

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA03/167

TITLE: The Loc-A-Bloc (Production Employees) Enterprise Agreement 2003

I.R.C. NO: EA3/167

DATE APPROVED/COMMENCEMENT: 22 August 2003

TERM: 24

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 10 October 2003

DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees of Loc-A-Bloc Pty Limited engaged in or in connection with the manufacture of cement and/or concrete products, who fall within the scope of the Concrete Pipe and Concrete Products Factories (State) Consolidated Award.

PARTIES: Loc-A-Block Pty Limited -&- The Australian Workers' Union, New South Wales

THE LOC-A-BLOC (PRODUCTION EMPLOYEES) ENTERPRISE AGREEMENT 2003

1. Title

This Agreement shall be known as the "Loc-A-Bloc (Production Employees) Enterprise Agreement 2003".

2. Arrangement

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3. Application and Scope of Agreement

This Agreement shall apply to Loc-A-Bloc Pty Limited, in respect of all employees engaged in or in connection with the manufacture of cement and/or concrete products, within the scope of the Concrete Pipe and Concrete Products Factories (State) Consolidated Award (the "Award").

4. Parties Bound

This Agreement shall be binding on:

- (a) Loc-A-Bloc Pty Limited ("Loc-A-Bloc") with respect to it's manufacturing operations at Masonite Road, Raymond Terrace, NSW ; and
- (b) The Australian Workers' Union, New South Wales ("the AWU"); and
- (c) All employees of Loc-A-Bloc engaged in or in connection with the manufacture of cement and/or concrete products, within the scope of the Award ("employees").

5. Relationship to Parent Award

This Agreement shall be read and construed in conjunction with the Award

Where there is any inconsistency between this Agreement and the Award, this Agreement shall prevail to the extent of the inconsistency.

6. Date and Duration of Agreement

This Agreement shall operate from date of approval under "Part 2 - Enterprise Agreements" of the *Industrial Relations Act 1996* (NSW) by the Industrial Relations Commission of New South Wales and shall remain in force for a period of two (2) years. This agreement shall continue to be binding on the parties hereto beyond this date until replaced by another agreement or terminated by any of the parties.

7. No Extra Claims

Except for movements in the relevant award wages granted by the Industrial Relations Commission of New South Wales, that are not subject to absorption, via State Wages Cases, there will be no further claims for general wage increases during the term of this agreement.

8. Single Bargaining Unit

The employees and organisation of employees covered by this Agreement have participated in the single bargaining unit in respect to negotiation of the terms and conditions of this Agreement.

9. Objectives of Agreement

The parties to this Agreement agreed to set out the structure of the Agreement in three (3) sections.

The first section "Administrative Process and Education Issues" deals with dispute resolution procedures, joint consultative committee organisation and arrangements, communication processes and education & training.

The second section "Efficiency & Productivity Measures" identifies specific flexibility and work practice issues which shall be implemented immediately to improve site flexibility and productivity. These are outlined in Appendix B.

The third section identifies "Wage Adjustments".

All three sections are a part of and consistent with Loc-A-Bloc long term goals as set out below.

Commitment by persons at all levels of the enterprise to making the operation an industry leader in terms of:

- (a) Customer service
- (b) Skilled and motivated people
- (c) Efficient and productive workplace
- (d) Inclusion of all employees in a unified vision of continuous improvement
- (e) Greater emphasis on employee involvement and teamwork in decisions that impact upon their working environment and business performance
- (f) Involvement of employees performing a wider range of tasks and accepting greater responsibility and accountability

10. Contract of Employment

- (a) Probationary Period - All employees will be subject to a specified probationary period upon initial engagement. The probationary period will be no longer than 6 months. During the probationary period either Loc-A-Bloc or the employees' may terminate the engagement by a days notice or payment in lieu.
- (b) Full time Employment - Employees who are engaged as full time employees will be notified in writing following successful completion of the specified probationary period. Full time employment implies that the ordinary hours of work per week will average thirty eight (38) hours.
- (c) Part time Employment - Employees who are engaged as part time employees will be notified in writing following the successful completion of the probationary period. Part time employment implies that the ordinary hours of work per week are on average less than thirty eight (38) hours.
- (d) Casual Employment - Employees who are engaged as casual employees are engaged on a daily basis and will receive an hourly rate plus a casual loading of 20% in lieu of sick leave and public holidays.
- (e) Notice of termination of employment will be consistent with the provisions outlined in section 170CM of the *Workplace Relations Act 1996* (Cth).

SECTION ONE:

ADMINISTRATIVE PROCESS AND EDUCATION ISSUES

11. Joint Consultative Committee

- (a) Objectives
 - (i) The objectives of consultative arrangements are to increase the efficiency, productivity, flexibility and competitiveness of Loc-A-Bloc and to enhance career opportunities and job security of the employees. They are to establish improved and effective consultation and communication procedures between management and employees, to enhance industrial relations at the workplace, to facilitate the successful implementation of the Agreement and to provide management and employees with an informed basis upon which to make decisions that may effect others.
 - (ii) A joint consultative committee is to be established.
 - (iii) The objectives outlined in (i) above, consistent with this Agreement will be met by discussing the following:

Key performance indicators (KPI's) and targets.

Training & skill development including skill based classification structure.

Ongoing use of casual employees and labour hire

Contents and operation of this Agreement.

(b) Composition

A workplace joint consultative committee should include:

- (i) at least one management representative and
- (ii) at least 50% of the committee should be employee representatives elected from the employees referred to in Clause 4(c) above.

12. Communication

The parties recognise the importance of effective communication and the need to make communications clear, simple and understandable to all on site. A key task for the Joint Consultative Committee will be to review and improve current communication methods.

Consistent with the objectives of this agreement, the parties will jointly monitor employee skills, to ensure further training opportunities are provided that are designed to improve individual skill levels and meet the changes in technology and production methods.

13. Settlement of Disputes, Claims and Grievances

(a) Consultation Procedure

Subject to the provisions of the *Industrial Relations Act* 1996 (NSW), as amended, any dispute or claim or grievance arising out of the operation of this Agreement, shall be dealt with in the following manner:

- (i) The matter shall be submitted by the employees', Shop Steward or Union Representative to the Production Manager or other appropriate Officer of Loc-A-Bloc or by the Company Officer to the union Representative when appropriate.
- (ii) If not settled the matter will be formally submitted by the State Secretary or other appropriate official of the Union to the employer concerned.
- (iii) If the matter is still not settled it shall be submitted to the Industrial Relations Commission of New South Wales for conciliation and if required, arbitration. Until the matter is determined in accordance with the above procedure, work shall continue normally at the instruction of the employer concerned, unless danger is alleged to be involved, in which case work shall not proceed until the alleged danger is removed or a decision is given on the matter.
- (iv) No party shall be prejudiced as to a final settlement by the continuance of work in accordance with the clause.
- (v) No part of this procedure shall limit or restrict any party's legal rights to commence at any time legal proceedings.

(b) General Workforce Meetings

Meetings conducted by the Union or its delegates should be conducted during non production time (e.g. lunch time). These meetings shall be unpaid.

Such meetings, when called by the Union should whenever possible also have 48 hours notice given to management.

All issues for management consideration should be identified in a written form.

14. Education and Training

- (a) The parties to this agreement recognise that in order to increase the efficiency, productivity and competitiveness of the Company, a greater commitment to training and skill development is required. It is agreed that training of employees to a level commensurate with their capabilities and aspirations and in accordance with the skill requirements of the enterprise, is critical to Loc-A-Bloc achieving the status of a world class operation. Accordingly, the parties continue to commit themselves to:
 - (i) Developing a more highly skilled and flexible workforce
 - (ii) Providing employees with career opportunities through appropriate training to acquire additional skills; and
 - (iii) Removing barriers to the utilisation of skills acquired.
- (b) The skills of individual employees will be recorded on a skills matrix, which will form the basis of identifying future training needs.
- (c) All employees shall be provided with appropriate induction training which shall include:
 - (i) Factory layout
 - (ii) Safety procedures
 - (iii) Work procedures
 - (iv) Quality procedures
- (d) All reasonable costs incurred in Company approved training will be re-imbursed by the Company on production of evidence relating to the extent of costs incurred and successful completion of the approved course. This sub-clause does not apply to indentured apprentices or traineeships.

SECTION TWO

EFFICIENCY AND PRODUCTIVITY MEASURES

15. Implementation of Flexibilities

It is agreed by the parties to this Agreement that the following work practices, work methods and organisation are to be implemented immediately:

15.1 Improvement conditions in relation to EAI - 2001/2003.

- (a) Commission and maximise advantages of new pin washer equipment / technique to achieve a saving of 3.75 hours of labour each week in this task. Establish measurement to quantify results.

- (b) Minimise waste / disposal of waste wet cement by having extra moulds pre-prepared and utilising these when left over cement is available. This activity would generate 480 SNF blocks that would otherwise not have been produced. Establish measurement to quantify results.
- (c) Minimise waste / disposal of dry mix by making smaller dry mix products with left over quantities of dry mix. This activity would generate 480 NSV and SAC products which would otherwise not have been produced. Establish measurement to quantify results.
- (d) Work closer with support persons to achieve production schedules and meet delivery schedules, particularly given the variable nature of the business and the late changes which are sometimes necessary here. Production schedules and delivery performance will show improvements.
- (e) Lead the activities of casual operators and take responsibility for their actions in the work place. The work of casual operators will be scrutinised and their output will be at an acceptable standard.
- (f) At peak times spread skills among casual operators to ensure that all efforts are maximised and errors which occur through lack of experience or direction will be avoided.
- (g) Participate in the activity of improving the block storage areas and systems so that stocks can be more efficiently managed in particular through the use of Mfg Pro and the MRPII system. Specific customer orders can be discretely identified.
- (h) Maximise the output of the recently installed new manufacturing equipment. New equipment is used as it was designed and outputs are at higher levels on a per person basis.
- (i) Set up a system which ensures that all equipment used is maintained in effective operating condition and the down time and cost relating to poor practices is minimised.
- (j) Housekeeping - set up housekeeping standards (inside and outside) which are regularly reviewed and maintained. Set up self auditing and have outside persons participate in the audit process.
- (k) Safety - ensure that ALL injuries (no matter how small) are immediately reported to Support personnel so that appropriate actions can be commenced.

15.2 Improvement conditions in relation to EAI - 2003/2005.

- (a) Maintenance of all items remaining as improvements or opportunities relating to the 2001/2003 enterprise agreement.
- (b) Achievement of production at levels exceeding the current budget. Throughout the EAI period, a series of production models were developed to assist in operating the factory. One of these models measured the "budget cost of labour, relative to each specific item made" and subtracted this figure from the "actual cost of labour, relative to each specific item made". (This model made use of the budget and routings as were current in the 2001/2002 financial year, and for this model to continue in its use for this purpose it should remain unchanged from this point on). The average performance across the whole of 2002 was +\$19 per employee better than budget - this becomes the arbitrary base line to gauge further improvement. The best quarter during the year was approx. +\$31.50 per employee. In consideration of other quarters being impacted by a combination of low work levels and production mix variations, it was considered that at +\$31.50, this is the new benchmark efficiency level for the operation. This is valued as a wage increase of 4.5%.

22/07/03

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Signed: Dated:SIGNED FOR AND ON BEHALF OF:
THE AUSTRALIAN WORKERS' UNION, New South WalesMark Stoker
..... Association Representative
Name:

23/07/03

.....
Signed: Dated:

APPENDIX A

WAGE SCHEDULE

	LEVEL 3	LEVEL 5
Annual 38hrs/wk base	Inclusive	Inclusive
Annual Ind. Allowance	Inclusive	Inclusive
Leave Loading	Inclusive	Inclusive
2 hrs/wk OT @ 1.5T	Inclusive	Inclusive
Total	28 653	31 894
All allowances paid as according to the award		

APPENDIX B

ANTI-DISCRIMINATION

1.1 Obligation

- (a) It is the intention of the parties bound by this award to seek to achieve the object in section 3(f) of the *Industrial Relations Act 1996* to prevent and eliminate discrimination in the workplace. This includes discrimination on the grounds of race, sex, marital status, disability, homosexuality, transgender identity and age.
- (b) It follows that in fulfilling their obligations under the dispute resolution procedure prescribed by this award the parties have obligations to take all reasonable steps to ensure that the operation of the provisions of this award are not directly or indirectly discriminatory in their effects. It will be consistent with the fulfilment of these obligations for the parties to make application to vary any provision of the award that, by its terms or operation, has a direct or indirect discriminatory effect.
- (c) Under the *Anti-Discrimination Act 1977*, it is unlawful to victimise an employee because the employee has made or my make or has been involved in a complaint of unlawful discrimination or harassment.
- (d) Nothing in this clause is to be taken to affect:
- (i) any conduct or act which is specifically exempted from anti-discrimination legislation;
 - (ii) offering or providing junior rates of pay to persons under 21 years of age;

- (iii) any act or practice of a body established to propagate religion which is exempted under section 56(d) of the *Anti-Discrimination Act 1977*;
 - (iv) a party to this award from pursuing matters of unlawful discrimination in any State or federal jurisdiction.
- (c) This clause does not create legal rights or obligations in addition to those imposed upon the parties by the legislation referred to in this clause.

NOTATION:

- (a) Employers and employees may also be subject to Commonwealth anti-discrimination legislation.
- (b) Section 56(d) of the *Anti-Discrimination Act 1977* provides:

"Nothing in the Act affects any other act or practice of a body established to propagate religion that conforms to the doctrines of that religion or is necessary to avoid injury to the religious susceptibilities of the adherents of that religion."