/2/72	1700	586			2286	22½						
FILING CABINET							JULY 71	95	95	15			14	81		
CARPET							JULY 71	154	154	30			46	108		
MORRIS		50%					MAY 71	400	585	22½			86	299		
<b>TOTALS</b>						628							160			
			Deduct for private use						Deduct for private use							
			NET ADJUSTMENT				175	NET DEPRECIATION					43			
							453						117			

Taxpayer's Signature

AMOUNT CLAIMED FOR DEPRECIATION: 570

\* This column is provided for convenience where a separate record is not maintained  
 † Show clearly any offset of an excess or disposal, etc. against the cost or depreciated value of any other unit of property. (See Section 59.2A.)  
 ‡ Show consideration received on disposal, etc. of any unit of plant not now included in Depreciation Schedule.

Exhibit  
B19  
(Respondents)  
1972  
Income  
Tax  
Return  
(cont'd.)

354.



L.J. CHAPLIN

Exhibit  
B19  
(Respond-  
ents)  
1972  
Income  
Tax  
Return

(cont'd.)

	<u>ITEM 62 - BUSINESS EXPENSES</u>		
	COMMISSION - J ROBERTSON	174.81	
	- B GUNTHER	166.73	
	R.A.A.	7.00	
	DRIVERS LICENCE	5.00	
	WAGES	2,080.00-	
	PRINTING AND CALENDARS	268.69	
	BUSINESS CARDS	30.00	
10	SUBSCRIPTIONS - A.I.A.	15.00	
	- L.U.A.	15.00	
	- A.M.P.	15.00	
	TELEPHONE AND TELEGRAMS	206.91	
	LEASE - TELEPHONE ANSWERING SERVICE	116.66-	
	STATIONERY	48.06	
	POSTAGE	43.00	
	ENTERTAINMENT EXPENSES	720.00	
	ADVERTISING	662.00	
20	ACCOUNTING	37.00	
	NEWSPAPERS	52.00	
	DRY CLEANING (EXCESS)	20.00-	
	LEASING - MOTOR VEHICLE	550.50	
	PARKING	7.00	
	<u>MOTOR VEHICLE EXPENSES</u>		
	REGISTRATION	118.40	
	INSURANCE	172.34	
	SERVICING	38.59	
	TYRES	20.00	
	PETROL AND OIL	800.44	
30		<hr/>	1,149.77
	<u>OFFICE EXPENSES</u>		
	GAS & ELECTRICITY (\$170.40x1/6)	28.40	
	INSURANCE (\$30.50x1/6)	5.09	
	INTEREST (\$347 x 1/6/)	58.00	
		<hr/>	91.59
	DEPRECIATION		570.00
			<hr/>
			\$ 7,049.72
	N.B.U. OF MOTOR VEHICLE EXPENSES		156.00
			<hr/>
			\$ 6,893.72
			<hr/> <hr/>

Exhibit  
B19  
(Respond-  
ents)  
1972  
Income  
Tax  
Return

L.J. CHAPLIN - MARKET GARDENER

TRADING, PROFIT & LOSS STATEMENT FOR YEAR ENDED 30TH  
JUNE, 1972

(cont'd.)

INCOME - SALES PRODUCE		820.00	
<u>LESS: EXPENDITURE INCURRED</u>			
WILLUNGA COUNCIL RATES	45.00		
WATER RATES	76.80		
EXCESS WATER	24.00		
SEEDS AND FERTILISER	640.00		
INTEREST	144.23		10
REGISTRATION AND INSURANCE - UTE	140.90		
PETROL AND OIL	246.00		
DEPRECIATION	757.00		
		<u>2,703.93</u>	
NET LOSS		\$ <u>1,253.93</u>	

L. J. CHAPLIN

ITEM 72 - LIFE ASSURANCE

ALL A.M.P.	SUPERANNUATION		259.00	
	DIABILITY POLICY	SELF	164.39	
	SO 170377	ALEXANDRA	17.60	20
	SO 188516	CAROLINE	17.60	
	SO 171603	SELF	145.92	
	SO 189998/190007	JILL	524.00	
	SO 202839	ALEXANDRA	50.04	
	SO 188984	CAROLINE	45.00	
	SO 176379	JILL	60.00	
	SO 234565	CAROLINE	64.00	
	SO 234566	ALEXANDRA	63.00	
			<u>\$ 1,209.35</u>	

EXHIBIT B20 (RESPONDENTS) - 1974 INCOME TAX RETURN.



**FORM B**

**1974 INCOME TAX RETURN  
BUSINESS and PROFESSIONAL  
1 July 1973 to 30 June 1974**

C 35719  
PLEASE INSERT FILE NUMBER  
(AS SHOWN ON LAST ASSESSMENT)

Exhibit  
B20  
(Respondents)  
1974  
Income  
Tax  
Return

Admitted  
in  
Evidence  
on  
Page 108.

This form is for taxpayers who carry on a Business or Profession, including Primary Production.  
FORM 'G' should be used for all Trust Estates and Partnerships.

If you consider that you are entitled to a refund please print the word 'REFUND' in this box

[Empty box for 'REFUND' stamp]

Notes to assist you to complete this return are provided in the form 'Instructions to Persons Making Returns'. Carefully insert all the information required in this return (if space under any item is insufficient, attach separate list) and sign the declaration below. Post or deliver the return by 31 August 1974 to the Deputy Commissioner of Taxation in the State in which your income was derived. If you had income from more than one State, send the return to the Deputy Commissioner in the State in which you now live. (Full-time members of the Navy, Army or Air Force should lodge in the State of enlistment.)

10

FOR SOUTH AUSTRALIA AND THE NORTHERN TERRITORY THE ADDRESSES OF THE DEPUTY COMMISSIONERS ARE:  
G.P.O. BOX 288, ADELAIDE 5001 OR P.O. BOX 227, DARWIN 5794

SURNAME (USE BLOCK LETTERS) →	1	*Mr	CHAPLIN
	2	*MRS *MDE * Strike out whichever do not apply	
GIVEN OR CHRISTIAN NAMES (USE BLOCK LETTERS)	LANCELOT JOHN		
POSTAL ADDRESS FOR SERVICE OF NOTICES (USE BLOCK LETTERS) <small>If the address is unchanged, please show it exactly as it appeared on last year's assessment notice</small>	BEUNTY-WOOLEBY-C-ASSOC- 188 Glynburn Rd., Tranmere Postcode		
PREVIOUS POSTAL ADDRESS <small>If you have changed your postal address, insert the previous address exactly as shown on last year's assessment notice. If no change, leave blank.</small>	Postcode		
RESIDENTIAL ADDRESS <small>If it is the same as your postal address for service of notices, write 'as above'.</small>	3 SABINA ST, SALISBURY Postcode		
FULL NAME OF YOUR WIFE OR HUSBAND	JILLIAN ◆		
YOUR OCCUPATION	CONSULTANT		
LAST RETURN LODGED <small>If no previous return, please attach statement giving reasons</small>	City at which lodged	ADELAIDE	Year of return 1973
CHANGE OF NAME and DATE OF MARRIAGE <small>Do not complete this item unless you changed your name or were married since preparing your last return.</small>	Previous Name	Date of marriage	

20

30

<b>IMPORTANT</b> <small>Before making this declaration check to ensure that all your income has been disclosed and that the return is true and correct in every detail. If you are in doubt about any aspect of your return, place all the facts before the Taxation Office. The income tax law provides severe penalties for false statements in returns.</small>	<b>DECLARATION</b> <small>I, the person making this return, declare that the particulars shown therein and also those stated in the Accounts, Balance Sheets, Documents and Lists are true and correct in every detail, and disclose a full and complete statement of the total income derived by me from all sources both in and out of Australia during the year 1 July 1973 to 30 June 1974.</small> Taxpayer's Signature _____ Date _____ <small>This declaration and all attached sheets must be signed by the taxpayer personally</small>
---	--

40

<b>PARTICULARS RELATING TO SOURCES OF INFORMATION</b> <small>Question</small> (1) What books of account, if any, are kept by or on behalf of the taxpayer? (2) By whom are those books of account kept? (State name and address) (3) Are those books of account audited each year? If so, by whom? (4) Is the return in accordance with those books? (5) If the return is not in accordance with those books, on what basis and upon what information has the return been prepared? (6) Have you satisfied yourself and, if so, how, that the books of account or other sources of information upon which the return is based, are correct and disclose the whole of the taxpayer's income from all sources?	To be given by—A. Any person who charges directly or indirectly any fee for preparing or assisting to prepare this return. B. Every person carrying on business who does not furnish with his return an agent's certificate. Cross out whichever does not apply.  Answer  INFORMATION SUPPLIED BY THE TAXPAYER  ASSURANCE OF THE TAXPAYER  <small>N.B.—No. (6) to be answered only by the person mentioned in 'A' above.</small>
---	--

50

<b>TAX AGENT</b> <small>Where the agent is a partnership or a company, this certificate must be signed in the name of the partnership or company, as the case requires, by a person who is registered as a nominee of that partnership or company, and that person's name must also be appended.</small>	<b>CERTIFICATE</b> <small>I, BEUNTY-WOOLEBY-C-ASSOC, having charged the taxpayer a fee for preparing or assisting in the preparation of this return, hereby certify that the answers set forth above in the second column in this statement, opposite to the questions set forth in the first column thereof, are true and correct in every particular.</small> Signature of Agent _____ Date _____ Agent's registered number <b>TA</b>
---	--

<b>AGE REBATE</b> <small>You may be entitled to an age rebate if you fall into any of the categories opposite. Follow the instructions opposite and the Taxation Office will calculate and allow any rebate to which you are entitled. Note: The Age Rebate provisions are explained in the form 'Instructions to Persons making Returns'.</small>	1. If you are (a) a male born before 1 July 1909; or (b) a female born before 1 July 1914 2. If you are (c) the wife of a man born before 1 July 1909; or (d) a female who is dependent upon a man born before 1 July 1909 and, by reason of that fact, you are in receipt of a pension which is subject to tax	Write YOUR date of birth here* → DAY MONTH YEAR  C DAY MONTH YEAR OFFICE USE ONLY D  * Please use figures and express the year in full—e.g. 21.10.1904
---	--	--

OFFICE USE ONLY	A	B	C	D
-----------------	---	---	---	---

Exhibit B20 (Respondents) 1974 Income Tax Return (cont'd.)

INCOME FROM A PROFESSION, TRADE or BUSINESS, including PRIMARY PRODUCTION

N.B. In the income and deduction columns on pages 2, 3 and 4 please use WHOLE DOLLARS ONLY, e.g. for \$21.15 write 21. Do NOT write 21.15 or 21.00

NATURE OF BUSINESS CARRIED ON AT

Main tax form grid with columns for 'PRIMARY PRODUCTION INCOME' and 'BUSINESS INCOME'. Includes sections for Wool, Wheat, Live Stock, and Business Deductions. Total income from business is 1100, and net income from business is 603.

Sections 40 and 41: 40. PAYMENTS TO ASSOCIATED PERSONS AND DOMESTICS. 41. OVERSEAS TRANSACTIONS. Includes tables for associated persons and checkboxes for overseas transactions.

Exhibit  
B20  
(Respondents)  
1974  
Income  
Tax  
Return

(cont'd.)

WHOLE DOLLARS  
DO NOT SHOW CENTS

Item	INCOME	Amount (in dollars)																								
42	<b>GROSS SALARY, WAGES, BONUS, COMMISSIONS, SUPERANNUATION, PENSIONS, WORKERS' COMPENSATION</b> shown on Group Certificates and Tax Stamp Sheets																									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Serial Number</th> <th style="width: 10%;">Amount of Instalments Deducted</th> <th style="width: 10%;">30</th> <th style="width: 40%;">Employer's or Payer's Name</th> <th style="width: 20%;">Period of Employment or Payment</th> </tr> <tr> <td>84S2109852</td> <td>3,567</td> <td>30</td> <td>A.M.P. Society</td> <td>Full to</td> </tr> <tr> <td colspan="5" style="text-align: center;">Total Instalments Deducted <b>A</b> 3,567 30 If unemployed during year, state period From To</td> </tr> </table>	Serial Number	Amount of Instalments Deducted	30	Employer's or Payer's Name	Period of Employment or Payment	84S2109852	3,567	30	A.M.P. Society	Full to	Total Instalments Deducted <b>A</b> 3,567 30 If unemployed during year, state period From To					17,594									
Serial Number	Amount of Instalments Deducted	30	Employer's or Payer's Name	Period of Employment or Payment																						
84S2109852	3,567	30	A.M.P. Society	Full to																						
Total Instalments Deducted <b>A</b> 3,567 30 If unemployed during year, state period From To																										
43	REMUNERATION OR EARNINGS, HONORARIA, WORKERS' COMPENSATION, ETC. not included in Item 42 (give details)																									
44	VALUE OF BOARD, QUARTERS OR RESIDENCE provided free or for less than full value by employer for _____ weeks																									
45	ALLOWANCES OR BENEFITS granted by employer, e.g. travelling allowance, entertainment allowance, living-away-from-home allowance, use of car (include the value to you of the use of employer's car for your private purposes), reimbursement of medical expenses by employer, cash allowance in lieu of quarters, sustenance, etc. (Any deductible amounts in respect of these allowances may be claimed under Items 90 or 100)																									
46	TIPS AND OTHER GRATUITIES received in connection with occupation or employment																									
47	$\frac{1}{20}$ th of RETIRING ALLOWANCE OR RETIRING GRATUITY received in a lump sum (total amount received \$ _____) $\frac{1}{30}$ th -																									
48	PENSION (a) AGE OR SERVICE PENSION, ETC. PAID BY THE AUSTRALIAN GOVERNMENT not included in Item 42 (See separate 'Instructions to Persons making Returns') (b) OTHER PENSION, SUPERANNUATION OR RETIRING ALLOWANCE not included in Items 42 or 47 and received from <b>JONES &amp; CARLING</b>	1,420																								
49	FEES, COMMISSIONS (give details) <b>Fire &amp; General Insurance</b>																									
50	<b>TOTAL OF ITEMS 42 to 49</b>	<b>19,014</b>																								
51	<b>NET INCOME FROM BUSINESS, ETC.—TRANSFERRED FROM ITEM 38, PAGE 2</b>	603																								
52	<b>PARTNERSHIPS, TRUSTS, ETC.</b> Share in partnership income or income as a beneficiary under will, settlement, deed of gift or instrument of trust. Full name of partnership, trust, etc. City at which partnership or trust return is lodged Amount																									
	If income was shown under this item in last year's return and the income ceased before 1.7.73, please place X in this box <input type="checkbox"/>																									
53	RENT including rent from sub-letting. Please show only the gross rent received in this item and attach a list showing the amount of rent derived from and the address of each property. Claim deductions applicable to income from rent in Items 61 to 68 below																									
54	PREMIUMS and other amounts received in connection with the grant, assignment or surrender of leases. (See separate Instruction Sheet)																									
55	INTEREST from savings banks and fixed deposits, Australian Government Loans issued on or after 1 November 1968, State Authorities, credit unions, building societies, debentures, personal loans, interest component from proceeds of property sale, etc. Show for each loan the name of the Government, State Authority, Bank, Company, Firm, Person to whom money is lent, the principal at 30 June 1974 and the amount of interest derived during the year. (Attach list)																									
56	INTEREST from Loans issued before 1 November 1968 by the Australian Government or free of State Income Tax by State Authorities. Show for each loan the name of the Government or State Authority, the principal at 30 June 1974, and the amount of interest derived during the year. (Attach list)																									
57	DIVIDENDS including Exempt and ex-Australian Dividends, Bonus Shares, and Liquidators' and other Distributions. Show the name and the dividend derived from each Company. (Attach list)																									
58	SALE OF PROPERTY—Were any sales made, during the year of income, of real estate, stocks, shares or other property? YES NO Place X in box applicable If YES, state here—(a) a description of the property sold <input type="checkbox"/> <input checked="" type="checkbox"/> (b) the amount of any profit you derived from the sale, during the year of income, of property— (i) which you acquired for the purpose of profit-making by sale, or (ii) which you purchased after 21 August 1973 and sold within twelve months of its purchase (not being your sole or principal residence which was sold through a change in your place of business or employment). Please attach a statement setting out the details of the property, its cost price and sale price, the dates of acquisition and sale and the manner in which the amount of profit has been calculated. If you are of the view that the profit is non-taxable, please furnish these details together with any other relevant information including reasons in support of your view.																									
59	OTHER INCOME (give details)																									
	<b>TOTAL INCOME (ADD ITEMS 42 to 59)</b>	<b>19,617</b>																								
60	<b>DEDUCTIONS</b>																									
61	RATES and LAND TAXES paid on income-producing properties (Attach list)																									
62	REPAIRS (not including alterations, additions or improvements) to income-producing properties (Attach list)																									
63	INSURANCE PREMIUMS (Fire, Burglary, etc.) paid on income-producing properties (Attach list)																									
64	INTEREST paid to _____ of _____ on borrowed money used to produce income																									
65	COMMISSION paid to _____ of _____ for collection of income																									
66	RENT paid to _____ of _____ for property or part thereof from which rent is received																									
67	DEDUCTIONS relating to income derived from a partnership or trust and not claimed in partnership or trust return (Attach list)																									
68	OTHER DEDUCTIONS relating to production of investment and property income (Attach list)																									
69	<b>TOTAL OF ITEMS 61 to 68</b>	<b>T</b>																								
70	<b>NET INCOME (SUBTRACT ITEM 60 FROM ITEM 60)</b>	<b>19,617</b>																								
	<b>MEDICAL, DENTAL, OPTICAL AND FUNERAL EXPENSES</b> —You may claim only amounts paid in respect of yourself, your wife or husband and your children under 21 years or other dependants in respect of whom a deduction is allowable in Items 91 to 95. Expenses paid on account of a housekeeper are not deductible. Please show gross payments to each person, hospital etc. in Items 71 to 76 and show the total of any amounts paid or reimbursed by, or claimable from, medical or hospital benefits funds, etc. in Item 78.																									
71	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Payment made to (Show name and address)</th> <th style="width: 20%;">Gross Amount</th> <th style="width: 50%;">In this column show total amount claimed under each heading (in dollars)</th> </tr> <tr> <td>DOCTORS (including surgeons and specialists) Dr. Cottell Dr. Richards Dr. St. John - Salisbury</td> <td style="text-align: right;">29 8 39</td> <td style="text-align: right;"><b>A 76</b></td> </tr> <tr> <td>HOSPITALS</td> <td></td> <td style="text-align: right;"><b>B</b></td> </tr> <tr> <td>CHEMISTS (Claim only for medicines etc. in respect of an illness or operation) Various</td> <td style="text-align: right;">64</td> <td style="text-align: right;"><b>C 64</b></td> </tr> <tr> <td>DENTISTS</td> <td></td> <td style="text-align: right;"><b>D</b></td> </tr> <tr> <td>OPTICIANS/OPTOMETRISTS</td> <td></td> <td style="text-align: right;"><b>E</b></td> </tr> <tr> <td>OTHER MEDICAL/FUNERAL (Maximum allowable for funeral expenses for a dependant is \$100. Show name and relationship of deceased)</td> <td></td> <td style="text-align: right;"><b>F</b></td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>TOTAL (ADD ITEMS 71 to 76)</b></td> <td style="text-align: right;"><b>140</b></td> </tr> </table>	Payment made to (Show name and address)	Gross Amount	In this column show total amount claimed under each heading (in dollars)	DOCTORS (including surgeons and specialists) Dr. Cottell Dr. Richards Dr. St. John - Salisbury	29 8 39	<b>A 76</b>	HOSPITALS		<b>B</b>	CHEMISTS (Claim only for medicines etc. in respect of an illness or operation) Various	64	<b>C 64</b>	DENTISTS		<b>D</b>	OPTICIANS/OPTOMETRISTS		<b>E</b>	OTHER MEDICAL/FUNERAL (Maximum allowable for funeral expenses for a dependant is \$100. Show name and relationship of deceased)		<b>F</b>	<b>TOTAL (ADD ITEMS 71 to 76)</b>		<b>140</b>	
Payment made to (Show name and address)	Gross Amount	In this column show total amount claimed under each heading (in dollars)																								
DOCTORS (including surgeons and specialists) Dr. Cottell Dr. Richards Dr. St. John - Salisbury	29 8 39	<b>A 76</b>																								
HOSPITALS		<b>B</b>																								
CHEMISTS (Claim only for medicines etc. in respect of an illness or operation) Various	64	<b>C 64</b>																								
DENTISTS		<b>D</b>																								
OPTICIANS/OPTOMETRISTS		<b>E</b>																								
OTHER MEDICAL/FUNERAL (Maximum allowable for funeral expenses for a dependant is \$100. Show name and relationship of deceased)		<b>F</b>																								
<b>TOTAL (ADD ITEMS 71 to 76)</b>		<b>140</b>																								
72	HOSPITALS																									
73	CHEMISTS (Claim only for medicines etc. in respect of an illness or operation)																									
74	DENTISTS																									
75	OPTICIANS/OPTOMETRISTS																									
76	OTHER MEDICAL/FUNERAL (Maximum allowable for funeral expenses for a dependant is \$100. Show name and relationship of deceased)																									
77	<b>TOTAL (ADD ITEMS 71 to 76)</b>	<b>140</b>																								
78	REIMBURSEMENT OF MEDICAL, ETC. EXPENSES Show total of amounts paid or reimbursed by, or claimable from, a medical or hospital benefits fund (including a non-contributory fund, government, public authority, society or association).	<b>G 52</b>																								
79	DEDUCTION CLAIMED FOR MEDICAL, ETC. EXPENSES (SUBTRACT ITEM 78 FROM ITEM 77)	<b>88</b>																								
80	<b>SUB-TOTAL (SUBTRACT ITEM 79 FROM ITEM 70)</b>	<b>19,529</b>																								

Deductions continue on next page



Exhibit  
B20  
(Respondents)  
1974  
Income  
Tax  
Return  
  
(cont'd.)

Page 4  
Item 81

**SUB-TOTAL CARRIED FORWARD—TRANSFERRED FROM ITEM 80 ON PAGE 3**

19,529

82	MEDICAL/HOSPITAL BENEFITS FUND CONTRIBUTIONS	Paid to: N.H.S.A.		H	119
83	TRADE UNION, ETC. SUBSCRIPTIONS	Paid to: A.I.M.A. \$16 AMP Registration \$20 L.U.A. \$30		I	66
84	GIFTS TO APPROVED BUILDING FUNDS (State full name of fund)	Paid to		J	
85	GIFTS TO PUBLIC INSTITUTIONS, ETC.	Paid to: Qld Flood Rlf \$10 Rotary Dist.250 Charitable Trust Fund\$13		K	23
86	RATES AND LAND TAXES ON SOLE OR PRINCIPAL RESIDENCE (Do not claim for land rent) MAXIMUM DEDUCTION \$300	Paid to: E. & W.S. Council - Salisbury L/T	Reference number (if any) on receipt or assessment notice: C3222	L	228
87	LIFE INSURANCE PREMIUMS (Do not claim for fire, household or motor vehicle insurance) Maximum deduction \$1,200	Name of Life Insured: Self	Name of Company: G/C	M	1200
88	SUPERANNUATION	Paid to: G/C \$408		N	488
89	ZONE ALLOWANCE OVERSEAS FORCES ALLOWANCE	Place of residence within zone or overseas	Name of nearest Post Office	O	
90	LIVING-AWAY-FROM-HOMF ALLOWANCE DEDUCTION	Allowance while located at	Rate of Allowance \$ weekly	P	

**DEPENDANTS**

Complete all columns for each dependant

Name	Date of Birth	Place of Residence of Dependant	Separate Net Income during Year If no income write Nil	Govt assistance for living expenses	Other income	If Wholly Maintained for Whole of Year write 'Wholly' If not state Period Wholly Maintained	Maximum Deduction for each dependant \$	Amount Claimed for each Dependant \$
91 SPOUSE or DAUGHTER-HOUSEKEEPER							364	
92 CHILDREN UNDER 16 YEARS OF AGE								
ALEXANDRA RUTH	11/12/66	With T/P	Nil	Nil	Wholly	260	260	
CAROLINE LOUISE	17/11/68	"	Nil	Nil	Wholly	208	208	
DAVID JOHN	16/10/72	"	Nil	Nil	Wholly	208	208	
93 STUDENTS 16 AND UNDER 25 YEARS OF AGE (Show period of full-time education if student was not at school, college or university for the full year.)							260	
94 INVALID RELATIVES 16 YEARS AND OVER (State relationship to you)				Pension	Other income		260	
95 PARENTS PARENTS-IN-LAW				Pension	Other income		364	
96 HOUSEKEEPER		Period of Year Wholly Engaged as Housekeeper					364	

97	EDUCATION EXPENSES	Please indicate for each child or student, details of items claimed by you and of any education expenses paid by other persons. If space insufficient attach list		
	Name of Child or Student and Age	Name of School, College, etc.	Gross Amount Paid \$	Amount Claimed \$
	Alexandra 7	Salisbury	86	86
	Caroline 5	Sir T.Playford Kind.	39	39

98	SELF-EDUCATION EXPENSES	Name of Educational Institution	Nature of Course	Fees Books Equipment Total	Amount Paid \$
	SUBTRACT any amounts reimbursed or to be reimbursed for the above fees, books and equipment				
	Has any other person paid any amount in respect of your education during the year? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> <i>Place X in box applicable</i>				
	If YES, state below the name and address of that person, the amount paid by him and the nature of the payment				

99	CALLS paid to afforestation companies	Paid to	Amount \$	Y	
		No. of shares	Claim one-third		
100	ANY OTHER DEDUCTIONS (Show nature and amount of each item claimed)	See Schedule		Z	9030

**TOTAL OF THE DEDUCTIONS CLAIMED ON THIS PAGE (ADD ITEMS 82 TO 100)** 19,596

**TAXABLE INCOME (SUBTRACT ITEM 101 FROM ITEM 81)** 8,784

WHOLE DOLLARS  
DO NOT SHOW CENTS  
WHOLE DOLLARS  
DO NOT SHOW CENTS

10

20

30

40

11,467  
8,082  
3,385

<b>DIVIDENDS AND INTEREST PAID TO NON-RESIDENTS (This section MUST be completed)</b>	
<b>IMPORTANT</b> Taxpayers resident in Papua New Guinea are to be treated as non-residents of Australia for withholding tax purposes in respect of dividends and interest paid after 25.10.73	
Total amount you have paid or credited to, or received on behalf of, non-residents of Australia (Insert 'Nil' if applicable)	Dividends 1.7.73 to 30.6.74 \$ Nil
Were withholding tax deductions made? <i>Place X in boxes applicable</i>	Interest 1.7.73 to 30.6.74 \$ Nil
If deductions were not made, state the reason	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

# DEPRECIATION SCHEDULE

Form 286

Return of L. J. CHAPLIN

Year ended 30 / 6 / 1974

File Number C35719

UNIT			Opening Written Down Value†	DISPOSALS, ETC. (Section 59)				ADDITIONS		Total Value for Depreci- ation	Rate %	DEPRECIATION			Closing Written Down Value	Tax Office Use Only
Description of each Unit	Original Cost *	Proportion Private Use		Date	Consid- eration	ADJUSTMENTS		Date	Cost †			Section 57AA	Prime Cost Method	Diminish- ing Value Method		
						Assess- able	Deduct- ible									
OFFICE DESK			7						7	15			1	6		
STREET DIRECTORIES			12						12	15			1	11		
FILING CABINET			45						45	15			7	38		
" "			69						69	15			10	59		
CARPET			76						76	30			23	53		
MORRIS			232						232	22½			52	180		
<u>ADDITIONS</u>																
DESK							1.7.73	82	82	15			12	70		
TYPEWRITER							"	85	85	15			12	73		
CASE							"	36	36	15			5	31		
<b>TOTALS</b>													123			
				Deduct for private use				Deduct for private use					26			
				NET ADJUSTMENT				NET DEPRECIATION					97			
													AMOUNT CLAIMED FOR DEPRECIATION	<u>\$97</u>		

Taxpayer's Signature

\* This column is provided for convenience where a separate record is not maintained

† Show clearly any offset of an excess or disposal, etc., against the cost or depreciated value of any other unit of property—See Section 59(2A)

‡ Show consideration received on disposal, etc., of any unit of plant not now included in Depreciation Schedule

Exhibit  
B20  
(Respond-  
ents)  
1974  
Income  
Tax  
Return  
(cont'd.)

Exhibit  
B20  
(Respond-  
ents)  
1974  
Income  
Tax  
Return

L.J. CHAPLIN

C35719  
M

ITEM 100 - BUSINESS EXPENSES (1974)

(cont'd.)

COMMISSION - H.B. GUNTHER	188.00		
J. ROBERTSON	124.00		
I. CAMPBELL	<u>432.50</u>	744.50	
ADVERTISING		917.68	
WAGES		3,040.00	
LEASE OF EQUIPMENT AND VEHICLE		1,581.90	10
PETROL, OIL AND SERVICING		769.25	
PRINTING STATIONERY ETC.		341.78	
TELEPHONE, TELEGRAMS AND POSTAGE		261.21	
FLORISTS		84.70	
M/V REGISTRATION AND INSURANCE		193.00	
R.A.A.		6.00	
ACCOUNTING		121.00	
DEPRECIATION		97.00	
DISABILITY - SICK & ACCIDENT		156.00	
ENTERTAINMENT		716.00	20
		<hr/>	
		\$ 9,030.02	
		<hr/> <hr/>	

EXHIBIT B21 (RESPONDENTS) - 1975 INCOME TAX RETURN.



**FORM B**

**1975 INCOME TAX RETURN  
BUSINESS and PROFESSIONAL**

**1 July 1974 to 30 June 1975**

C35719  
PLEASE INSERT FILE NUMBER  
as shown on last assessment, to assist  
with early processing of your return

**REFUND**  
If you consider that you are entitled to a  
refund please print the word 'REFUND'  
in this box

This form including Schedules 'B' and 'C' is for taxpayers who carry on a Business or Profession, including Primary Production, and should be lodged by 31 August 1975.  
Form G should be used for all Trust Estates and Partnerships.

THIS RETURN SHOULD BE PREPARED IN ACCORDANCE WITH THE 'INSTRUCTIONS TO PERSONS COMPLETING FORMS A, B OR G' AVAILABLE FROM ANY TAXATION OFFICE AND ANY POST OFFICE WHERE RETURN FORMS ARE AVAILABLE.

Carefully insert all the information required in this return and complete and attach the required schedules. Sign the declaration below and post or deliver the return to a Taxation Office in the State in which your income was derived. If you had income from more than one State, send the return to a Taxation Office in the State in which you now live. (Full-time members of the Navy, Army or Air Force should lodge in the State of enlistment.)

10 THE POSTAL ADDRESS OF THE AUSTRALIAN TAXATION OFFICE IS P.O. BOX 9990 IN EACH CITY IN WHICH A BRANCH IS LOCATED. THE PRINCIPAL TAXATION OFFICES ARE LOCATED AS FOLLOWS:

- CANBERRA—West Row, Canberra City 2601
- MELBOURNE—350 Collins Street, Melbourne 3000
- ADELAIDE—121 King William Street, Adelaide 5000
- SYDNEY—21 Elizabeth Street, Sydney 2000
- DANDENONG—26 McCrae Street, Dandenong 3175
- PERTH—1 St George's Terrace, Perth 6000
- PARRAMATTA—126 Church Street, Parramatta 2150
- BRISBANE—320 Adelaide Street, Brisbane 4000
- HOBART—188 Collins Street, Hobart 7000
- TOWNSVILLE—241 Sturt Street, Townsville 4810
- DARWIN—59 Smith Street, Darwin 5790

The locations of other branch offices are set out in the 'Instructions to Persons Completing Forms A, B or G' 19 SEP 1975 Lodged

Exhibit  
B21  
(Respondents)  
1975  
Income  
Tax  
Return

Admitted  
in  
Evidence  
on  
Page 109.

SURNAME (USE BLOCK LETTERS) → * Strike out whichever do not apply GIVEN OR CHRISTIAN NAMES (USE BLOCK LETTERS) POSTAL ADDRESS FOR SERVICE OF NOTICES (USE BLOCK LETTERS) If the address is unchanged, please show it exactly as it appeared on last year's assessment notice. PREVIOUS POSTAL ADDRESS If you have changed your postal address, insert the previous address exactly as shown on last year's assessment notice. If no change, leave blank. RESIDENTIAL ADDRESS If it is the same as your postal address for service of notices, write 'as above'. FULL NAME OF YOUR WIFE OR HUSBAND YOUR OCCUPATION LAST RETURN LODGED If no previous return, please attach statement giving reasons. CHANGE OF NAME and DATE OF MARRIAGE Do not complete this item unless you changed your name or were married since preparing your last return.	1 *Mr 2 <del>Miss</del> <del>Ms</del> CHAPLIN LANCELOT JOHN D.J. GOLDSWORTHY 188 GLYNBURN ROAD, TRANMERE 5073 Postcode Postcode BOX 397 <del>9xPARRAMATTA ST</del> SALISBURY 5108 (F) JILLIAN (F) CONSULTANT City at which lodged ADELAIDE Year of return 1974 Previous Name Date of marriage <b>IMPORTANT</b> Before making this declaration check that all your income has been disclosed and that the return is true and correct in every detail. If you are in doubt about any aspect of your return, place all the facts before the Taxation Office. The income tax law provides severe penalties for false statements in returns. <b>DECLARATION BY TAXPAYER</b> I, the person making this return, declare that the facts shown therein and also those stated in the attached Schedules and Lists are true and correct in every detail, and disclose a full and complete statement of the total income derived by me from all sources both in and out of Australia during the year 1 July 1974 to 30 June 1975. Taxpayer's Signature Date This declaration and all attached sheets must be signed by the taxpayer personally. <b>PARTICULARS RELATING TO SOURCES OF INFORMATION</b> Question Answer (1) What books of account, if any, are kept by or on behalf of the taxpayer? (2) By whom are those books of account kept? (State name and address.) (3) Are those books of account audited each year? If so, by whom? (4) Is the return in accordance with those books? (5) If the return is not in accordance with those books, on what basis and upon what information has the return been prepared? (6) Have you satisfied yourself and, if so, how, that the books of account, or other sources of information upon which the return is based, are correct and disclose the whole of the taxpayer's income from all sources? To be given by— A. Any person who charges directly or indirectly any fee for preparing or assisting to prepare this return. } Cross out whichever does not apply. B. Every person carrying on business who does not furnish with his return an agent's certificate. INFORMATION SUPPLIED BY THE TAXPAYER ASSURANCE OF THE TAXPAYER N.B.—No. (6) to be answered only by the person mentioned in 'A' above. <b>TAX AGENT</b> Where the agent is a partnership or a company, this certificate must be signed in the name of the partnership or company, as the case requires, by a person who is registered as a nominee of that partnership or company, and that person's name must also be appended. <b>CERTIFICATE</b> I, D.J. Goldsworthy having charged the taxpayer a fee for preparing or assisting in the preparation of this return, hereby certify that the answers set forth above in the second column in this statement, opposite to the questions set forth in the first column thereof, are true and correct in every particular. Signature of Agent Date Agent's registered number TA 17652 <b>AGE REBATE</b> You may be entitled to a reduction in tax if your taxable income does not exceed \$3,743 and you fall into any of the categories opposite. Follow the instructions opposite and the Taxation Office will calculate and allow any rebate to which you are entitled. NOTE: The Age Rebate provisions are explained in the leaflet 'Taxation and Age Concessions' which is available at Taxation Offices and most Post Offices. 1. If you are (a) a male born before 1 July 1910; or (b) a female born before 1 July 1915 } Write YOUR date of birth here* → DAY MONTH YEAR 2. If you are (c) the wife of a man born before 1 July 1910; or (d) a female who is dependent upon a man born before 1 July 1910 and, by reason of that fact, you are in receipt of a pension which is subject to tax } Write HIS date of birth here* → DAY MONTH YEAR *Please use figures and express the year in full—e.g. 21.10.1905 OFFICE USE ONLY P/T CR G LLP L INDICS X P/T DR Y (F)
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30

40

50

Exhibit  
B21  
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1975  
Income  
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Return

Page 2 **INCOME**

N.B. In the right-hand column on pages 2, 3 and 4 please use WHOLE DOLLARS ONLY, e.g. for \$21.15 write 21. Do NOT write 21.15 or 21.00.

1 GROSS SALARY, WAGES, BONUS, COMMISSIONS, SUPERANNUATION, PENSIONS, WORKERS' COMPENSATION shown on Group Certificates and Tax Stamps Sheets.		Gross Income (in dollars)	
Serial Number	Amount of Instalments Deducted	Employer's or Payer's Name	Period of Employment or Payment
05S1326236	4,318 85	A.M.P. Society	1/7/74 to 23/4/75
X5S2463866	70 92	Bowden Ford	12/5/75 to 19/6/75
Total Instalments Deducted	A 4,389 77	If unemployed during year, state period	From 24/4/75 To 11/5/75
			20/6/75 30/6/75
2 REMUNERATION OR EARNINGS, HONORARIA, WORKERS' COMPENSATION, ETC. not included in Item 1 (give details)			
3 VALUE OF BOARD, QUARTERS OR RESIDENCE provided free or for less than full value by employer for weeks			
4 ALLOWANCES OR BENEFITS granted by employer (any deductible amounts in respect of these allowances may be claimed in Items 49 or 62)			
(a) Travelling allowance (including allowance received for use of your own motor vehicle), entertainment allowance, living-away-from-home allowance, cash allowance in lieu of quarters, sustenance, etc.			
(b) Use of car (include the value to you of the use of employer's car for your private purposes), reimbursement of medical expenses by employer, value of benefit received through acquisition of employee's shares or acquisition or disposal of rights (attach statement giving details)			
5 TIPS AND OTHER GRATUITIES received in connection with occupation or employment			
6 LUMP SUM PAYMENT ON TERMINATION OF EMPLOYMENT OR RETIREMENT (total amount received \$ 2492) 1/20th =			
7 PENSION (a) AGE OR SERVICE PENSION, ETC. PAID BY THE AUSTRALIAN GOVERNMENT not included in Item 1			
(b) OTHER PENSION, SUPERANNUATION OR RETIRING ALLOWANCE not included in Items 1 or 6 and received from			
8 FEES, COMMISSIONS (give details) Bagots Executor 30			
9 TOTAL OF ITEMS 1 to 8			20128
10 NET INCOME FROM BUSINESS, ETC.—TRANSFERRED FROM ITEM C28, SCHEDULE 'C'			
11 SALE OF PROPERTY Did you make any sales, during the year of income, of real estate, stocks, shares or other property? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Place X in box applicable			
If YES, (a) describe the property sold			
(b) show the amount of any profit you derived from the sale, during the year of income, of property—			
(i) which you acquired for the purpose of profit-making by sale, or			
(ii) which you purchased after 21 August 1973 and sold within twelve months of its purchase (not being your sole or principal residence which was sold through a change in your place of business or employment)			
Please attach a statement setting out the details of the property, its cost price and sale price, the dates of acquisition and sale and the manner in which the amount of profit has been calculated. If you are of the view that the profit is non-taxable, please furnish these details together with any other relevant information, including reasons in support of your view.			
12 PARTNERSHIPS, TRUSTS, ETC. Share in partnership income or income as a beneficiary under will, settlement, deed of gift or instrument of trust.			
If income was shown under this item in last year's return and the income ceased before 1.7.74, please place X in this box <input type="checkbox"/>			
Full name of partnership, trust, etc., and, if known, file number	City at which partnership or trust return is lodged	Income from Personal Exertion \$	Income from Property \$
TOTALS		(a)	(b)
Less—DEDUCTIONS relating to each class of income and not claimed in a partnership or trust return (attach statement giving details)		(c)	(d)
NET INCOME FROM PERSONAL EXERTION—Subtract (c) from (a)		L	
NET INCOME FROM PROPERTY—Subtract (d) from (b)		M	
If you received or were entitled to receive income for the first time as a beneficiary under a will, show also the date of death of the deceased and the full name and address of the trustee of the estate.			
13 GROSS RENT including rent from sub-letting (claim deductions applicable to income from rent in Items 23 to 29 on page 3) Address of each property Gross amount \$			
14 PREMIUMS and other amounts received in connection with the grant, assignment or surrender of leases (attach statement giving details)			
15 INTEREST from savings banks and fixed deposits, Australian Government Loans issued on or after 1 November 1968, State Authorities, credit unions, building societies, debentures, personal loans, interest component from proceeds of property sale, etc.			
Name of Government, State Authority, Bank, Company, Firm, Person to whom money is lent	Principal at 30.6.75	Interest \$	Name of Government, State Authority, Bank, Company, Firm, Person to whom money is lent
			Principal at 30.6.75
			Interest \$
If you wish to claim a credit in respect of interest taxed abroad, please identify that interest and show the gross amount of the interest, the amount of foreign tax paid and the country of origin.			
16 INTEREST from Loans issued before 1 November 1968 by the Australian Government or free of State Income Tax by State Authorities.			
Name of Government or State Authority	Issue date of loan	Principal at 30.6.75	Interest \$
17 DIVIDENDS including Exempt and ex-Australian Dividends, Bonus Shares, and Liquidators' and other Distributions.			
Company	Gross amount \$	Company	Gross amount \$
If it is claimed that the whole or part of any dividend, bonus share issue, liquidator's or other distribution is exempt, an appropriate note should be inserted. Dividends on preference shares should be identified. Dividends must be expressed in Australian currency. If you wish to claim a credit in respect of dividends taxed abroad, please identify those dividends and show the gross amount of the dividends, the amount of foreign tax paid and the country of origin.			
18 ANY OTHER INCOME (give details)			
19 TOTAL INCOME (ADD ITEMS 9 to 18) TRANSFER THIS AMOUNT TO ITEM 22, PAGE 3			20128
20 DIVIDENDS AND INTEREST PAID TO NON-RESIDENTS (This section MUST be completed)		Dividends 1.7.74 to 30.6.75	Interest 1.7.74 to 30.6.75
IMPORTANT Taxpayers resident in Papua New Guinea are treated as non-residents of Australia for withholding tax purposes in respect of dividends and interest		Total amount you have paid or credited to, or received on behalf of, non-residents of Australia (Insert 'Nil' if applicable)	\$ Nil \$ Nil
Were withholding tax deductions made? Place X in boxes applicable		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
If deductions were not made, state the reason			
21 OVERSEAS TRANSACTIONS			
Did you own or have during the year (whether directly or indirectly through nominees, interposed companies, trusts, etc.):			
(a) any interest in property (including money) outside Australia, or			
(b) any interest (including indirect ownership or control of income or property) in a company, trust estate, partnership or business outside Australia; or			
(c) any income from sources outside Australia not disclosed in this return?			
If answer to (a), (b) or (c) is YES, attach a statement showing, as applicable, the location and nature of the property, the name and address of the overseas company, trust estate, partnership or business, the nature of your interest and details of income from sources outside Australia not disclosed in this return			

WHOLE DOLLARS DO NOT SHOW CENTS 10 20 30 40 50

Exhibit  
B21  
(Respondents)  
1975  
Income  
Tax  
Return

(cont'd.)

**IMPORTANT: PIN YOUR ORIGINAL GROUP CERTIFICATES AND TAX STAMPS SHEETS HERE**  
HOLD FOR INCLUSION IN YOUR NEXT RETURN ANY CERTIFICATES OR TAX STAMPS SHEETS COVERING EARNINGS AFTER 30 JUNE 1975

Item 22 **TOTAL INCOME CARRIED FORWARD—TRANSFER THIS AMOUNT FROM ITEM 19 ON PAGE 2** 20,128

**DEDUCTIONS** If space is insufficient for any item, show the total of the item in the space provided and attach a statement giving the required information. Receipts should be retained and forwarded only on request.

Item	Description	Amounts Claimed \$
23	RATES and LAND TAXES on income-producing properties (give details)	
24	REPAIRS (not including alterations, additions or improvements) to income-producing properties (give details)	
25	INSURANCE PREMIUMS (fire, burglary, etc.) on income-producing properties (give details)	
26	INTEREST on borrowed money used to produce income (show name and address of person, etc., to whom paid)	
27	COMMISSION for collection of income (show name and address of person, etc., to whom paid)	
28	RENT for property or part thereof from which income is derived (show name and address of person, etc., to whom paid)	
29	OTHER DEDUCTIONS relating to production of investment and property income (give details)	
30	<b>TOTAL OF ITEMS 23 to 29</b>	

DO NOT SHOW CENTS

NET INCOME (SUBTRACT ITEM 30 FROM ITEM 22) U 20,128

OFFICE USE ONLY	Depreciation	Plant purchased	Plant sold	Exempt divs	Industry code
V	W	X	Y	Z	
			X	Y	Z

32 **MEDICAL, DENTAL, OPTICAL AND FUNERAL EXPENSES**  
You may claim only amounts paid in respect of yourself and, provided they are residents of Australia, your wife or husband, your children under 21 years or other dependants in respect of whom a deduction is allowable in Items 53 to 57 inclusive. Expenses paid on account of a housekeeper are not deductible. Please show gross payments to each person, hospital, etc. in Items 32 to 37 and show the total of any amounts paid or reimbursed by, or claimable from, medical or hospital benefits funds, etc. in Item 38.

Item	Payment made to (Show name and address)	Gross Amount Paid \$	In this column show total amount claimed under each heading (in dollars)
32	DOCTORS (Including surgeons, specialists and pathologists) Dr. Richards	168	
33	HOSPITALS		
34	CHEMISTS (Claim only for medicines, etc. in respect of an illness or operation) Various	56	
35	DENTISTS A. Cottell	37	
36	OPTICIANS/OPTOMETRISTS		
37	OTHER MEDICAL/FUNERAL (For other medical expenses describe nature of treatment. For funeral expenses show name and relationship of deceased. Maximum allowable for funeral expenses is \$100 in respect of any one person.)		
38	<b>TOTAL (ADD ITEMS 32 to 37)</b>	261	260

Item	Description	Amount Claimed \$
39	REIMBURSEMENT OF MEDICAL, ETC. EXPENSES Show total of amounts paid or reimbursed by, or claimable from, a medical, hospital or dental benefits fund (including a non-contributory fund), government, public authority, society or association.	135
40	<b>DEDUCTION CLAIMED FOR MEDICAL, ETC. EXPENSES (SUBTRACT ITEM 39 FROM ITEM 38)</b>	126
41	MEDICAL/HOSPITAL BENEFITS FUND CONTRIBUTIONS Paid to N.H.S.A.	166
42	TRADE UNION, ETC. SUBSCRIPTIONS Paid to L.V. A. \$30 AMP Reps Subs \$38 A.I.M.A. \$25	93
43	GIFTS TO APPROVED BUILDING FUNDS (State full name of fund)	
44	GIFTS TO PUBLIC INSTITUTIONS, ETC.	
45	RATES AND LAND TAXES (Allowable only in respect of your sole or principal residence to a maximum of \$300. Do not claim rates for a holiday house or vacant land or any land rent) Paid to E & W.S. L/T Salisbury	97
46	LIFE INSURANCE PREMIUMS (Do not claim for fire, household or motor vehicle insurance) Maximum deduction \$1,200 Name of Life Insured Self Name of Company AMP Reference number (if any) on receipt or assessment notice C3343 Policy Number Group Amount Paid \$ 126 2788	227
47	SUPERANNUATION Paid to Group	717
48	ZONE ALLOWANCE OVERSEAS FORCES ALLOWANCE Place of residence within zone or overseas Name of nearest Post Office Period of Residence to	483
49	LIVING-AWAY-FROM-HOME ALLOWANCE DEDUCTION Allowance while Located at Rate of Allowance \$ weekly Period of Receipt No. of weeks	
50	<b>TOTAL OF ITEMS 40 to 49</b>	1,812

WHOLE DOLLARS DO NOT SHOW CENTS

**SUB-TOTAL (SUBTRACT ITEM 50 FROM ITEM 31)**  
(TRANSFER THIS AMOUNT TO ITEM 52, PAGE 4)

18,316

Deductions continue overleaf

Exhibit  
B21  
(Respondents)  
1975  
Income  
Tax  
Return  
  
(cont'd.)

Item Page 4 **SUB-TOTAL CARRIED FORWARD—TRANSFER THIS AMOUNT FROM ITEM 51 ON PAGE 3** 18,316

DEPENDANTS (Complete all columns for each dependant)		If you are claiming a deduction in respect of any dependants living overseas, show here the total amount of money sent overseas during the year for maintenance of those dependants.						Amount Claimed \$
Name	Date of Birth	Place of Residence of Dependunt	Separate Net Income during Year. If no income write 'Nil'	If Wholly Maintained for Whole of Year, write 'Wholly'. If not, state Period Wholly Maintained	Maximum Deduction for each Dependunt \$	Amount Claimed for each Dependunt \$		
<b>53 SPOUSE OR DAUGHTER-HOUSEKEEPER</b>								
					364		Q	
<b>54 CHILDREN UNDER 16 YEARS OF AGE</b>								
ALEXANDRA RUTH	11.12.66	with T/R	Nil	Nil	Wholly	260 (for one)		
CAROLINE LOUISE	17.11.68	"	"	"	"	208		
DAVID JOHN	16.10.72	"	"	"	"	208 (for each additional child)		
							R 676	
<b>55 STUDENTS 16 AND UNDER 25 YEARS OF AGE</b> (Show period of full-time education if student was not at school, college or university for the full year.)								
						260	S	
<b>56 INVALID RELATIVES 16 YEARS AND OVER</b> (State also relationship to you)								
						260	T	
<b>57 PARENTS/PARENTS-IN-LAW</b>								
						364	U	
<b>58 HOUSEKEEPER</b> (Period of Year Wholly Engaged as Housekeeper)								
						364	V	
<b>59 EDUCATION EXPENSES</b> (The maximum deduction allowable for each child or student is \$150. Please indicate for each child or student, details of items claimed by you and the amounts of any education expenses paid by other persons. If space insufficient, attach list.)								
Name of Child or Student and Age	Name of School, College, etc.	Gross Amount Paid \$	SUBTRACT Australian Govt assistance for fees and books		Net Amount \$			
ALEXANDRA 8	SALISBURY							
CAROLINE 6								
<b>60 SELF-EDUCATION EXPENSES</b> (The maximum deduction allowable is \$150)								
Name of Educational Institution	Nature of course and details of equipment purchased	Fees	Books	Equipment	Total	Amount Paid \$		
SUBTRACT any amounts reimbursed or to be reimbursed for the above fees, books and equipment								
Has any other person paid any amount in respect of your education during the year? YES <input type="checkbox"/> NO <input type="checkbox"/> (Place X in box applicable)								
If YES, state below the name and address of that person, the amount paid by him and the nature of the payment								
<b>61 HOUSING LOAN INTEREST</b> (Complete the details required at Item 65 below and show here the amount of your claim)								
ANY OTHER DEDUCTIONS (Show nature and amount of each item claimed)						Amount \$		
See Schedule						9361	Y	
<b>62</b> Z 9361								
<b>63 TOTAL OF THE DEDUCTIONS CLAIMED ON THIS PAGE (ADD ITEMS 53 TO 62)</b> 10,037								
<b>64 TAXABLE INCOME (SUBTRACT ITEM 63 FROM ITEM 52)</b> 8,279								

WHOLE DOLLARS - DO NOT SHOW CENTS

**65 HOUSING LOAN INTEREST DEDUCTION**

• If your 'combined net income' (see below) is less than \$14,000, you may be entitled to a deduction, if during the year, you paid interest on a loan used to finance the purchase or construction of, or an extension to, a dwelling (i.e. house, flat or home unit) owned and occupied by you during the year as your sole or principal residence.  
• Do NOT claim for interest paid on loans used to finance, independently of the construction or acquisition of your dwelling, the construction of improvements (other than rooms), the installation of sewerage or the purchase of furniture, etc. Such interest does not qualify as housing loan interest for the purpose of this deduction.

<b>STATEMENT OF NET INCOME</b> (for purpose of this deduction)		<b>STATEMENT OF HOUSING LOAN INTEREST PAID</b> (State address of dwelling and name of lender in respect of each loan. Do not include repayments of principal.)	
(i) Net income shown at Item 31	A		
(ii) Income exempt from tax not included in (i) above (See Note (a) below)	B		
(iii) SUB-TOTAL—add ITEMS (i) and (ii)			
SUBTRACT from (iii) the total of—			
(iv) any amount shown at Item 6			
(v) any deductions claimed at Items 42 and 49			
(vi) any expenses incurred in deriving your income which are claimed as deductions at Item 62			
(vii) any expenses incurred in deriving your income exempt from tax declared at (ii) above	C		
(viii) SUB-TOTAL—add ITEMS (iv) to (vii)	D		
(ix) YOUR NET INCOME—subtract (viii) from (iii)			
ADD (x) Net income of your spouse (See Note (b) below)	H		
COMBINED NET INCOME—add ITEMS (ix) and (x)	I		
<b>NOTES</b> (a) Do not include child endowment or benefits paid by the Australian Government for domiciliary nursing care as income exempt from tax. (b) For the purpose of this deduction, 'spouse' is a person to whom a taxpayer is legally married or, in any case in which a man and a woman are living together as husband and wife, the person with whom the taxpayer is so living. Calculate spouse's net income by following the steps used to calculate your own net income.			
<b>Example</b>		<b>CALCULATION OF YOUR DEDUCTION</b>	
60%	Percentage of Housing Loan Interest deductible (See note below)		%
700	Housing Loan Interest paid (as declared at 'J' above)		
60 x 700 = 420	Deduction claimed (transfer to Item 61 above—Amount of deduction is ascertained by multiplying amount of Housing Loan Interest paid by percentage deductible—see example at left)		K
<b>NOTE:</b> If your combined net income (as declared at 'I' above) is less than \$4,100 the percentage of housing loan interest deductible is 100%. If your combined net income exceeds \$4,099 but is less than \$14,000, the 100% is reduced by 1% for each complete \$100 by which your combined net income exceeds \$4,000. For example, if your combined net income is \$8,010, then this amount exceeds \$4,000 by \$4,010 or 40 complete \$100, which reduces the allowable percentage to 60%.			

# DEPRECIATION SCHEDULE

Form 216

Return of L. J. CHAPLIN

Year ended 30 / 6 / 19 75

File Number 035719

UNIT			Opening Written Down Value†	DISPOSALS, ETC. (Section 59)				ADDITIONS		Total Value for Depreci- ation	Rate %	DEPRECIATION			Closing Written Down Value	Tax Office Use Only
Description of each Unit	Original Cost *	Proportion Private Use		Date	Consid- eration	ADJUSTMENTS		Date	Cost ‡			Section 57AA	Prime Cost Method	Diminish- ing Value Method		
						Assess- able	Deduct- ible									
OFFICE DESK			6						6	15			1	5		
STREET DIRECTORIES			11						11	15			1	10		
FILING CABINET			38						38	15			6	32		
" "			59						59	15			9	50		
CARPET			53						53	30			16	37		
MORRIS		1/2	180						180	22 1/2			40	140		
DESK			70						70	15			10	60		
TYPEWRITER			73						73	15			10	60		
CASE			31						31	15			5	26		
<b>TOTALS</b>													98			
			Deduct for private use				Deduct for private use						20			
			NET ADJUSTMENT				NET DEPRECIATION						78			
													AMOUNT CLAIMED FOR DEPRECIATION		<u>78</u>	

Taxpayer's Signature

\* This column is provided for convenience where a separate record is not maintained

† Show clearly any offset of an excess or disposal, etc., against the cost or depreciated value of any other unit of property—See Section 5912A)

‡ Show consideration received on disposal, etc., of any unit of plant not now included in Depreciation Schedule

(cont'd.)  
Return  
Income  
Tax  
1975  
(Respond-  
ents)  
B21  
Exhibit  
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Exhibit  
B21  
(Respond-  
ents)  
1975  
Income  
Tax  
Return

L.J. CHAPLIN  
FILE NO. C 35719

ITEM 62COMMISSION

(cont'd.)

B. GUNTHER	175.00		
J. CHAPLIN	<u>2.00</u>	177.00	
ADVERTISING		1,221.00	
LEASE OF EQUPT AND VEHICLE		2,193.00	
PETROL, OIL, SERVICING		1,013.00	
REGIST & INSURANCE		242.00	10
POSTAGE & STATIONERY		395.00	
TELEPHONE		276.00	
NEWSPAPER		75.00	
PARKING		35.00	
ENTERTAINMENT		470.00	
ACCOUNTING		62.00	
WAGES		3,040.00	
DEPRECIATION		78.00	
PURCHASE OF TAPES		84.00	
		<u>\$ 9,361.00</u>	20