

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA04/69

TITLE: **Serrol Ingredients Enterprise Agreement 2003**

I.R.C. NO: IRC4/770

DATE APPROVED/COMMENCEMENT: 2 March 2004/1 January 2003

TERM: 24 months

**NEW AGREEMENT OR
VARIATION:** Replaces EA02/103

GAZETTAL REFERENCE: 16 April 2004

DATE TERMINATED:

NUMBER OF PAGES: 21

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees of Serrol Ingredients, a subsidiary of Burns, Philp & Company Limited, at the Company's manufacturing operation at 464-466 Victoria Street Wetherill Park NSW 2164, who fall within the coverage of the Grocery Products Manufacturing (State) Award

PARTIES: Serrol Ingredients -&- the National Union of Workers, New South Wales Branch

SERROL INGREDIENTS ENTERPRISE AGREEMENT 2003

1. Title

This Agreement shall be known as the Serrol Ingredients Enterprise Agreement 2003 ("the Agreement").

2. Arrangement

| Clause No. | Subject Matter |
|------------|--|
| 1. | Title |
| 2. | Arrangement |
| 3. | Area and Incidence of Agreement |
| 4. | Parties Bound |
| 5. | Date and Period of Operation |
| 6. | Relationship to Parent Award |
| 7. | Standards |
| 8. | Objectives |
| 9. | Workplace Consultative Committee (WCC) |
| 10. | Classification of Work and Wages |
| 11. | Conditions of Employment |
| 12. | Hours of Duty |
| 13. | Overtime |
| 14. | Sunday and Holiday Rates |
| 15. | Public Holidays |
| 16. | Payment of Wages |
| 17. | Jury Service |
| 18. | Amenities |
| 19. | Annual Leave |
| 20. | Sick Leave |
| 21. | Bereavement Leave |
| 22. | Annual Picnic Day |
| 23. | Redundancy |
| 24. | Long Service Leave |
| 25. | Not to be used as a Precedent |
| 26. | Grievance and Disputes Procedure |
| 27. | Disciplinary Procedure |
| 28. | Union Recognition and Membership |
| 29. | Monitoring and Renewal of Agreement |
| 30. | No Extra Claims |
| 31. | Endorsement of Agreement |

Appendix 1

Competency Based Training (CBT) at Serrol

3. Area and Incidence of Agreement

The Agreement shall apply to the manufacturing operation of Serrol Ingredients, a subsidiary of Burns, Philp & Company Limited located at 464 - 466 Victoria Street Wetherill Park NSW 2164 in respect of all employees of the Company at the site covered under the Grocery Products Manufacturing (State) Award.

4. Parties Bound

- (a) The parties to this Agreement are:
- (i) Serrol Ingredients, a Division of Burns, Philp & Company Limited ("the Company"); and
 - (ii) National Union of Workers, NSW Branch ("the Union").

- (b) Persons bound by this Agreement are:
- (i) Serrol Ingredients ("the Company"); and
 - (ii) National Union of Workers, NSW Branch ("the Union"); and
 - (iii) The Employees of the Company at Wetherill Park employed under the Grocery Products Manufacturing (State) Award ("the Employees").

5. Date and Period of Operation

The Agreement shall operate from the 1 January 2003 and remain in force until 31 December 2004.

6. Relationship to Parent Award

The Award underpinning the Agreement is the Grocery Products Manufacturing (State) Award ("the Award"). The Agreement prevails over the Award to the extent of any inconsistency.

7. Standards

The Agreement shall not operate so as to cause an employee to suffer a detriment to their terms and conditions of employment as a whole. In the event that the operation on this site is relocated to another site, greenfield or Burns Philp owned, it would be the intention of the Company to renegotiate with the parties bound, a new agreement appropriate to the new site.

8. Objectives

The parties agree to establish an Enterprise Agreement for the purpose of:

- (a) Increased quality, efficiency, productivity and profitability for the Company.
- (b) Improving Occupational Health and Safety for employees on the Site.
- (c) Improving remuneration to employees, which reflects these achievements.
- (d) To replace and update existing industrial award provisions, and to replace and rescind all and any agreements and practises entered into or arranged between the parties at the site.

To this end, the parties agree to focus on:

Achieving sustained improvements in performance through the pursuit of international best practices

Implementation of a Competency Based Training System that is developed around agreed site tasks.

The achievement of these aims and objectives will be assisted by:

The introduction of a structured employee competency based training programme

The establishment of a common set of terms and conditions of employment for employees at the site covered under the Award.

Using the enhanced flexibility available through new conditions of employment, the parties agree to co-operatively review the work practice arrangements at the site during the life of the Agreement in order to establish greater flexibility in work arrangements and staff utilisation so that the production needs of the Company and the requirements of customers are met. To this end a Workplace Consultative Committee (WCC) will operate at the site and will regularly review site conditions arrangements and reach

agreement on appropriate work practice changes which will provide recommendations to management with a view to their implementation within the scope of this Agreement.

9. Workplace Consultation / Workplace Consultative Committee (WCC)

The means by which the parties will achieve the agreed objectives of the Agreement will either be through the specific arrangements set in place by the terms of this Agreement or through the process of Workplace Consultation.

A WCC already exists at the site. The structure, membership and constitution of the WCC will be reviewed to ensure that it best achieves the objectives set out in clause 8.

The WCC shall be responsible for the identification of issues requiring consideration and will reach agreement on recommendations to management on appropriate change. The WCC will assist in the implementation and communication of changes and productivity improvement measures. The WCC will monitor the effectiveness of the agreed productivity measures and be responsible for ongoing consultation at the site.

Resources will be made available to ensure that members of the WCC are appropriately trained in the skills required for effective workplace consultation.

The WCC will have adequate time and facilities to carry out its functions.

The process of introducing change to achieve increased flexibility is premised on the understanding that:

- (1) The majority of employees and the Company must genuinely agree.
- (2) No employee will have his/her income reduced as a result of these changes. Income in the context of this clause shall not include overtime earnings.
- (3) Agreement reached shall not adversely affect the health and safety of the employees within the meaning of the relevant state legislation.
- (4) Agreed changes that go beyond the flexibility provisions of this Agreement shall be implemented in accordance with the Enterprise Agreement provisions of the *Industrial Relations Act* 1996. In these circumstances the Union shall be notified of the proposed changes and shall not unreasonably withhold its consent to implementation of the changes where the majority of the employees agree.
- (5) The Union will assist in completion of the procedural steps required under the Act to implement such change. Issues on which agreement is reached by the WCC will be introduced at the site and will operate within the scope of this Agreement. However, where consensus cannot be reached by the WCC, or where the Union withholds its consent, Step 6 of the Disputes Procedure established as part of this Agreement shall be observed in order to resolve the issue.

10. Classification of Work and Wages

10.1 Classification Of Work

The Agreement represents a continuation of a Competency Based Training System whereby each employee under this Agreement has an opportunity to better themselves through Company sponsored training and receive remuneration accordingly. Employees will be paid as per the Competency Based system as it is implemented.

10.2 EBA Payments/Wage Rate Increase

The ordinary wage increase set out below represents payment in return for workplace improvements.

“Ordinary wage rates” means the single time rate payable to an employee for working 38 ordinary hours in a week and does not include any other allowances.

The following wage increase set out below represents payment in return for workplace improvements.

(a) Wage Rate Increase

A wage and allowances increase of 3.2% will apply from the first pay period on or after 1 January 2003 and a following 3.2% to apply from the first pay period on or after 1 January 2004 (as set out in paragraph (b) below) upon certification of this agreement by the NSW IRC, based on a commitment by the parties to the following:

Maintain progress of Competency Based Training

Maintenance, development & achievement of agreed Key Performance Indicators (KPI's) including Absenteeism, Health & Safety and Quality

Maintenance of HACCP certification

(b) Wage Rates

Details of the new classification structure are set out in Appendix 1 of this Agreement. The ordinary wage rates are as follows:

| Classification Level | Weekly rates effective from FFPP on or after 1/01/2003 | Weekly rates effective from FFPP on or after 1/01/2004 |
|----------------------|---|---|
| \$ | \$ | \$ |
| Level 1 | 573.97 | 592.34 |
| Level 2 | 634.35 | 654.65 |
| Level 3 | 694.72 | 716.95 |
| Level 4 | 754.33 | 778.47 |
| Level 5 | 814.70 | 840.77 |
| Level 6 | 875.07 | 903.07 |

11. Conditions of Employment

Unless otherwise determined by agreement in accordance with clause 9, Workplace Consultation, the following provisions shall apply.

11.1 Engagement

(a) General

- (i) Subject to the following conditions the engagement of all employees under this Agreement shall be on the basis of either weekly employment (which includes part-time employees) or casual employment. Employees shall be notified prior to engagement under which category they are employed.
- (ii) When there is a job vacancy in the factory, the position will be advertised in the factory area as well as in an external advertisement. If there is a suitably competent person already on site who applies for the position, the existing employee will be given preference when selecting the new employee to fill the position. The final selection will recognise the need for the Company to employ the most competent person for the job.
- (iii) Where an external appointment is made, the Company shall be entitled to employ a person with a higher level of skill than a Level 1 employee to fill the vacant position. It is agreed between the parties that this arrangement is necessary to enable the continuation of a competent and highly skilled workforce.
- (iv) It is at the discretion of the Company to decide if a terminating employee will be replaced and, if so, with an employee of the same or a different level of skill.

(b) Weekly Employees (including Part-time Employees)

(i) Probationary Period of Employment

All new weekly employees (which includes part-time employees) shall be employed under a probationary period of three months commencing from the date of engagement. During this period a new employee will be properly instructed on the tasks and requirements of the position to be filled. During the probationary period employment shall be on a day-to-day basis and the employee's employment may be terminated by either the Company or the employee at the end of any day or shift without notice.

(ii) A "part-time employee" shall mean an employee who is employed on a weekly basis to work regular days and regular hours, either of which are less than the number of days or hours worked by full-time weekly employees employed at a site, but such days shall not be less than 2 per week and such hours shall not be less than 16 per week.

(iii) The number of part-time employees that may be employed at a site shall not exceed the proportion of one part-time employee to every 4 or portion of 4 full-time weekly employees employed under this Agreement.

(iv) A part-time employee shall be paid per hour 1/38th of the weekly rate prescribed for full-time employees for the classification in which he or she is employed.

(v) The spread of ordinary hours of part-time employees shall be the same as that applicable to full-time weekly employees in the section of the establishment in which they are employed. The number of ordinary hours worked shall not on any day exceed the number of ordinary hours of weekly employees in the section in which the employee is employed and shall not in any week exceed the number of hours of weekly employees in the section without the payment of overtime.

(vi) A part-time employee shall be entitled to a proportionate amount of sick leave to that prescribed for a full-time employee. The amount of sick leave of a part-time employee shall be equal to the proportion that the employee's ordinary hours represent to the hours of a full-time employee.

(vii) All of the provisions of this Agreement shall apply to a part-time employee.

(c) Casual Employees

(i) The rate of pay for casual employees shall be the Level 1 rate plus 20%. Where a casual employee works on any day Monday to Friday in excess of the number of ordinary hours worked by weekly employees in the establishment, the rate of pay for working such excess hours shall be time and a half for the first two hours and double time thereafter and such rate shall not include the casual loading.

(ii) The rate of pay for work performed by casual employees on Saturdays, Sundays and Public Holidays shall be the Level 1 rate plus 20%. Weekend penalty rates for casual employees will only apply once they have worked in excess of 38 ordinary hours Monday to Friday during a normal pay week.

(iii) Except as provided by clause 20, Sick Leave, employees shall not be entitled to be paid full weekly wages unless they are ready, willing and available to work during the ordinary hours of the week prescribed by this Agreement.

(iv) Casual employees shall receive an additional amount equal to 1/12 of their ordinary time earnings in lieu of annual leave.

11.2 Termination

(a) Weekly Employees (including part-time employees)

Employment shall be terminated by the Company or the employee giving the notice period set out below at any time during the week or by the payment or forfeiture of wages instead of such notice as the case may be.

| Employees period of continuous service with the Company | Period of Notice |
|---|------------------|
| Not more than 1 year | 1 week |
| More than 1 year but not more than 3 years | 2 weeks |
| More than 3 years but not more than 5 years | 3 weeks |
| More than 5 years | 4 weeks |

The period of notice to be given by the Company shall be increased by one week if the employee is over 45 years old and has completed at least 2 years' continuous service with the Company.

Notice shall not be given to an employee at the time of commencing his/her annual holidays or long service leave or during the currency of such holidays or leave.

(c) Casual Employees

Employment shall be terminated by one hour's notice on either side given at any time during the week or by payment or forfeiture of one hour's ordinary pay as the case may be.

(d) Instant Dismissal

These provisions shall not affect the right of the Company to dismiss any employee without notice for serious and wilful misconduct, and in such cases, the wages shall be paid up to the time of dismissal only.

12. Hours of Duty

Unless otherwise determined by agreement in accordance with clause 9, Workplace Consultation, the following provisions shall apply.

12.1 Ordinary Hours of Work - Day Work

(a) Except as provided elsewhere in this clause, ordinary working hours for day workers shall not exceed an average of 38 per week to be worked between 6.00 am and 6.00 pm, Monday to Friday on one of the following bases:

- (i) 38 hours within a work cycle of one week
- (ii) 76 hours within a work cycle of 2 weeks
- (iii) 114 hours within a work cycle of 3 weeks
- (iv) 152 hours within a work cycle of 4 weeks

Different methods of implementation of a 38-hour week may apply to various groups or sections of employees in the establishment concerned.

(b) In the absence of agreement the ordinary working hours are not to exceed 10 on any day to be worked between 6.00 am and 6.00 pm.

(c) By agreement between the Company and an individual or between the Company and the majority of employees concerned, the ordinary hours of work can be worked at any time on any day of the week, Saturday and Sunday inclusive.

- (d) Where the ordinary hours of an employee performed on a Saturday in accordance with clause 12.1(c), the employee shall be paid for such hours at the rate of time and one half for the first 2 hours and double time thereafter.
- (e) Where the ordinary hours of an employee performed on a Sunday in accordance with clause 12.1(c), the employee shall be paid for such hours at the rate of double time.
- (f) An unpaid meal break shall be allowed for a minimum of half an hour or such other period as may be agreed upon between the Company and an employee or between the Company and the majority of employees concerned. An employee shall not be required to work for more than 5 ordinary hours without a meal break unless otherwise agreed, provided that the time of taking a meal break for a particular day may be varied to meet the needs of the establishment. If a meal break is not given within 6 hours, an employee shall be paid at time and one half rates until a meal break is allowed.
- (g) The agreed Rostered Day Off (RDO) each month is the first Friday of each month for all employees.

RDO's are not to be accumulated.

Any RDO can be changed when agreed to by the employee and the Company.

When employees are required to work on a previously agreed RDO, they will be paid for the RDO already worked and they will be offered the choice of either:

- (i) Take another day off that is agreed to by the employee and the Company; or
- (ii) Be paid at normal overtime rates - see clause 13(a)(i).

12.2 Ordinary Hours of Work - Shift Work:

- (a) It is accepted by the employees that in circumstances where market demand for the Company's products warrant the establishment of a shiftwork system to achieve increased production the Company is entitled to introduce shiftwork.
- (b) The terms and conditions to apply to shiftwork employees shall be determined by agreement in accordance with the consultative processes prescribed by clause 9, Workplace Consultation. In any such agreement it is recognised that the ordinary hours of work for shift workers shall not exceed an average of 38 ordinary hours per week in a 52-week period.
- (c) The employees and/or the Union may not unreasonably withhold consent to the introduction of shiftwork.
- (d) Employees will maintain current flexibility for shift rotation.
- (e) Should the parties be unable to resolve any issues associated with the introduction of shiftwork, the matter shall be dealt with in accordance with clause 26, Grievance and Disputes Procedure, of this Agreement.

13. Overtime

Unless otherwise determined by agreement in accordance with clause 9, Workplace Consultation, the following provisions shall apply:

- (a)
 - (i) All work done by weekly employees outside the ordinary hours of work shall be overtime and shall be paid for at the rate of time and one half for the first 2 hours and double time thereafter. Provided that in respect of overtime worked on a Saturday payment shall be made at the

appropriate overtime rate as for a minimum of 3 hours worked. In the computation of overtime each day shall stand alone.

- (ii) A weekly employee shall not be paid overtime for work on any day until the employee has worked the equivalent of his/her ordinary hours for the day. This provision is intended to apply in circumstances where employees are late for work or are unlawfully absent during the day.
- (b) Where, after having left his/her place of employment, a weekly employee is recalled to work from home, the employee shall be paid for at least 3 hours' work at the appropriate rate, except where such recall occurs within 2 hours of the employees normal commencement time. In such a case employees shall be paid overtime rates until the normal commencement time and then ordinary rates shall be payable.
- (c) A weekly employee who works so much overtime between the termination of the ordinary hours of work on one day or shift and the commencement of the ordinary hours of work on the next day or shift that he/she has not had at least 10 consecutive hours off duty between those times shall, subject to this subclause, be released after completion of such overtime until he/she has had 10 consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.

If on the instructions of the Company such an employee resumes or continues work without having had such 10 consecutive hours off duty, he/she shall be paid at double ordinary rates until he/she is released from duty for such period, and he/she shall then be entitled to be absent until he/she has had 10 consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.

The provisions of this sub-clause shall apply as if 8 hours were substituted for 10 hours when overtime is worked due to a breakdown in machinery/equipment.

- (d) Overtime will be offered to permanent employees in preference to casual employees.
- (e) Standing By

An employee required by the Company to hold him/herself in readiness for call back to work shall be paid "stand by" time at single ordinary rates of pay from the time the employee is required to so hold him/herself in readiness until released by the Company from the requirement to "stand by".

- (f) Reasonable Overtime

The Company may require an employee to work reasonable overtime at overtime rates and such employee shall work overtime in accordance with such requirement.

- (g) Time Off in lieu of Overtime, Call Back, Sunday and Holiday Work

Time off in lieu of payment of overtime, call back, Sunday and holiday work may be taken by an employee. The amount of time off shall be calculated on the basis of the appropriate penalty rate. This alternative to the payment of penalty rates shall only apply by agreement between the Company and the employee concerned.

- (h) Crib Times and Meal Allowances

- (i) An employee required to work more than 2 hours' overtime immediately before or immediately after his/her ordinary hours of work on any day or shift shall be allowed a crib time of 20 minutes, payable at ordinary rates, upon completion of 2 hours' overtime; an employee required to continue to work overtime after his/her first crib time shall be allowed a further crib time of 20 minutes, payable at overtime rates, at the end of each further 4 hours of overtime worked, provided that an employee shall not be entitled to any particular crib time prescribed unless the employee is required to continue to work overtime after any such crib time.

- (ii) An employee required to return to the site to work overtime shall be allowed a crib time of 20 minutes upon completion of each 4 hours overtime worked which shall be paid for at overtime

rates; provided further an employee shall not be entitled to any particular crib time prescribed unless the employee is required to continue to work overtime after any such crib time.

- (iii) The Company and an employee may agree to any variation of the above crib time provisions to meet the circumstances of the work in hand which is not less favourable to the employee and which will not require the Company to pay in excess of 20 minutes at the appropriate rate for the prescribed crib time.
- (iv) In addition to the crib times allowed in accordance with this subclause the employee shall be paid a meal allowance of \$8.09 for each crib.
 - (i) "Ordinary Rates"

The expression "ordinary rates" means the single time rate of wage payable to an employee during ordinary hours of work as set out in clause 10.2(b).

14. Sunday and Public Holiday Rates

- (a) Work on a Public Holiday

A weekly employee shall be paid for work on a holiday at the rate of double time and one half except when the provisions of clause 15(b) occur.

- (b) Work on a Sunday

A weekly employee required to work outside his/her ordinary hours of work on a Sunday shall be paid for such work on a Sunday at the rate of double time.

- (c) Weekly employees required to work on Sunday or public holidays shall be paid for a minimum of 3 hours' work. This subclause shall not apply to ordinary hours of work performed on a Sunday or public holiday.
- (d) An employee working on a Sunday or a Public Holiday shall be allowed a crib time of 20 minutes without deduction of pay after each 4 hours of work, if the employee continues to work after such crib time. Provided further that the Company and the employee may agree to any variation of the above crib time provisions to meet the circumstances of the work in hand which is not less favourable to the employee and which will not require the Company to pay in excess of 20 minutes at the appropriate rate for the prescribed crib time.
- (e) Clause (d) shall not apply to ordinary hours of work performed on a Sunday or public holiday.

15. Public Holidays

- (a)
 - (i) Weekly employees shall be entitled to the following holidays without deduction of pay, provided that if any other day (or part of a day) be by a State Act of Parliament or a State Proclamation substituted for any of the said holidays the day so substituted shall be observed in lieu thereof: New Year's Day; Australia Day; Good Friday; Easter Saturday; Easter Monday; Anzac Day; Queen's Birthday; Eight Hour Day or Labour Day; Christmas Day and Boxing Day.
 - (ii) Where an additional holiday is proclaimed or gazetted by the authority of the Commonwealth Government or the State Government and such proclaimed or gazetted holiday is to be observed generally by persons throughout the State, or when such a proclaimed or gazetted day is, by any required judicial or administrative order, to be so observed throughout the State, then such day (or part of a day) shall be deemed to be a holiday, for employees covered by this Agreement.
- (b) The Company and the majority of employees or the Company and an individual employee may substitute another day for the above mentioned holidays and work on the prescribed public holiday will then be at single ordinary rates.

- (c) Any work performed on such a holiday shall be paid for pursuant to clause 14, Sunday and Holiday Rates, of this Agreement.
- (d) Provided that each such holiday shall be of 24 hours and shall commence on the day of the holiday at 7 am or whatever is the normal time of starting the day work and shall end at the same time on the following day. Time worked between midnight and such normal starting time on the day of the holiday shall not be paid at holiday penalty rates.
- (e) In the case of any employee who, through no fault of his/her own, is discharged within 2 weeks before any public holiday or holidays and re-engaged within one week after such holiday or holidays, or is discharged within one week before any holiday or holidays and re-engaged within 2 weeks after such holiday or holidays, such employee shall be entitled to payment for such holiday or holidays.
- (f) Where an employee is absent from his/her employment on the working day before or the working day after a holiday without reasonable excuse or without a medical certificate in the case of sickness or without the consent of the Company, the employee shall not be entitled to payment for such holiday.

16. Payment of Wages

Unless otherwise determined by agreement in accordance with clause 9, Workplace Consultation, the following provisions shall apply:

16.1 Ordinary Hours of Work

- (a) Employee who actually works 38 ordinary hours each week

In the case of an employee whose ordinary hours of work are arranged so that he/she works 38 ordinary hours each week, wages shall be calculated according to the actual ordinary hours worked each week.

- (b) Employee who works an average of 38 ordinary hours each week

In the case of an employee whose ordinary hours of work are arranged so that he/she works and average of 38 ordinary hours each week during a particular work cycle, wages shall be calculated according to a weekly average of ordinary hours worked even though more or less than 38 ordinary hours may be worked in any particular week of the work cycle.

16.2 Absences from Duty

- (a) An employee who works an average of 38 ordinary hours each week and is absent from duty (other than for public holidays, paid sick leave, bereavement leave, jury service or any other form of paid leave) shall, for each day he/she is so absent, lose average pay for that day calculated by dividing the average weekly wage rate by 5.
- (b) When an employee is absent from duty for a whole day (other than for public holidays, paid sick leave, bereavement leave or jury service leave or any other form of paid leave), the employee will not accrue a "credit" because the employee would not have worked ordinary hours that day in excess of 7 hours 36 minutes for which he/she would otherwise have been paid.

Consequently, during the week of the work cycle in which the employee is to work less than 38 ordinary hours, the employee will not be entitled to average pay for that week. In that week, the average pay will be reduced by the amount of the "credit" the employee does not accrue for each whole day during the work cycle the employee is absent.

The amount by which an employee's average weekly pay will be reduced when the employee is absent from duty (other than on public holidays, paid sick leave, bereavement leave, jury service or any other form of paid leave) is to be calculated as follows:

16.3 Timing of Payment

Wages shall be paid on a weekly basis.

16.4 Method of Payment - Payment by Electronic Funds Transfer

Employees will be paid wages by direct transfer into a bank (or other recognised financial institution) account.

New employees will be advised that payment of wages by direct transfer will apply from the commencement of employment and an authority to do so will be obtained from the employee at the time of commencing employment.

16.5 Termination of Employment

Upon termination of the employment wages due to an employee shall be paid by direct transfer at the end of the final shift.

17. Jury Service

- (a) An employee required to attend for jury service during his/her ordinary working hours shall be reimbursed by the Company an amount equal to the difference between the amount paid in respect of his/her attendance for such jury service and the amount of wage the employee would have received in respect of the ordinary time that would have been worked had the employee not been on jury service.
- (b) An employee shall notify the Company, as soon as possible, of the date upon which he/she is required to attend for jury service. Further, the employee shall give the Company proof of his/her attendance, the duration of such attendance and the amount received in respect of such jury service.

18. Amenities

The amenities provided by the Company to the employees shall be as agreed by the WCC and this Agreement will ensure the provision of boiling water at meal times; wholesome, cool drinking water; adequate showers, washing and sanitary conveniences; suitable locker facilities; dining room accommodation with a food heating appliance and a refrigerator.

19. Annual Leave

- (a) See *Annual Holidays Act 1944* (NSW).
- (b)
 - (i) During a period of annual leave an employee shall receive an annual leave loading calculated on the rate of wage prescribed by clause 10.2(b) of this Agreement.
 - (ii) The loading shall be 17.5% for an employee who would have worked on day work had he not been on leave.
 - (iii) The loading shall not apply to pro rata leave payments on termination.

20. Sick Leave

Unless otherwise determined by agreement in accordance with clause 9, Workplace Consultation, the following provisions shall apply:

- (a) An employee who is absent from work by reason of personal illness or injury, not being illness or injury arising from the employee's misconduct or default or from an injury arising out of or in the course of employment, shall be entitled to leave of absence, without deduction of pay, subject to the following conditions and limitations:
- (i) An employee shall not be entitled to paid leave of absence unless he/she has been in the service of the Company for at least 3 months immediately prior to such absence.
 - (ii) An employee shall not be entitled to paid leave of absence for any period in respect of which the employee is entitled to workers' compensation.
 - (iii) An employee shall notify the Company as early as possible of his inability to attend for duty. Where practicable this shall be done within 2 hours of the commencement of work and in any event such notification shall be made within 8 hours of the commencement of the absence.
 - (iv) An employee shall furnish to the Company a full medical certificate stating that he/she was unable, by reason of illness or injury, to attend for duty on the day or days for which sick leave is claimed.
 - (v) An employee shall not be entitled during the first year of service to leave in excess of 38 hours of ordinary working time and not more than 76 hours in respect of subsequent years of service.
 - (vi) During the first 6 months of employment, the Company shall not be liable to pay the employee for more than 3 and 1/3rd hours absence owing to ill health or accident in respect of each completed month of employment.
 - (vii) Notwithstanding the above, a weekly employee will be entitled to not less than one week's sick leave on full pay for each year of service.
- (b) The rights under this clause shall accumulate from year to year so long as the employment continues with the Company so that any part of sick leave which has not been allowed in any one year may be claimed by the employee and shall be allowed by the Company, subject to the conditions prescribed by this clause, in subsequent year of continued employment. Any rights which accumulate, pursuant to this subclause, shall be available to the employee for a period of 12 years, but for no longer, from the end of the year in which they accrued.
- (c) For the purposes of this clause continuous service shall be deemed not to have been broken by:
- (i) any absence from work on leave granted by the Company; or
 - (ii) any absence from work by reason of personal illness, injury or other reasonable cause, proof whereof shall in each case be upon the employee.
- (d) Service before the date of coming into force of this clause shall be counted as service for the purpose of assessing the sick leave entitlement in any year under paragraph (e) of subclause (i) of this clause, but shall not be taken into consideration in arriving at the period of accumulated leave.
- (e) Accumulated sick leave at the credit of an employee at the commencement of this Agreement shall not be affected nor reduced by the operation of this clause.

21. Bereavement Leave

21.1 Death within Australia

- (a) A weekly employee shall on the death within Australia of a wife, husband, father, mother, brother, sister, child or stepchild be entitled on notice to leave up to and including the day of the funeral/service of such relative, and such leave shall be without the deduction of pay for a period not exceeding the number of hours worked by the employee in 3 ordinary days' work. A weekly employee shall, on the death within Australia of an employee's mother-in-law, father-in-law,

brother-in-law, sister-in-law, grandchild, grandmother or grandfather, be entitled to leave without deduction of pay for a period not exceeding the number of hours worked by the employee in one ordinary day's work.

- (b) Evidence of such death shall be furnished by the employee to the satisfaction of the Company.
- (c) For the purpose of this clause "wife" and "husband" shall not include the wife or husband from whom the employee is separated, but shall include a person who lives with the employee as a de facto wife or husband.

21.2 Death outside Australia - Funeral/Service Overseas

The provisions of clause 21.1(a) shall apply upon the death outside Australia of any of the nominated relatives upon the production of satisfactory evidence of the death and evidence of the employee's travel outside of Australia to attend the deceased's funeral/service.

21.3 Death outside Australia - Service Locally

Where any of the relatives nominated in clause 21.1(a) dies outside Australia and a weekly employee does not travel outside Australia to attend the funeral/service, such employee shall be entitled to leave not exceeding the number of hours worked by him/her on one ordinary day's work for the purpose of attending a local service for the deceased. Evidence of the death and evidence of attendance at the service shall be furnished by the employee to the satisfaction of the Company.

This clause shall have no operation where an entitlement to bereavement leave coincides with any other period of paid absence.

22. Annual Picnic Day

The Annual Picnic Day shall be held on the last Monday of October each year or a date as agreed between the Parties.

23. Redundancy

23.1 Definition of Redundancy

An employee's position is redundant where the Company has made a definite decision that it no longer wishes the job an employee has been doing to be done by anyone at the Wetherill Park site (and this is not due to the ordinary and customary turnover of labour) and that decision leads to termination of employee's employment.

23.2 Redundancy Payments

A weekly employee employed by the Company for more than 3 months whose employment is terminated by the Company and who is made redundant shall receive at the time of his or her termination payments calculated in accordance with the following:

- (a) Severance Payment

A severance payment of 4 weeks' ordinary pay.

The amount of severance payment will be increased by one week if the employee is over 45 years old and has completed at least 2 years' continuous service with the Company.

- (b) Redundancy Payment

Employees shall receive redundancy pay of 4 weeks' ordinary pay for each completed year of service and pro rata for partially completed years of service.

(c) Accrued Sick Payment

Employees shall receive payment for any accrued untaken sick leave at the date of the redundancy.

(d) Maximum Payment

The maximum payment to be made to an employee as a consequence of the prescribed severance payment and redundancy payment shall be 75 weeks' ordinary pay.

(e) Ordinary Pay

"Ordinary Pay" shall mean an employee's ordinary time rate of pay as set out in clause 10.2(b).

(f) Superannuation Payment

Superannuation entitlement will be calculated in accordance with the Goodman Fielder Superannuation Fund trust deed in operation at the time of redundancy.

23.3 Acceptable Alternative Employment

The Company does not have to make the redundancy payment set out in clause 23.2(b) if the Company obtains acceptable alternative employment for the employee.

23.4 Other Benefits

(a) Other benefits to be made available to employees who are to be made redundant shall be:

(i) Pro rata long service leave payments shall be made to a permanent and part-time weekly employee with 5 or more completed years of service with the Company.

(ii) An annual leave loading of 17.5% shall be paid in relation to any unused period of annual leave due and in relation to pro rata leave payments.

(iii) A redundant employee shall receive a written statement of service.

23.5 Conditions of Agreement

(a) The operation of this redundancy clause is subject to the following conditions being observed:

(i) It is agreed between the parties that the severance payments and redundancy payments prescribed by this clause are in complete substitution for the provisions prescribed by any relevant Award or right under any relevant statute in relation to periods of notice of termination (or payment in lieu of such notice periods), severance payments and/or redundancy entitlements or payments.

(ii) The calculation of all other conditions of employment benefits not specifically dealt with by this clause will be made in accordance with the terms of the relevant award or Enterprise Agreement.

(iii) The parties recognise that casual employees do not have entitlement to benefits prescribed by this clause.

23.6 Selection Criteria

(a) Principle of Selection Criteria

It is agreed between the parties that there is a need to retain the most competent and highly skilled employees so as to maintain and enhance the Company's productivity, efficiency and profitability. The selection criteria set out below will be applied in recognition of this principle.

(b) Application of the Principle of Selection Criteria

- (i) The Company will identify the positions that are redundant within a section or department and the associated skill level. The employees within this identified group shall be known as the "affected employees". The Company will also identify the number of employees that are no longer required.
- (ii) Employees employed in identified positions at the relevant skill level shall be entitled to volunteer for redundancy.
- (iii) In circumstances where the correct number of affected employees volunteer, those employees shall be made redundant.

In circumstances where less than the correct number of affected employees volunteer, the volunteers shall be made redundant and the remaining number of employees to be made redundant shall be selected from among the remaining affected employees in accordance with the paragraph below so as to ensure the Company retains the most competent and highly skilled employees.

Where there are no volunteers from among the affected employees or where there are more volunteers from among the affected employees than are required, then discussion will take place within the Consultative Committee to recommend the employees to be made redundant. Management will make the final decision to ensure that the most competent and skilled employees are retained.

23.7 Transmission of Business

Despite any provision of this Agreement to the contrary or any other operation of law, where there is a transfer of the business to a new employer, an employee bound by this Agreement who is offered employment by the new employer or is offered other acceptable alternative employment shall not receive and is not entitled to receive redundancy pay or payment in lieu of notice as set out in clause 23.2.

In this clause:

"transfer of business" means the transfer, conveyance, assignment or succession, whether by Agreement or by operation of law, of the whole or any part of the business, undertaking or establishment to which this Agreement applies.

"new employer" means an employer who becomes bound by this Agreement as a result of the transfer of the business to the new employer.

24. Long Service Leave

See the *Long Service Leave Act 1955* (NSW).

25. Not to be used as a Precedent

The Agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other plant, enterprise, business or company.

26. Grievance and Disputes Procedure

The parties to the Agreement shall observe the following Grievance and Disputes Procedure:

The aim of this procedure is to ensure that during the life of the Agreement, industrial grievances or disputes are prevented or resolved as quickly as possible at the level they occur in the workplace.

When a dispute or grievance arises the following steps are to be followed:

Step 1

The matter is discussed between the employee(s) and the supervisor involved. If the matter remains unresolved, follow Step 2.

Step 2

The matter is discussed between the employee(s) (and the Union Delegate if requested by either party) and the supervisor involved. If the matter remains unresolved follow Step 3.

Step 3

The matter is discussed between the employee(s), the Union Delegate, the supervisor and the appropriate Department Manager. If the matter remains unresolved, follow Step 4.

Step 4

The matter is discussed between the employee(s), the Union Delegate, the Department Manager and the Site Manager. If the matter remains unresolved, follow Step 5.

Step 5

The matter is discussed between the Department Manager, the Site Manger, Union Delegate and Union official. If the matter remains unresolved follow Step 6.

Where it is agreed by the parties, Steps 1-5 above may be conducted concurrently.

Step 6

Emphasis shall be placed on a negotiated settlement. However, if the negotiation process is exhausted without the dispute being resolved, the parties may either jointly or individually refer the matter to the Industrial Relations Commission of NSW (IRC) for assistance in resolving the dispute. The IRC will attempt to resolve the differences between the parties by means of conciliation. If, however, the conciliation process fails, the IRC shall determine the matter by arbitration and the parties shall accept the IRC's decision, subject to their rights of appeal under the Act.

At any stage in the procedures after consultation between the parties has taken place in accordance with the procedures, either party may ask for and be entitled to receive a response to their representations within a reasonable time. If there is undue delay on the part of the other party in responding to representations, the party complaining of delay may, after giving notice of their intention to do so, take the matter to a higher level in the procedures on their side.

Except where a bona fide safety issue is involved, work shall continue while matters in dispute between them are being negotiated in good faith. Where a bona fide safety issue is involved, the Company and the appropriate Safety Authority must be notified concurrently or at least a bona fide attempt made to so notify that authority.

27. Disciplinary Procedure

The parties agree to observe the following means arrangements so as to ensure that disciplined employees are dealt with in a procedurally fair way:

27.1 Disciplinary Procedure - Relating to Poor Work Performance or Unsatisfactory Conduct

Without limiting the scope of application of this procedure "poor work performance or unsatisfactory conduct" shall include the following:

- Unacceptable work quality
- Unsafe work practices
- Wilfully failing to abide by reasonable and lawful directions
- Excessive absenteeism
- Abuse of sick leave entitlements

Where it is alleged an employee's work performance or conduct is of a poor or unsatisfactory standard the following procedure shall be adopted:-

- (a) Interview Process and Discipline
 - (i) An interview of the employees should be conducted by the Company's representative. It is appropriate for another member of management to be present as well as the Union Delegate (if requested by the employee or the Company) or another nominated or responsible employee acceptable to the employee being disciplined.
 - (ii) The employee shall be informed of the nature of the problem and shall be given a reasonable opportunity to defend himself/herself against the allegations and to explain his/her actions.
 - (iii) If the problem is not work-related, efforts should be made to provide appropriate professional counselling or other outside assistance, where available.
 - (iv) If the problem is work-related, certain details of the interview should be recorded, such as:
 - (1) Nature of the poor work performance or unsatisfactory conduct and the specific details.
 - (2) Date/s of poor work performance or unsatisfactory conduct (if available).
 - (3) Clarification of the improvements required of the employee to correct the problem and when the improvements are expected.
 - (4) A warning which makes clear the consequences if the employee does not correct the problem and the possible or definite termination of employment. The length of time that the warning will remain active will depend on severity of problem and shall be discussed and agreed to by all present.
 - (5) A date to meet and review the employee's standard of performance.
 - (6) Date and time of the interview.

A copy of this record should be supplied to the employee concerned.

(b) Further Disciplinary Action

If the warning is unsuccessful in improving the attendance, conduct or performance to the required standard as defined in the previous warning, then a further interview similarly constituted should then take place.

At the time the parties should review the outcome of the first disciplinary interview and management should produce further evidence of the continued poor work performance or unsatisfactory conduct and the employee should be given a reasonable opportunity to explain his/her continued poor work performance or unsatisfactory conduct.

If the explanation is deemed unsatisfactory, management may take disciplinary steps in relation to the employee.

Such disciplinary action may result in dismissal. However, in some circumstances it may be appropriate that a further and final warning be given.

However, in some less serious situations appropriate disciplinary measures may include:

Relocation in the workplace;

Restriction of privileges;

Admonishments recorded on the employee's personal file.

These forms of disciplinary measures may be either permanent or of a temporary nature, in which case previous entitlements may then be restored provided the employee's work performance or conduct has improved in the intervening period.

The employee may nonetheless be dismissed if any of these alternative disciplinary measures are found not to be a satisfactory solution

27.2 Dismissal

(a) Dismissal Following Disciplinary Procedure

Where the Company makes the decision to dismiss an employee who has been the subject of this disciplinary procedure, the employee shall be notified in writing of the dismissal and the reasons for it. The site Union Delegate should be notified as soon as practicable if this course of action is to be taken.

(b) Dismissal for Serious Misconduct

The above procedures dealing with poor work performance or unsatisfactory conduct are not intended to interfere with the right of the Company to dismiss any employee without notice for serious misconduct that justifies instant dismissal.

In such circumstances the following procedure should be followed:

- (1) An investigation should be conducted to establish the facts.
- (2) The employee shall be interviewed in the presence of another member of management and be informed of the alleged misconduct.
- (3) The employee shall be given a reasonable opportunity to defend him/herself and to explain or refute the alleged misconduct.
- (4) If no reasonable explanation is presented, the employee's employment shall be terminated forthwith.

27.3 Right of Representation

The Company accepts the right of employees, should they so desire, to be represented by the site Union Delegate at each stage of the disciplinary procedure.

27.4 Disciplinary Records

A formal written record of all disciplinary action will be retained in the employee's personal history record.

28. Union Recognition and Membership

- (a) For the duration of this agreement, Serrol will recognise the NUW (NSW Branch) as being the Union that will provide representation of all employees in related classifications who are covered by this agreement.
- (b) All employees subject to this agreement may, if they wish to, join the NUW (NSW Branch).
- (c) Serrol undertakes, upon written authorisation by the employee, to deduct Union membership dues, as levied by the NUW (NSW) Branch in accordance with its rules, from the pay of employee who are members of the NUW (NSW Branch) at the beginning of each month. Other necessary information to enable the reconciliation and crediting of subscription to members account will be provided monthly by the Burns, Philp Human Resources Payroll Department.

29. Monitoring and Renewal of Agreement

The Workplace Consultative Committee shall continuously monitor the application of the Agreement to ensure its effective implementation and the achievement of the agreed objectives set out in clause 7.

The parties agree that negotiations to review the Agreement will commence two months prior to the expiry date of the Agreement.

30. No Extra Claims

It is agreed by the parties to this Agreement that for the duration of the Agreement:

- (a) The Employees and the Union will not, by any means whatsoever, demand, pursue or make any extra claims relating to benefits, conditions, obligations or matters contained in this Agreement;
- (b) The Employees and the Union will not, by any means whatsoever, demand, pursue or make any claims relating to benefits, conditions, obligations or matters that are not contained in this Agreement; and
- (c) The Employees and the Union will not seek any changes to the Employees' terms and conditions of employment.

31. Endorsement of Agreement

The signatories below accept the terms of the Serrol Ingredients Enterprise Agreement on behalf of their organisations and endorse its terms and in so doing declare that the Agreement has not been entered into under duress by any party to it:

Signed on the 23rd day of December 2003

For and on behalf of Serrol Ingredients, A Division of Burns, Philp & Company Limited:

Signed on the 16th day of December 2003

For and on behalf of the National Union Of Workers (NSW Branch):

APPENDIX 1

Competency Based Training (CBT) at Serrol

The Serrol Ingredients Competency Based Training System is a Competency Based Training (CBT) system consisting of Competency Units which address the knowledge and skills employees need to conduct the processes which exist on site.

Competency Units within the system are grouped in Australian Qualifications Framework (AQF) levels and are aligned to classification levels in the Enterprise Agreement.

Consequently, the AQF levels provide an objective means by which to determine the classification levels and hence pay rates of site employees.

As part of the system, a Competency Based Training plan has been developed for the site to establish the number of employees required at each level of the classification structure.

The current site CBT plan (including the alignment of the AQF and classification levels) is as follows:

| AQF Levels | Classification Levels | Manufacturing | Warehouse | General Hand |
|-----------------|-----------------------|---------------|-----------|--------------|
| 4, 5 | 6 | 1 | | |
| 3, 4 | 5 | 2 | | |
| 3 | 4 | 6 | 2 | |
| 2, 3 | 3 | 5 | | 1 |
| 2 | 2 | | | |
| 1 | 1 | | | |
| Total Employees | | 14 | 2 | 1 |

The CBT plan reflects the requirements of the site's current business needs; however, the CBT plan may change due to increases or decreases in production, the introduction of new plant or equipment or for other reasons.

Employees performing job tasks at the various levels are either assessed as being competent or work under close supervision while developing their skills to gain competence.

By linking the AQF levels to the classification levels, the CBT system provides employees with incentive to improve their competence, identifies structured career paths, allows employees to gain nationally recognised qualifications and recognises the skills and knowledge employees utilise in their job.

Each AQF level comprises a set of competencies obtained from the National Competency Standards for Flour Milling and Mixing, Warehousing, Metal and Engineering, Laboratory Operations and Frontline Management. They are grouped in Core, Optional and Specialist competencies.

Core competencies represent skills and knowledge identified as vital for all employees to obtain in order for the business to function properly and address issues such as Communication, Food Safety, Occupational Health and Safety, Numeracy and Quality.

Optional competencies support the processes and typically apply to more than one work area. They include workplace training, assessment, teamwork, etc.

Specialist competencies are directly associated with specific processes such as production operations, laboratory testing, packaging, pre-mix processes, etc.

The Serrol Ingredients site has unique operational processes. In order to identify the specific processes and tasks for the site, detailed process analysis is required. Arising from this process analysis, individual position

descriptions which list specific tasks are then developed. These position descriptions then identify what training requirements and groups of competencies are required for each position within the site.

Further information on the SerrolIngredients CBT System can be obtained from the following documents:

Workplace Training Kit - A Support Document for Workplace Trainers

Employee Handbook - Information on CBT for GF Milling Employees

Workplace Assessment Kit - A Support Document for Workplace Assessors and Lead Trainers

Recording Employee Competencies - A Support Document for Training