

REGISTER OF
ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA02/310

TITLE: Shinagawa Thermal Ceramics Unanderra Berkeley Road Enterprise Agreement 2002

I.R.C. NO: IRC02/4453

DATE APPROVED/COMMENCEMENT: 26 August 2002

TERM: 24 May 2005

NEW AGREEMENT OR VARIATION: Replaces EA99/215

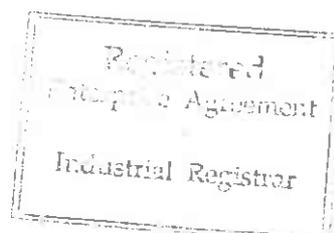
GAZETTAL REFERENCE: 8 November 2002

DATE TERMINATED:

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COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees of Shinagawa Thermal Ceramics Pty Ltd who fall within the coverage of the Metal, Engineering and Associated Industries (State) Award

PARTIES: Shinagawa Thermal Ceramics Pty Ltd -&- Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch, Construction, Forestry, Mining and Energy Union (New South Wales Branch)



SHINAGAWA THERMAL CERAMICS

**UNANDERRA BERKELEY ROAD
ENTERPRISE AGREEMENT 2002**

Between

**SHINAGAWA THERMAL CERAMICS PTY LTD
(ABN 81 082 371 891)**

And

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
(CLAY AND CERAMICS INDUSTRY DIVISION BRANCH)**

And

**THE AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION,
NEW SOUTH WALES BRANCH**



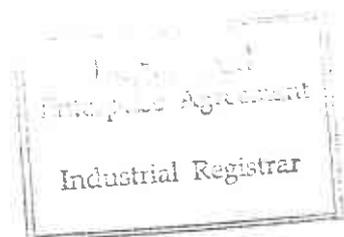
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1. TITLE

This Agreement will be known as the Shinagawa Thermal Ceramics Unanderra Berkeley Road Enterprise Agreement 2002 and will be submitted to the Industrial Relations Commission of New South Wales for approval in accordance with section 34 of the Industrial Relations Act, 1996.

2. PARTIES BOUND

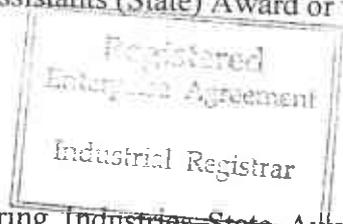
This agreement is made between Shinagawa Thermal Ceramics Pty Ltd (ABN 81 082 371 891) and the Construction, Forestry, Mining and Energy Union (Clay And Ceramics Industry Divisional Branch) and the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch. This agreement will be binding on Shinagawa Thermal Ceramics Pty Ltd, the unions and employees eligible to become members of the unions who are performing work covered by the Awards at the Company's Unanderra Berkeley Road site.

3. DEFINITIONS

- **'Company'** means Shinagawa Thermal Ceramics Pty Ltd.
- **'Unions'** means the Construction, Forestry, Mining and Energy Union (Clay and Ceramics Industry Divisional Branch), the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch.
- **'Parties'** means the Company, the Union and Employees.
- **'Site Leadership Team'** or **'SLT'** means the team consisting of management and employee representatives established under clause 7.
- **'Work Group'** in principle means all members of an operating shift with day workers belonging to the Work Group which is on day shift at that time.
- **'Commission'** means The Industrial Relations Commission of New South Wales.
- **'Award'** means relevantly the Refractory Materials Makers and Assistants (State) Award or the Metal and Engineering Industries State Award.

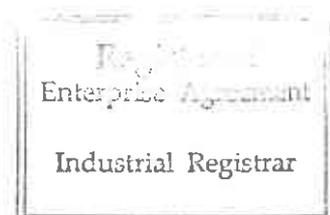
4. APPLICATION OF AWARD

The parties agree that the provisions of the Metal and Engineering Industries State Award (except in respect of any matters dealt with in this agreement) apply to employees who would, but for the operation of this agreement, be covered by that Award.



5. STRATEGIC PARTNERSHIP

- 5.1 This Agreement has been prepared by representatives of the employees and management. The Agreement will continue to take the Company on an evolutionary step towards making it the best refractory manufacturing site in the Asia Pacific. The recognition and development of sustained strategic partnerships between all levels of the organisation is fundamental to this agreement. The Parties are committed as a site to the development of the working relationships between all Parties at the Unanderra Berkeley Road site.
- 5.2 The Parties will continue to develop the relationships to form a strategic partnership on the site that will be long lasting, robust and of mutual benefit. The partnership will be based on absolute trust, commitment and co-operation by all Parties. The Parties will work in an environment where they recognise that the effort and performance of individual employees and the teams to which they belong will result in growth for the Company through the achievement of the business goals in conjunction with the satisfaction and development of individual employees covered by this agreement.
- 5.3 The strategic partnership will be developed to actively meet all the needs of the business. It is recognised that all employees are part of the business and will contribute to defining the business needs.
- 5.4 The Parties agree that all facets of work at the Unanderra Berkeley Road site are aimed to achieve best international standards of excellence and best practice in all relevant areas including -
- operational and business performance,
 - work organisation;
 - workplace flexibility;
 - recruitment practices;
 - continuous improvement;
 - training and development;
 - quality;
 - safety; and
 - harmonious employee relations
- 5.5 It is recognised that any work injury at the Company's Unanderra Berkeley Road site is totally unacceptable. The SLT through the OH&S committee will involve all employees in ensuring that there is a continuous improvement in the Company's safety performance and working environment. It is an objective of this agreement through all



the Parties to achieve and maintain an injury free workplace by implementing the initiatives identified in Clause 8.

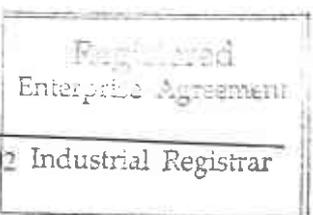
- 5.6 The Parties recognise that the success and viability of the business is based on customer focus and at the Unanderra Berkeley Road site, customer focus is a driving force behind our strategies and daily actions. The most significant impact that the Parties can make on customer satisfaction is for the Company to operate the plant safely, reliably, efficiently and effectively. During the term of this agreement all Parties are committed to developing processes to ensure that all customer and business needs are met. The Parties are committed to improving the performance of the Unanderra Berkeley Road site by implementing the initiatives identified in Clause 11.

6. WORK GROUPS

- 6.1 Employee 'Work Groups' will ensure that employees work as a team with their Team Leader/Supervisor/Manager to meet the goals of the business. The Work Groups will be involved in activities including the development of workplace safety improvement plans, developing employee skill and competency levels, job and skill sharing and the resolution of workplace issues.
- 6.2 The Work Group Team Leader will assist and allocate work roles to group members, and will be responsible for ensuring that each team member has access to necessary training and experience to enable the optimal performance of the Work Group. Refer to Clause 23.
- 6.3 Employees may be transferred and or rotated within areas at the Unanderra Berkeley Road site within their skill levels and classifications.
- 6.4 The Work Group Team Leader will meet regularly with management to discuss matters relating to the Work Group and plant business.

7. THE SITE LEADERSHIP TEAM

- 7.1 The Parties are committed to the establishment and maintenance of processes through which changes to the business, performance of work and the implementation of this Agreement can be discussed and monitored to ensure the interests of all Parties are properly considered.
- 7.2 A 'Site Leadership Team' (SLT) will be established to meet Clause 7.1 and will consist of representatives from the Parties. The SLT will operate in a consensus mode.
- 7.3 The SLT will meet regularly to monitor the implementation of this Agreement and discuss any significant workplace issues that affects the business as a whole and which are unable to be resolved within the Work Groups or through normal channels of communication. Refer to Clause 5 and 24.



8. OCCUPATIONAL HEALTH AND SAFETY

- 8.1 The employees covered by this Agreement recognise that they are responsible and accountable for working in a safe manner at all times and in compliance with Company, statutory requirements and the 'safe working' policies and practices developed by the Parties and the OH&S Committee.
- 8.2 The SLT will support the OH&S Committee in the development and implementation of safety initiatives aimed to continuously improve the safety performance measures of the work place with the ultimate aim of achieving and maintaining an incident free work place.

9. EQUAL EMPLOYMENT OPPORTUNITY

- 9.1 This agreement does not contain any unlawful discrimination either directly or indirectly on the grounds of sex, race, marital status, homosexuality, age, disability or trans gender identity. The agreement also complies with all other relevant statutory requirements.
- 9.2 The Parties acknowledge that all employees have the right to work in an environment free of discrimination and harassment. The Parties will not condone such behaviour or a work environment that gives rise to such behaviour, and any allegations of workplace harassment or discrimination will be taken seriously and investigated by the Company. Refer to Clause 21.
- 9.3 Recruitment, selection for specific jobs and career progression and promotion will be determined on the basis of merit, competency and the potential to effectively perform the job. The Parties agree to develop a formal system for the selection of employees for career progression and promotion before the 01/12/2002.

10. HOURS OF WORK

- 10.1 The ordinary hours of work will be thirty eight (38) hours per week, Monday to Friday, eight (8) hours a day averaged over a nineteen (19) day four (4) week cycle.
- 10.2 Employees may be required to work in accordance with the 8 or 12 hour shift roster arrangements set out below or a combination of them.
- 10.3 **12 hour shift rosters.**

10.3.1 The hours of work will be:

DAY SHIFT: 7:00 AM – 7:00 PM
NIGHT SHIFT: 7:00 PM – 7:00 AM.



10.3.2 The employees agree to maintain continuous plant operations throughout the shifts including the crib breaks and shift change-overs. To achieve continuous plant operations all employees agree to stagger the starting and finishing times.

10.3.3 The staggered starting and finishing times are:

DAY SHIFT: 6:30 AM – 6:30 PM

NIGHT SHIFT: 6:30 PM – 6:30 AM

10.3.4 These times may be changed by mutual agreement between the Company and employees.

10.4 8 hour shift rosters.

10.4.1 The spread of normal hours is Day work 6.00am to 4.00pm and Shift work 7.00am to 3.00pm and 3.00pm to 11.00pm and 11.00pm to 7.00am. The ordinary hours of day work are to be worked continuously except for crib breaks.

10.4.2 These times may be changed by mutual agreement between the Company and employees.

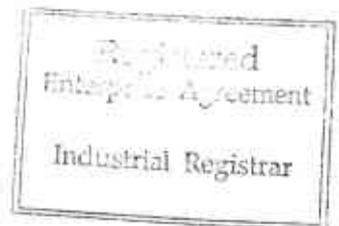
10.5 The Work Groups will maintain their own rosters ensuring an agreed complement to safely meet the needs of the Business and the Work Group, and in accordance with leave requirements.

11. CUSTOMER SATISFACTION

11.1 The Parties are committed to developing and implementing ongoing quality, reliability and other improvement initiatives with the aim of continuously improving customer satisfaction and meeting their needs.

11.2 The improvement initiatives may include:

- Targeted employee training;
- Active employee participation in improvement teams;
- Active employee participation in the development and implementation of site performance / production measures and subsequent improvement initiatives;
- Changing the focus from 'breakdown' maintenance to 'reliability' maintenance (Total Productive Maintenance – TPM).



12. SALARIED WORKING CONDITIONS

- 12.1 The annualised salaries set out in Attachment 1 include components in recognition that employees may be required to work extra hours in addition to the ordinary hours of work as set out in Clause 10.
- 12.2 Employees will be given reasonable notice when required to work additional hours to the ordinary hours of work.

13. ANNUALISED SALARIES

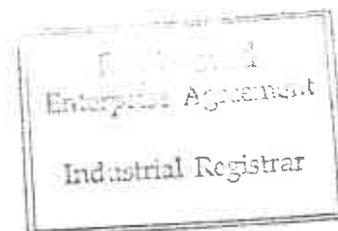
- 13.1 Employees will be paid an annualised salary. The relevant salaries for each classification are set out in Attachment 1 of this Agreement. The classification definitions are set out in the document titled Unanderra Berkeley Road Classification Structure (set out in Attachment 2) for the operators, and the Metal, Engineering and Associated Industries (State) Award for the trade employees.

The metal trade employees will develop a credible classification and assessment structure for Company approval to supplement the Award.

The Parties agree that the classification structure and definitions for operations and trades may be revised from time to time during the term of this agreement in accordance with the Company's business needs.

The annualised salaries will be inclusive of the following entitlements:

- (i) all Award entitlements including but not limited to:
- base weekly wage and safety net adjustments;
 - overtime payments including payments for call-ins and public holidays;
 - allowances including leading hand, meal, industry, shift, and other special disability allowances (excluding First Aid);
 - all travel monies;
 - penalty payments; and
 - annual leave loading;
- (ii) any over-award payments or allowances



- 13.2 Salaries will be paid in equal weekly instalments by means of direct deposit transfer into an account with a financial institution nominated by the employee and acceptable to the Company.
- 13.3 Employees covered by this Agreement will be entitled to the following increases in the salaries as set out in Attachment 1 of this Agreement. Any increases in Award rates of pay, including but not limited to increases arising from State Wage Case decisions (including Safety Net Adjustments) will be absorbed, into the increases set out below on the 1st pay period commencing on or after:
- 24 April 2002, salaries will be increased by 4.0%;
 - 30 April 2003, salaries will be increased by 4.0%;
 - 28 April 2004, salaries will be increased by 4.0%

14. EMPLOYEE LEVELS

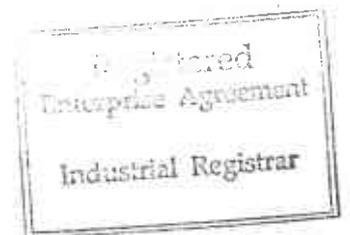
- 14.1 The Parties agree that the lawns and gardens be contracted out allowing the current amenities position to be restructured and utilised into the production areas.

15. FIRST AID ALLOWANCE

- 15.1 In addition to the salaries in Clause 13, a payment will be made to the annual salary for those employees who have a Senior First Aid Certificate and have been nominated by the Company.

Salary Increase

Senior First Aid Certificate \$ 620 per annum



16. CLOTHING ISSUE

- 16.1 On an annual basis, employees will be entitled to a clothing issue based on a points system with each article of clothing and footwear being allocated certain number of points by the Supply department. The Supply Department must consult the Plant before making changes to the points system. Employees are to ensure that their choice of protective clothing is in accordance with the site Personal Protective Equipment Policy. Additional clothing will be at the discretion of the Plant Manager. Clothing issues are normally made during January each year.

17. SALARY SACRIFICE

- 17.1 Employees covered by this Agreement may (if they choose to) sacrifice part of their salary into their Superannuation fund based on the Company guidelines. Refer to Attachment 7.



- 17.2 Provided that, effective from the date nominated by the employee, the salary payable to an employee pursuant to Clause 13 will be reduced by the employer by the nominated amount instructed by the employee (not exceeding the company guidelines), of the applicable salary from time to time if the employee elects, by notice in writing in accordance with clause 17.1, to receive that amount as an employer contribution to superannuation for the employee.

18. LEAVE

18.1 Annual Leave

Employees will be entitled to annual leave in accordance with the Annual Holidays Act 1994 and the Unanderra Berkeley Road Plant Annual Leave Guidelines (see Attachment 3). The Unanderra Berkeley Road Plant Annual Leave Guidelines can be changed by mutual agreement.

Payments made during periods of annual leave or on termination of employment will be paid for at the annualised salary rate applying at the time. No annual leave loading will be payable.

18.2 Sick Leave

The Company has a discretionary sick leave policy which will apply for the duration of this Agreement (see Attachment 4).

18.3 Picnic Day

The Company will only allow for one day per year for a common Union Picnic Day.

18.4 Long Service Leave

Employees are entitled to Long Service Leave in accordance with the Long Service Leave Act 1955 (NSW) at the annualised salary rate. The Parties agree to discuss changes to the benefits of the long service leave during the term of this agreement.

18.5 Compassionate or Bereavement Leave

Additional leave will be granted at the discretion of the Work Group and or Management.

18.6 Parental Leave

An employee with 12 months or more continuous service is entitled to a maximum of 52 weeks unpaid, parental leave as per the guidelines set out in the Industrial Relations Act 1996.

Parental leave taken by an employee can be:

- (i) maternity leave, in connection with a pregnancy or birth of her child.
- (ii) paternity leave, in connection with the birth of his spouse's child.

(iii) adoption leave, in connection with the adoption of a child under 5 years of age.

All parental leave must be completed before the child's first birthday or anniversary of adoption.

An employee and his or her spouse may not take parental leave at the same time, except where one spouse is on a period of "short paternity leave" or "short adoption leave".

An employee must:

(i) at least 10 weeks before the anticipated commencement of the parental leave, give written notice of the intention to take parental leave and.

(ii) at least 4 weeks before the anticipated commencement of the parental leave (14 days for adoption leave), give written notice of when they wish to start and end the leave.

18.7 Special Leave – Without Pay

An employee may request for special leave without pay due to urgent or unforeseen circumstances only if the employee has no untaken leave entitlements and no other form of leave is appropriate. This special leave is not to be used as a substitute to normal annual leave. The following clauses apply to the granting of special leave:

- (i) There must be good and sufficient reason for the request of special leave and the Plant Manager must be satisfied that the employee intends to resume duty with the Company at the end of the special leave period.
- (ii) The granting of special leave without pay is totally and solely at the discretion of the Company.
- (iii) The employee may not accept other employment during special leave without pay, without prior approval of the Company.
- (iv) Annual leave and long service leave will not accrue during periods of special leave without pay, except if the leave is given for reasons of the employee's sickness or ill health.
- (v) During periods of special leave without pay the employee's Company superannuation fund contributions will discontinue until resumption of duties.
- (vi) The employee will not be covered by a short term employee or contractor during the period of special leave.



18.8 Public Holidays

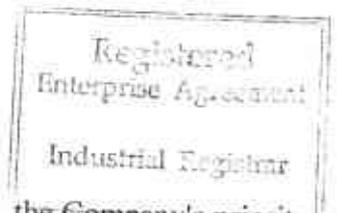
- (i) The impact of public holidays on employees who are not rostered to work on the day that the public holidays falls will be managed by moving the roster day for day workers and crediting hours for the shift workers.
- (ii) The credited hours will be equal to the shift hours on the day of the public holiday.
- (iii) The credited hours are not to be accumulated and must be taken as soon as practical after the public holiday and without any loss to production.
- (iv) No hours will be credited where a public holiday falls on a day where no employee is rostered to work.

19. SUPERANNUATION

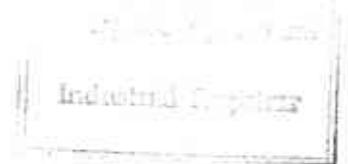
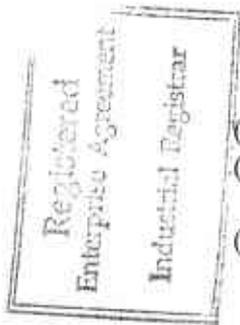
- 19.1 The Company will make weekly superannuation contributions to Superannuation Trust of Australia on behalf of all employees covered by this Agreement. The Company's contribution rate will be 10% of the employees annualised salary amount.
- 19.2 The Company is willing to change the employee's superannuation contributions to the employee's choice of one out of three superannuation funds.
- 19.3 Changing from the nominated superannuation fund can only be done on an annual frequency and during the month of January.

20. EMPLOYMENT SECURITY

- 20.1 The Company's aim is to maximise employment security.
- 20.2 If a downturn in business necessitates a reduction in manning, the Company's priority will be to redeploy employees to available positions at any of the other Company sites.
- 20.3 The Company will initially request for volunteers for redeployment. If this fails to get sufficient volunteers then the Union and employees will select employees for redeployment using years of service on the plant (gate seniority) and years of service in the company (Company seniority) where gate seniority is equal.
- 20.4 There will be no short term transfers between the Unanderra Berkeley road Plant and the Port Kembla and Gladstonbury Avenue Plants, transfers will be on a permanent basis and employees will work in accordance with the terms of the Enterprise Agreement applying to the employees at the respective plants.
- 20.5 If suitable re-deployment opportunities are not available the Company may invite employees to offer themselves for voluntary early retirement. Refer to Attachment 6.



- 20.6 If the reduction in employees achieved by applying steps 20.2, 20.3, and 20.5 are insufficient to meet the needs of the business then the Union and employees will select employees for redundancy using years of service on the plant (gate seniority) and years of service in the company (Company seniority) where gate seniority is equal to meet the business needs in manning reductions. Refer to Attachment 5.
- 20.7 As the Berkeley Road Plant operates on an all-up annualised salary package the following conditions will apply on transfer to the Glastonbury Avenue Plant. These transfer conditions will cease to apply if the Glastonbury Avenue Plant adopts an annualised salary condition.
- (i) A one-off payment of \$2500 (after tax) will be made on transfer.
 - (ii) The dollar value of an employees accrued long service leave and annual leave decreases on transfer to the Glastonbury Avenue Plant due to the difference in the base annualised salary at the Site and the Glastonbury Avenue plant. The total amount of this difference in the dollar value can be taken as a one-off payment in either of the following ways:
 - (a) As a payment into the employees superannuation fund.
 - (b) As a payment included in the employees last pay prior to transfer.
 - (iii) Employees at the Berkeley Road plant and employees who are transferred to the Glastonbury Avenue Plant, which are made redundant before 28 April 2005, will have their forced redundancy package based on the Level 6 annualised salary rate for operations employees and the C6 annualised salary rate for trade employees.



21. DISCIPLINARY PROCEDURE

- 21.1 It is the Company's and Unions intention that any concerns about the behaviour of all employees be resolved in a timely and pro-active manner. The objective is to address unacceptable employee behaviour to ensure that it ceases.
- 21.2 The Work Group Team Leader will give verbal warnings to the employees in an attempt to correct unacceptable behaviour before formal counselling and discipline is required.
- 21.3 The following disciplinary procedure will apply to all employees:

Step 1 – Counselling

The employee will be counselled by the supervisor or company officer. It will be the employee's option as to whether or not he/she desires his/her delegate / Team Leader to be present during the issuing of this counselling. The employee will be advised that failure to show the required improvement in the area for which the counselling has been issued or failure to perform satisfactorily in any other area for which further counselling is warranted, will result in proceeding to the second step of formal counselling and

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warning system. The counselling will be recorded on the formal counselling and warning notice and placed on file and shall remain on file for a period of six months.

Step 2 – **First Warning**

The first warning is issued to the employee by the supervisor and/or company officer in the presence of the employee's union delegate / Team Leader. The warning will be recorded on the formal counselling and warning notice and will remain on file for a period of six months. The employee will be advised that failure to show the required improvement in the area for which the warning has been issued or failure to perform satisfactorily in any other area for which a further warning is warranted, will result in proceeding to the third step of the formal counselling and warning system.

Step 3 – **Final Warning**

The final warning is issued to the employee by the supervisor and/or company officer in the presence of the employee's union delegate / Team Leader. The warning will be recorded on the formal counselling and warning notice and placed on file. Copies of the written warning will be provided to the employee's union delegate and the supervisor. The formal warning remains effective for 12 months. The employee is advised that failure to show the required improvement in the area for which the warning has been issued or failure to perform satisfactorily in any other area for which a further warning is warranted, will result in termination of employment with the company. Every employee shall have the right to inspect the formal warning file relating to their own warnings to ensure their accuracy.

Step 4 - **Termination Of Employment**

The employee is advised by the supervisor and/or a company officer that his/her services are to be terminated for a further breach of his/her duties and obligations for which he/she has received previous counselling and warnings. Where practical, the employee's union delegate / Team Leader should be present.

Summary Dismissal – The formal counselling and warning system shall not apply to an employee who performs an act of serious misconduct. Such an act warrants instant dismissal and the offending employee will be advised by the supervisor or company officer of his/her termination of employment. The delegate / Team Leader will be advised of the dismissal as soon as practicable after such dismissal.

21.4 Despite clause 21.2, the Company may at its discretion, elect to suspend an employee without pay for a specified period in appropriate circumstances. Such circumstances could include, but are not limited to, the following:

- (i) pending an investigation by the Company into any allegation of misconduct or inappropriate behaviour by the employee;
- (ii) in conjunction with a written warning or as part of a disciplinary procedure; or
- (iii) where the employer considers termination of employment warranted but decides that there are mitigating circumstances or factors to be taken into account.

22. UNION DELEGATES

22.1 The Company is committed to the training and development of union delegates at the site so that they have appropriate skills to successfully perform the following responsibilities:

- Developing positive relationships between employees and management;
- Facilitating the implementation of the Plant's enterprise agreement;
- Assisting in the resolution of employee grievances and disputes;
- Improving communications within the workplace;
- Ensuring leadership in planning future direction;
- Liaising with union and industry organisations;



22.2 Subject to approval of their Work Group, Delegates will be given suitable time during work hours to resolve issues.

22.3 The Company will allow for paid time off for Union Delegates to attend Trade Union Courses.

22.4 Union officials party to this agreement will be given reasonable access to the plant providing that all safety and access procedures are adhered to.

23. EMPLOYEE LEARNING PROCESS

23.1 The Parties are committed to a continuing process of improving employees' skills, knowledge and competency. The Parties agree to the implementation of skill sharing, the removal of any restrictions, bans or limitations on employees performing any work for which they are suitably trained and competent, and which is SAFE, LEGAL AND LOGICAL. Changes to work practices will be discussed and agreed to by the SLT before implementation.

23.2 The Parties are committed to the objective of employees participating in training.

23.3 Competency Learning

23.3.1 All learning will be competency based where possible with clearly defined and agreed standards. Both on and off the job training will be provided and financial support will be given by the Company where appropriate. The Work Group Team Leader will be responsible for the scheduling of all employee learning activities.

23.3.2 Roles will be defined and agreed in terms of accountabilities and responsibilities in the document Unanderra Berkeley Road Classification Structure (see Attachment 2), the trades classification structure for levels higher than C7 (to be developed) and

appropriate awards. The roles will be based on business needs with the key tasks being aligned to competency standards.

- 23.3.3 The trade employees will develop a credible classification and assessment structure for Company approval to give an opportunity for all trade employees to progress to level C6 as per Attachment 1. Approval from the Company must be given before the employee commences training for Level C5 to ensure that the employee has the capability to proceed to this level.
- 23.3.4 The operations employees will develop a credible classification and assessment structure for the Level 6 position for Company approval, to give an opportunity for all operations employees to progress to Level 6 as per Attachment 1. This Level 6 classification and assessment structure is to be incorporated into the current classification structure. Approval from the Company must be given before the employee commences training for Level 6 to ensure that the employee has the capability to proceed to this level. The Level 7 positions are by appointment only.
- 23.3.5 Employees will have ongoing assessment against job roles and competency profiles. The outcome of the assessment will be to identify training gaps which will be addressed in the individual development plan.
- 23.3.6 The Team Leader of the Work Groups will give each employee a development plan to address training gaps. The development plan will be an action plan made up of various training and development activities matched to competencies, which need to be developed. The development plan will be agreed with the team leader in consultation with the work group and will be reviewed regularly. It is the responsibility of the employee, in consultation with the employee's of the Work Group and Team Leader, to complete development plans. Financial and other support will be given to the employee for this purpose where appropriate.

24. DISPUTES PROCEDURE

24.1 Step 1

Any employee or a Work Group with a grievance about any issue, should try to resolve the issue within the Work Group. An employee may consult his or her Union delegate and involve the delegate in any discussions. If the Work Group needs time to consider options for resolution, normal work must continue until the matter is resolved by the work group or referred to the next stage of the dispute procedure.

24.2 Step 2

If the matter is not resolved in accordance with step 1, it will be referred to the SLT for consideration. The SLT may consult with the Union representatives or obtain any other assistance as is needed to resolve the issues. The SLT must take into account the implications of the issue for the entire work site and other Work Groups may be consulted if necessary.



24.3 Step 3

If the issue cannot be resolved at stage 2, it will be referred to the Commission or an agreed mediator. The Parties will meet their own costs of the mediation.

If the issue is referred to the Commission, the Commission will only be required to conciliate unless the Parties consent to arbitration.

24.4 Whilst the above procedure is taking place, normal safe work will continue. No party will be prejudiced as to final settlement by the continuance of work in accordance with this clause.

25. PERFORMANCE MEASUREMENT AND IMPROVEMENT

25.1 The Parties will monitor the implementation of the agreement by measuring results against identified performance targets.

25.2 Regular performance audits will be conducted by the SLT.

25.3 The performance indicators and targets to be monitored will be agreed by the SLT and will be looking for improvements in such measures as:

- safety;
- productivity;
- rejection;
- customer satisfaction;
- up-time

26. WORKPLACE CHANGE INITIATIVES

26.1 Work Groups and individual employees are encouraged to develop ideas and initiatives to improve the performance of the workplace and business.

27. TERMINATION OF EMPLOYMENT

27.1 Permanent employment shall be by the week. Notice shall be in accordance with the following:

27.1.1 Notice of Termination by the Company.

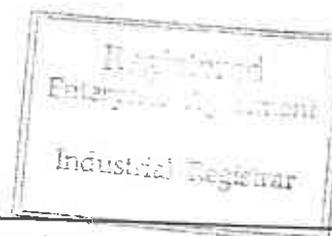
- (i) In order to terminate the employment of a full-time employee, the Company will give to the employee the period of notice specified in the table below:

Period of Continuous Service	Period of Notice
One year or less	One week
Over one year and up to the completion of three years	Four weeks
Over three years and up to the completion of five years	Four weeks
Over five years of completed services	Four weeks

- (ii) In addition to the above notice, employees over 45 years of age at the time of the giving of the notice with not less than two years continuous service with the Company will be given an additional weeks notice.
- (iii) The Company may terminate an employee's employment by making a payment of salary in lieu of notice. Employment may be terminated by the employee working part of the required period of notice and by the Company making payment in lieu for the remainder of the period of notice.
- (iv) In calculating any payment in lieu of notice, the relevant part of the employee's annual salary which would have been received in respect of the period of notice had the employee's employment not been terminated will be used.
- (v) The periods of notice in this clause will not apply in the case of dismissal for conduct that justifies instant dismissal.

27.1.2 Notice of Termination by Employee

- (i) The notice of termination required to be given by an employee is the same as that required of the Company, except that there is no requirement for the employee to give additional notice based on his or her age.
- (ii) If an employee fails to give notice, the Company has the right to withhold any salary owing to the employee, to a maximum amount equal to the salary for the relevant period of notice.



28. SHORT TERM EMPLOYMENT

- 28.1 Due to the un-predictability of the Company's business it will be necessary from time to time to use short term employees to manage peak loads. The employment of these short term employees will be based on the needs of the business.
- 28.2 The use of part time employees, casuals and contractors will be by consultation and agreement and with the Parties agreeing as to what conditions of employment they come onto the plant.
- 28.3 The maximum term of employment of a short term employee or position will be 6 months continuous. If the needs of the business require a short term employee or position for greater than 6 months continuous then he/she or the position shall be made a permanent.
- 28.4 The Company has the right to ensure that any available positions are filled with the most appropriate persons. The relevant Parties will be involved in the selection of the person for the available position.

29. EMPLOYEE ENTITLEMENTS

- 29.1 The Parties agree to discuss the protection of employee entitlements within the next twelve months. It is the aim of the Parties to reach an agreement as to how the employee's entitlements will be protected.

30. PERIOD OF OPERATION OF AGREEMENT

- 30.1 This Agreement will operate from the date of its approval by the Commission until 24 March 2005. Negotiations for a new agreement will commence 4 months prior to expiry of this agreement.

31. NO EXTRA CLAIMS

- 31.1 The Parties will not make any claims relating to wages, salaries and conditions of employment during the term of this agreement.

DATED the day of 2002

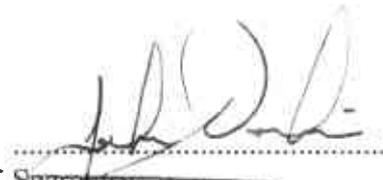
32. SIGNATORIES

SIGNED for and on behalf of The
CONSTRUCTION, FORESTRY,
MINING, AND ENERGY UNION (CLAY
AND CERAMICS INDUSTRY DIVISION
BRANCH)


Secretary
Name (printed): Trevor Melksham

.....
Witness
Name (printed):

SIGNED for and on behalf of The
AUTOMOTIVE, FOOD, METALS,
ENGINEERING, PRINTING AND
KINDRED INDUSTRIES UNION, NEW
SOUTH WALES BRANCH


Asst. Secretary
Name (printed): JOHN PARKIN


Witness
Name (printed):

SIGNED for and on behalf of
SHINAGAWA THERMAL CERAMICS
PTY LTD
(ABN 81 082371891) in the presence of:

 25/5/02
Director
Name (printed):
R. G. HOWIE

 25/5/02
Director or Secretary
Name (printed):
M. GUTIERREZ.

ATTACHMENT 1 - ANNUALISED SALARIES

OPERATIONS

Level	<i>effective 24 April 2002</i>		<i>effective 30 April 2003</i>		<i>effective 28 April 2004</i>	
	Shift Work	Day Work	Shift Work	Day Work	Shift Work	Day Work
BASIC	\$35,130	\$33,231	\$36,535	\$34,560	\$37,996	\$35,942
1	\$41,064	\$39,165	\$42,706	\$40,731	\$44,415	\$42,361
2	\$46,998	\$45,099	\$48,878	\$46,903	\$50,833	\$48,779
3	\$50,558	\$48,659	\$52,581	\$50,606	\$54,684	\$52,630
4	\$54,475	\$52,576	\$56,654	\$54,679	\$58,920	\$56,866
5	\$58,106	\$56,207	\$60,431	\$58,456	\$62,848	\$60,794
6	\$62,949	\$61,002	\$65,466	\$63,442	\$68,085	\$65,980
7	\$69,001	\$67,055	\$71,761	\$69,737	\$74,632	\$72,527

MECHANICAL

Level	<i>effective 24 April 2002</i>		<i>effective 30 April 2003</i>		<i>effective 28 April 2004</i>	
	Shift Work	Day Work	Shift Work	Day Work	Shift Work	Day Work
BASIC	\$51,745	\$49,727	\$53,815	\$51,717	\$55,967	\$53,785
C10	\$63,613	\$61,596	\$66,158	\$64,059	\$68,804	\$66,622
C7	\$75,481	\$73,464	\$78,501	\$76,402	\$81,641	\$79,458
C6	\$81,297	\$79,279	\$84,549	\$82,450	\$87,930	\$85,748
C5	\$87,231	\$85,214	\$90,720	\$88,623	\$94,349	\$92,168

**ATTACHMENT 2 – UNANDERRA BERKELEY ROAD CLASSIFICATION
STRUCTURE**

- 1. Scheme Outline**
- 2. Unit Rating Factors and Points**
- 3. Job Units and Ratings**
- 4. Points Structure for Classification Levels**
- 5. Classification Structure**
- 6. Levels 6 & 7**
- 7. Rules of the Scheme**
- 8. Rates of Pay**



1. Scheme Outline

Unanderra Berkeley Road Competency-based Classification Structure will allow a career path for employees based on a flexible, multi-skilled workforce, with an emphasis on safety and training throughout the units, in addition to job rotation, being the prime elements.

The structure is made up of levels ranging from **Basic Entry** through to **Level 7**. Progression through to **Level 5** is available to **all** employees based on proficiency in skills acquired and maintained for those levels. **Levels 6 and 7** are by appointment only.

Competency Assessment in each Job Unit will be carried out by a delegation nominated by the Training Committee, and consisting of **three** people: a Team Leader, an Operator who has been deemed competent in the Job Unit, and a Company Representative.

The standards to which an Operator must perform to be considered competent are contained in the **Competency Assessment Checklist** for **each Job Unit**. The Checklist is used as a reference during training, and during the assessment itself. To achieve competency to a particular Level, the Operator must accumulate the points allocated to that particular Level.



2. Unit Rating Factors & Point Allocation

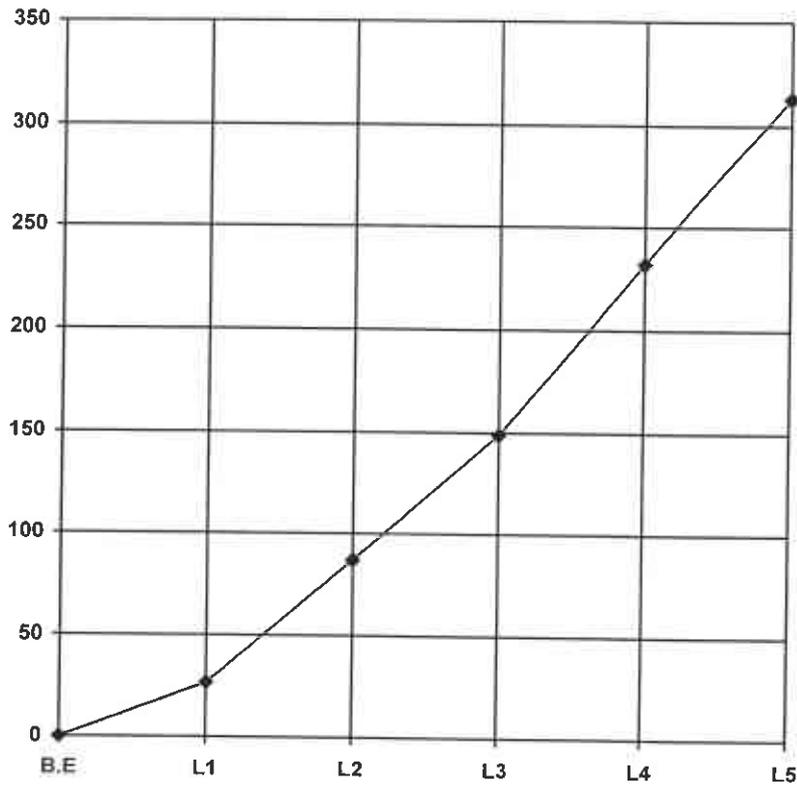
Each Job Unit on the Plant was rated to determine the amount of work involved, according to the following factors:

Factor	Points Rating
a. Product Quality & Output (Impact on Process)	0-8
b. Difficulty to Learn	0-10
c. Physical Difficulty & Condition	0-5
d. Complexity (Skill & Knowledge)	0-5
e. Problem Solving	0-5
f. Working with Other (in the Team & outside)	0-5
g. Mental Effort (Concentration & Alertness)	0-5

3. Job Units and Ratings

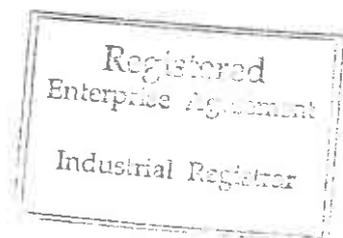
Unit	Points Rating
1. Oil & Greasing	7
2. Amenities	8
3. Basic Press Robots	11
4. Forklift	12
5. Front End Loader	12
6. Bucher Press Die Change	13
7. Fukai Press Die Change	13
8. Transfer Cars Manual Operation	14
9. Raw Materials	19
10. Manual Despatch	21
11. Bucher Press	22
12. Brick Saw	24
13. Fukai Press	25
14. Mixer	26
15. Grinding Room	28
16. Unloader / Packing Line	29
17. Unloader / Packing Line	31

4. Points Structure for Classification Levels



To attain each Classification Level, the following point tallies must be reached:

Level 1	27 Points
Level 2	87 Points
Level 3	149 Points
Level 4	232 Points
Level 5	313 Points



5. Level Structure

BASIC ENTRY	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
(3 months trial)	Amenities 8	Bucher Press 22	Brick Saw 24	Mixer 24	#1 Unloader 31
Core Competencies	Forklift 12	Bucher Die Change 14	Fukai Press 25	Grinding Room 28	#2 Unloader 29
Plant Induction	Front End Loader 12	Transfer Cars 13	Fukai Die Change 13	Raw Materials 19	Manual Despatch 21
OH&S Policy	Oiling/Greasing 7	Basic Robots 11			
Environmental Policy					
Maximum Points Achievable:	39	99	161	232	313
Points Required to attain Level:	Level 1: 27	Level 2: 87	Level 3: 149	Level 4: 232	Level 5: 313

Registered
Enterprise Agreement
Industrial Registrar

Levels 6 and 7

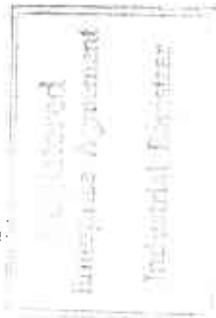
Level 6 and 7 classification are positions with responsibility and accountability for the following (but not limited to) Team Leader functions.

Level 6 Classification is fundamentally for operators who are in training for Level 7 positions and applicable to specialist functions.

Employees in Level 6 & 7 positions must maintain their skills to remain in these positions.

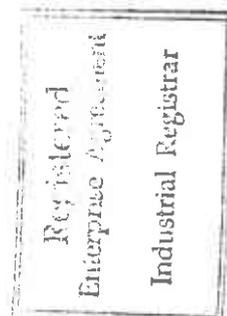
The payrates for Level 6 & 7 positions applies only to the positions and not to the individuals.

- | | |
|--------------------|---|
| SAFETY | <ul style="list-style-type: none"> - Ensure all employees, visitors, and contractors comply with company and Unanderra Berkeley Road site specific safety rules and standard procedures. - Investigate incidents/accidents and complete all required documents and entries. |
| ENVIRONMENT | <ul style="list-style-type: none"> - Ensure all employees, visitors comply to the company policy. |
| PERSONNEL | <ul style="list-style-type: none"> - Oversee the training in accordance with the classification structure and development of operators. - Time keeping. - Communicate with relevant people and organisations. |
| PRODUCTION | <ul style="list-style-type: none"> - Manage the running of the business and coordinate his team on a shift basis to meet plant needs. - Ensure plant performance, schedules and uptime targets are met. - Trouble shooting and problem solving. |
| QUALITY | <ul style="list-style-type: none"> - Ensure product is made to specifications. - Audit operators against standard operating procedures and AS9001. - Maintain rejection below budget. - Develop and update standard procedures, training manuals etc. |



7. Rules of the Scheme

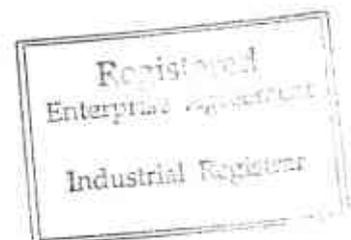
1. Accreditation to a particular Level will be determined by trained Accreditors and Management: 1 Team Leader, 1 competent Operator and 1 Staff member.
2. Competency Level for each Unit will be determined by the above Accreditors, to the standard contained in the Competency Assessment Checklist for the Unit.
3. Accreditation and progression through the Level Classifications will be subject to the Plant business needs.
4. All employees will be required to participate in training and maintain their proficiency in all the unit functions consistent with their Classification.
5. Accreditation to a particular Level requires an achievement of points allocated to that Level. Employees will be re-classified to the next highest Level when they have passed the Competency Assessment checklist for that Level.
6. A register of employees will be kept, showing dates of accreditation for their Classification Level.
7. Job rotation will allow employees to move throughout the Plant for the purpose of training.
8. Management will provide training opportunities for employees in accordance with the Plant business needs and manning requirements.
9. Training and refresher training will be determined by the Training Committee, Management and business needs.
10. All Operators will participate in training and the training of others up to their own classification.
11. All employees will sit through the Competency Assessment Checklist to determine their skill level during the transition from the old classification structure to the new classification structure.
12. All employees will be available to train and acquire skills up to and including Level 5 depending on plant business needs, manning requirements and individual abilities.



13. All employees will retain their current pay rate until they have been accredited to a higher skill level.
14. All employees will be given an opportunity and reasonable time frame to upgrade their skill level to maintain their current rate of pay level. The time frame will be determined by management and the training committee.
15. Employees who are unable to upgrade their skill level to match their current pay rate will have their pay rate frozen until such time that their pay rate is equal to their correct skill level so as to ensure creditability of the classification structure and avoid stoppers.
16. The number of Level 6 and 7 positions will be determined by management and business needs.
17. Employees in Level 6 and 7 positions cannot voluntarily resign without notice from these positions unless there is a suitable replacement and or a vacant position exists on the plant.
18. Employees in Level 6 positions will be required to fill Level 7 positions as required at the Level 6 pay rate.
19. Employees in Level 6 positions who are required to fill Level 7 positions for a duration exceeding two consecutive calendar months will be paid at the Level 7 pay rate for that period.
20. Relief for the day work dispatch position would preferably come from a day worker employee. However if there is no day work employee regardless of the reason or the day worker is not suitable then the relief for the day work dispatch position would come from the Team Leader on day shift at that time or from the Store position.

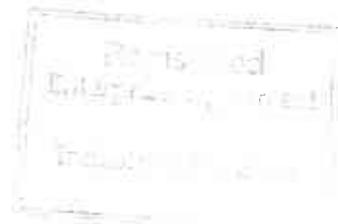
**ATTACHMENT 3 - UNANDERRA BERKELEY ROAD
ANNUAL LEAVE GUIDELINES**

1. Employees will be notified by their anniversary date that they have received the annual leave which must be taken within 6 months.
2. Annual leave forms must be completed and submitted a minimum 4 weeks prior to the required date.
3. Minimum annual leave to be taken is 1 full shift.
4. Only one shift Operator per shift to be on annual leave at any time.
5. Only one day worker Operator to be on annual leave at any time.
6. Only one fitter to be on annual leave at any time.
7. Annual leave must be taken within 6 months post anniversary date. The company may at times advance annual leave upto 6 months prior to anniversary date.
8. Annual leave not planned to be taken within 6 months post anniversary date must be approved in accordance with the Annual Holidays Act (1944) (NSW). Approval must be made with the Registrar and Company in advance.
9. Outstanding annual leave after a plant shutdown must be taken within a 6 month period of the plant shutdown.
10. Emergency annual leave will be treated as per current practice.
11. Long Service leave will be taken in accordance with the Long Service Leave Act (1955).



**ATTACHMENT 4 - DISCRETIONARY SICK LEAVE POLICY**

- 1.1 The Company regards sick leave as being an insurance against loss of salary in time of genuine ill health or injury, and the Company's sick leave policy provides for the salary being continued for a reasonable period subject to the following conditions.
- 1.2 Payment of sick leave is at the discretion of the Company and each case will be treated on its merits. No distinction is made between ordinary illness or personal injury and injury received from outside sporting and other activities.
- 1.3 Sick leave payment is based on the relevant employee's salary.
- 1.4 To receive sick leave payment an employee must arrange for their supervisor to be advised prior to normal commencing time, that they are unable to attend work and as far as practicable state the nature of the injury or illness and the estimated duration.
- 1.5 Where an employee is off work on sick leave for a period of one week or more, a doctor's certificate stating that they are fit to return to work must be supplied. Absences on the days before and or the days after a Public Holiday or an Annual Leave period will require a Medical Certificate for payment.
- 1.6 Where an employee's attendance level becomes unacceptable to the company, the company will implement the Disciplinary Procedure. As part of implementing this procedure, the employees concerned may require additional proof of absence or illness.



ATTACHMENT 5 - REDUNDANCY PACKAGE**Standard Payment:**

- 1) 4 weeks pay at the annualised salary rate **PLUS**
- 2) 2.5 weeks pay at the annualised salary rate per year of service.

Supplementary Payment:

Permanent employees with 12 months continuous service or more, 10 weeks pay at the annualised salary rate.

Notice of Termination:

Not less than 4 weeks notice to be given by the Company.

ATTACHMENT 6 - VOLUNTARY EARLY RETIREMENT PACKAGE

Standard Payment:

- 3) 4 weeks pay at the annualised salary rate PLUS
- 4) 2.5 weeks pay at the annualised salary rate per year of service.

Supplementary Payment:

Permanent employees with 12 months continuous service or more, 10 weeks pay at the annualised salary rate.

Additional Supplementary Payment:

Permanent employees with 12 months continuous service or more, a special payment \$12000.00 (after tax).

Notice of Termination:

Not less than 4 weeks notice to be given by the Company or employee.



ATTACHMENT 7 - SALARY SACRIFICE GUIDELINES

Salary Sacrifice – implementation guidelines

What is Salary Sacrifice? – This is an arrangement between the employer and the employee for which the employee agrees to forgo part of his or her salary or wages in return for particular benefits of similar value. The purpose of this arrangement is to provide the employee to receive income and benefits in a tax-effective manner. In other words, the employee is taxed under the income tax laws only on the reduced salary or wages and that the employer is liable to pay FBT, if any, on the benefits provided (other than superannuation contributions made to a complying superannuation fund).

General Rules

- ❑ **Employees are encouraged to get independent, professional, financial advice about their own particular circumstances before agreeing to any salary sacrifice arrangement.**
- ❑ Only future earnings can be sacrificed.
- ❑ The company will only agree to the employee sacrificing part of their salary or wages as an additional superannuation contribution. All superannuation contributions must be made into the existing employee nominated fund, currently being “Superannuation Trust of Australia” (STA).
- ❑ The employee must agree to a fixed amount \$ for which he or she wishes to sacrifice from each future pay not yet earned as an additional superannuation contribution – based on conditions listed below.
- ❑ The agreement must be in writing.
- ❑ The company has agreed to a settling period of six weeks for which the nominated value can be changed. Once this period expires, the nominated amount can only be reviewed annually by the first pay period in July.
- ❑ Sacrificed amounts are treated as employer contributions so are subject to income tax of up to 15% in the receiving fund and are preserved until retirement.
- ❑ Entitlements such as Long Service Leave, Annual Leave, Leave Loading, Overtime and company superannuation contributions will be paid on the same basis as if there was no salary sacrifice.
- ❑ PAYG tax is calculated on the take home pay (i.e., the gross less the sacrificed amount).
- ❑ Any bonuses, incentive or ex-gratia payments announced may be sacrificed on the condition that there is an agreement made prior to receiving that payment and that the conditions listed below are met.

- Additional superannuation contribution tax (commonly known as Superannuation Surcharge) of up to 15% may be applicable for high income earners or those with large super balances (refer to your financial advisor for assistance).

Conditions

- Award employees will **not** be allowed to salary sacrifice below an award, industrial instrument or other legal entitlements. That is, they can not sacrifice if this would reduce their gross take home pay below the applicable legal minimum in the relevant award or enterprise agreement governing their employment.
- The total super contribution (including those made pursuant to the Superannuation Guarantee legislation, an award or under a salary sacrifice arrangement) for any employee should not exceed the amount that the paying company can claim as a tax deduction for that employee:

Age	Maximum deductible contribution
Under age 35	\$11,912
35 to 49	\$33,087
Age 50 and over	\$82,054

Note: these maximums are for the 2001/2002 financial year and are indexed each 1 July to the annual positive movements in the fulltime adult Average Weekly Ordinary Time Earnings (AWOTE).

- ALL leave entitlements will be subject to PAYG and cannot be sacrificed.