

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA06/109

**TITLE:** Devro Pty Limited Maintenance Employees Enterprise Agreement 2005

**I.R.C. NO:** IRC6/603

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VARIATION:** Replaces EA03/224.

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**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** The agreement applies to all employees employed by Devro Pty Limited, who are engaged as maintenance employees located at 139 Sydney Road, Kelso NSW 2795 and at 46 Vale Road, Bathurst NSW 2795, who fall within the coverage of the Metal, Engineering and Associated Industries (State) Award.

**PARTIES:** Devro Pty Limited -&- The Australian Workers' Union, New South Wales

# DEVRO PTY LIMITED MAINTENANCE EMPLOYEES ENTERPRISE AGREEMENT 2005

**1. TITLE**

This Agreement shall be known as the *Devro Pty Ltd Maintenance Employees Enterprise Agreement 2005*.

**2. ARRANGEMENT**

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### 3. APPLICATION AND PARTIES BOUND

3.1 This Agreement shall apply to employees of Devro Pty Limited employed as Maintenance employees at 139 Sydney Road, Kelso, NSW, 2795 and at 46 Vale Road, Bathurst, NSW 2795 who fall within the area, incidence and duration of the *Metal, Engineering and Associated Industries (State) Award*.

3.2 The Agreement shall be binding upon:

- (a) Devro Pty Limited (the "**Company**") in respect of persons employed at its premises at 139 Sydney Road, Kelso, NSW, 2795 and at 46 Vale Road, Bathurst, NSW 2795, who fall within the area, incidence and duration of the *Metal, Engineering and Associated Industries (State) Award*; and
- (b) The Australian Workers Union, New South Wales Branch (the "**Union**").

### 4. RELATIONSHIP WITH PARENT AWARD

This Agreement shall be read and interpreted in conjunction with the *Metal, Engineering and Associated Industries (State) Award* (hereinafter referred to as "**the Award**") but will prevail over that Award to the extent of any inconsistency.

**5. DURATION**

This Agreement will take effect from the beginning of the first full pay period to commence on or after the date it is approved by the Industrial Relations Commission of New South Wales and shall remain in force until the 30 September 2008.

**6. NO FURTHER CLAIMS**

Subject to increases in rates of pay which may result from productivity/efficiency improvements (referred to in clause 10.1 below), the parties bound by this Agreement shall make no further claims in relation to benefits and conditions.

**7. RESCISSION OF PREVIOUS AGREEMENTS**

This Agreement rescinds and replaces the *Devro Maintenance Employees Enterprise Agreement 2002*.

**8. TERMS OF ENGAGEMENT**

8.1 Except in the case of a casual employee, employment shall be on a weekly basis. The Company may terminate the employment of employees engaged on a weekly basis by the giving of the following period of notice, or payment in lieu thereof of such remuneration as would have been earned during that period.

**Employee's 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 is increased by one week if the employee is over 45 years old and has completed at least 2 years continuous service with the Company.

8.2 A casual employee (being an employee engaged and paid as such) shall be employed on an hourly basis terminable by either side by giving one hour's notice.

8.3 Notwithstanding the foregoing, the Company shall have the right to summarily dismiss an employee for serious misconduct in which case salary shall be paid up to the time of dismissal only.

8.4 Employment may be terminated by the employee by the giving of one week's notice or forfeiture in lieu thereof of such remuneration as would have been earned during that period.

## **9. EMPLOYEE DUTIES**

The Company may direct an employee to carry out such duties that are within the limits of the employee's skill, competence and training.

## **10. RATES OF PAY AND CLASSIFICATION STRUCTURE**

10.1 Rates of pay and salary increases are set out in Annexure A.

- (a) Additional increases in rates of pay to those contained in Annexure A will be payable in consideration of measures developed through the Workplace Consultative Committee in respect of agreed Productivity and Efficiency Improvements. The extent of any such increases will be determined by the Company in consultation with the Workplace committee.
- (b) The rates of pay contained in Annexure A are all inclusive rates covering all rates and allowances which, except as otherwise provided by this Agreement, might be otherwise payable to employees.
- (c) The classification structure for Tradespersons set out in Annexure A is based upon period of service and the completion of sufficient training modules towards the achievement of a Diploma of Mechanical Engineering.
- (d) The classification structure for Trades Assistants set out in Annexure A is based upon period of service and the completion of sufficient training modules towards the achievement of a Trade Certificate.

10.2 Technical/Organisational Expertise

(a) Employees appointed to the positions of :-

- (i) Extruder Fitter;
- (ii) Shirring Fitter;
- (iii) Primary Collagen Plant Fitter;
- (iv) Senior Gel Fitter; and
- (v) Research and Development Fitter

will be paid at a rate of 107.5% of the employees Technical Classification.

(b) An employee relieving in one of these positions, in the absence of the appointed Fitter, will be paid at a rate of 103.5% of the employee's ordinary classification rate where the period of relief is less than two consecutive days. An additional 3.5% of the employee's ordinary classification rate will be paid to employees relieving in these positions for greater than two consecutive days commencing from the beginning of the relief period.

- (c) Employees working in the position of Project and Development Fitter will be paid the rate of 103.5% of the employee's ordinary classification rate.

### 10.3 Shift Relief

A day work employee rostered on Shift to cover a Shift Fitter's absence will be paid in accordance with Clause 17 - Shift Work.

### 10.4 Higher Duties

Subject to clause 10.2 above, an employee called upon to perform any of the duties demanded of an employee at a higher level in the classification structure contained in Annexure A in the absence of the employee normally exercising such duties or whilst called upon to perform such duties on a temporary basis, shall be paid the rate which would be applicable if such duties were performed on a permanent basis. Provided that this Clause shall not apply when the time period is of less than 2 hours duration per day.

### 10.5 Bonuses

Subject to this clause, a bonus of \$950.17 will be paid to each employee covered by this Agreement on the first pay period after 1 October 2008. This bonus payment is conditional upon compliance with the Disputes Procedure contained in Clause 28 of this Agreement and upon employees actively participating in the introduction of new techniques in the workplace. These new techniques will involve training of employees and employees engaging in flexibility of work.

## 11. START/FINISH/WASH TIME

- 11.1 Company start/finish times including meal breaks are currently defined to ensure that all personnel are aware that in a normal situation arrival and departure at or from the workstation must be adhered to.
- 11.2 There shall be a three minutes wash-up time prior to the morning, lunch and afternoon crib breaks. The wash time is from the Workshop and/or place of work.

## 12. BREAKS

Crib breaks for "Day Workers" shall be not more than the following.

- (a) Morning break – fifteen (15) minutes
- (b) Afternoon break – twelve (12) minutes
- (c) OT breaks – twenty (20) minutes

### 13. AGREEMENT

Agreements reached at meetings held 30/11/2001 and 19/2/2002 to be implemented. These agreements include the use of non trades qualified maintenance employees to complete some tasks when trained internally and normally completed by tradesperson and the use of tradesperson to complete lubrication work as a part of the plant maintenance system.

### 14. ACCREDITATION

Currently the academic requirement is the obtaining in part or full of the TAFE Diploma of Mechanical Engineering.

To broaden this requirement a person may opt to do any other subjects relevant to the Company and with the approval of the Engineering Manager to obtain re-classification.

In terms of the 'other' subjects these must be 'weighted' in the same manner as the subjects in the Diploma of Mechanical Engineering and as noted by TAFE New South Wales.

| Class | Salary Rate Inc (%) | Academic Requirement                                | Service criteria (months) | Duties in General  |
|-------|---------------------|---|---------------------------|--|
| DF1   | 100%                | New started   |                           | Fitting and turning duties within the skill level of a trade background. Performs work under limited supervision and can carry out non-trade related activities incidental to the work. Facilitate completion of the whole task and work, which would not require additional formal technical training. Undertakes training in Devro related equipment and performs this work in a tradesmanlike manner. Inspection of work/materials for conformity with established quality standards. |
| DF2   | 102.5%              | <u>1/6 Diploma and/or Certification in Pressure</u> | 6                         | Duties of a DF1 but at a higher skill level and will carry out tasks such as welding to the level of appropriate Trade and Post  |

|     |      |  |    |   |
|-----|------|--|----|---|
|     |      | <p><u>Welding – Certificate 2 (completed)</u> or any other course relevant to Devro Pty Ltd as determined by the Engineering Managers and weighted in the same method as the Diploma.</p>  |    | Trade training.   |
| DF3 | 105% | <p><u>1/3 Diploma and/or Certification in Pressure Welding - Certificate 6 (completed)</u> or any other course relevant to Devro Pty Ltd as determined by the Engineering Managers and weighted in the same method as the Diploma.</p> | 12 | <p>Carry out Fitting and Turning duties to the level of Tradesman Special Class having regard to the skills obtained through Trade and Post Trade Training. Provide guidance and assistance as part of a work team including assistance in the provision of training in conjunction with supervisors and trainers. Install, repair and maintain, test, modify, commission and/or fault find on complex machinery and equipment, which utilises hydraulic and/or pneumatic principles.</p> |



| Class | Salary Rate Inc (%) | Academic Requirement  | Service criteria (months) | Duties in General  |
|-------|---------------------|---|---------------------------|--|
| DF4   | 110%                | <u>½ Diploma and/or Certification in Pressure Welding – Certificate 7 (completed)</u> or any other course relevant to Devro Pty Ltd as determined by the Engineering Managers and weighted in the same method as the Diploma. | 18                        | Works above the DF3 level exercising the skills attained through completions of Trade and Post Trade Training. Provides training in conjunction with supervisors and understands and implements quality techniques. Work on machinery and instruments, which form part of complex control systems utilising hydraulic and/or pneumatic circuitry.  |
| DF5   | 115%                | <u>2/3 Diploma and/or</u> any other course relevant to Devro Pty Ltd as determined by the Engineering Managers and weighted in the same method as the Diploma.  | 24                        | Work beyond the DF4 skill level underrating quality control and work organisation. Assists supervisors in maintenance planning and predictive maintenance work not in technical fields. Prepares reports of a technical nature on specific tasks or assignments as directed and exercises discretion within the scope of this level in carrying out work. Assists in preparing procedures and manuals for specific items of machinery. Carry out training in boiler operation as required. |

|           |      |   |    |   |
|-----------|------|---|----|---|
| DF6       | 125% | <u>Compl. Diploma</u> or any other course relevant to Devro Pty Ltd as determined by the Engineering Managers and weighted in the same method as the Diploma. | 36 | Performs duties beyond the DF5 skill level and has an overall knowledge and understanding of the operating principle of the systems and equipment on which the tradesperson is required to carry out their task. Apply a high level of diagnostic skill on complex forms of machinery. Set up, commission and provide training for new equipment and machinery. Assist in determining appropriate spares and preventative maintenance for machinery and equipment, and carry out quality control activities in accordance with ISO requirements. Utilise non-destructive techniques to determine equipment condition and make recommendations from these results. |
| Store man | 112% | New Starter   | 0  | Trade knowledge ability to work under supervision – as per classification definition C11 level 4  |

## 15. PAYMENT OF WAGES

Payment of wages is to be made fortnightly in arrears by direct deposit to an account at either a bank or Credit Union, at each employee's option.

## 16. HOURS OF DAY WORK

- 16.1 The ordinary hours of work for day workers shall not exceed 152 in each 28 day cycle to be worked Monday to Friday inclusive. Each day is to be worked as 8 hours continuously except for meal breaks. The spread of hours shall be between 6.00 a.m. and 5.30 p.m.
- 16.2 Unpaid meal breaks for day workers shall be of a specified duration which shall be no less than 30 minutes nor more than one hour.

## 17. SHIFT WORK

- 17.1 The ordinary hours of work for 7 day continuous shift workers shall not exceed 152 in each 28 day cycle. Each shift is to be worked as 8 hours continuously. One compulsory overtime shift per 28 day cycle is mandatory for all continuous shift workers and this shall be designated as Saturday Afternoon shift.
- 17.2 Two twenty minute crib breaks shall be allowed during each shift, each of which shall be counted as time worked.
- 17.3 A shift worker whilst on afternoon or night shift shall be paid for such shift 20 percent more than his/her ordinary rate.
- 17.4 All shift work performed on a Saturday will be paid at time and one half ordinary time rates to a shift worker for ordinary hours worked. All shift work performed on a Sunday will be paid at double ordinary time rates. Such penalties are in substitution for and not cumulative upon the shift premiums in sub-clause 17.3.
- 17.5 All shift work performed in excess of or outside the ordinary hours prescribed herein or designated in the roster shall be paid at the rate of double time.
- 17.6 The first eight hours of work performed on a Public Holiday shall be paid at the rate of double ordinary time. Such penalty is paid in substitution for and is not cumulative upon the shift premiums in sub-clause 17.3. All work in excess of eight hours shall be paid for at the rate of treble time.
- 17.7 An employee's place on the roster may be altered by giving not less than 48 hours notice of such change. If less than 48 hours notice is given the employee shall be entitled to payment pursuant to sub-clause 17.5 hereof until the expiration of 48 hours for all time worked outside his or her ordinary hours.
- 17.8 In this clause and wherever elsewhere used, the following words or phrases have the following meaning:
- (a) **Shift Worker** - an employee rostered to work according to a roster providing weekly shift rotation which may include as ordinary working days Saturdays, Sundays and Public Holidays.
  - (b) **Afternoon Shift** - a shift finishing after 6.00 p.m. and at or before midnight.
  - (c) **Night Shift** - a shift finishing subsequent to midnight and at or before 8.00 a.m.

## 18. PUBLIC HOLIDAYS

- 18.1 The following shall be recognised as holidays and except when they fall on a non working day, shall be allowed to all weekly employees other than seven day continuous shift workers on full pay:
- New Years Day;

- Australia Day;
- Good Friday;
- Easter Saturday;
- Easter Monday;
- Anzac Day;
- Queen's Birthday;
- Eight Hour Day;
- Christmas Day, and
- Boxing Day.

Together with any other day gazetted and observed throughout the State as a Public Holiday.

18.2 In addition to the holidays prescribed in sub-clause 18.1 one additional day per annum shall be observed as a holiday in lieu of a Picnic Day on a day agreed between the Company and the Union. In the case of a shift worker such a day shall be added to Annual Leave if the employee is on Annual Leave at the time the holiday occurs.

**19. OVERTIME, SUNDAY & PUBLIC HOLIDAY RATES FOR DAY WORKERS**

19.1 All time worked in excess of 8 hours on any day, Monday to Friday inclusive, or outside the hours prescribed for day workers in this Agreement shall be paid for at the rate of time and one half for the first two hours and double time thereafter calculated on a daily basis.

19.2 All time worked on Sunday shall be paid for at the rate of double time.

19.3 The first eight hours of work performed by dayworkers on a Public Holiday shall be paid at the rate of double time. All work in excess of eight hours shall be paid for at the rate of treble time.

19.4 A day worker required to work on a Sunday or Public Holiday shall be paid for a minimum of four hours work at the appropriate rate.

19.5 A shift worker called in to work on a Public Holiday other than on his rostered shift shall be paid for a minimum of four hours work at the appropriate rate.

**20. PROVISION OF MEALS ON OVERTIME/CRIB BREAKS**

20.1 An employee required to work overtime in excess of one and a half hours after working ordinary hours shall either be supplied with a meal upon the production of a food voucher or vouchers by the Supervisor, or paid \$8.80 meal allowance. This is the only occasion on which a meal allowance is payable. The meal allowance will be increased each year by the percentage increase in the ABS CPI for the weighted

average of eight capital cities in respect of the sub-group “Meals out and take away foods” for the June quarter. This increase will be effective on and from the first pay period in June each year.

- 20.2 An employee working overtime shall be allowed a crib time of twenty minutes, without deduction of pay, after each four hours of such time worked.
- 20.3 Unless the period of overtime is less than one and a half hours an employee, before starting overtime after working ordinary hours, shall be allowed a meal break of twenty minutes which shall be paid for at time and one half. The Company and the employee concerned may agree to any variation of this provision to meet the circumstances of the work in hand - provided that the Company shall not be required to make any payment in respect of any time allowed in excess of twenty minutes.
- 20.4 Crib breaks will be assumed to have been taken unless the time sheet shows otherwise.
- 20.5 Crib breaks are to be seen as part of the overtime period and as such are paid at the appropriate rate.

## **21. ANNUAL LEAVE**

- 21.1 All leave is provided as per the *NSW Annual Holidays Act 1944*.
- 21.2 In addition to the leave provided by sub-clause 21.1, seven day continuous shift workers, that is shift workers who are rostered to work regularly on Saturdays, Sundays and Public Holidays, shall be allowed 6 days in additional annual leave provided that, if during the year of employment an employee has served a portion of it as a seven day continuous shift worker, the additional leave shall be one day for every 36 ordinary shifts worked as a seven day continuous shift worker.

## **22. SINGLE DAY LEAVE**

Maintenance employees will be permitted to take single day absences as Annual Leave subject to the following:

- (a) The minimum amount of Annual Leave that will be approved shall be 4 hours;
- (b) Notice of a request for a single day must be given 1 day prior to the day requested in the leave application form;
- (c) The Company reserves the right to refuse approval for a single day absence if less than 1 day’s notice is given or if problems are experienced in organising suitable cover;
- (d) Single Day Leave up to three (3) days taken consecutively are counted as follows:
  - 3 days taken equals 3 single days.
  - 2 days taken equals 2 single days.

1 day taken equals 1 single day.

These are covered by 12 hours shifts or Day Work cover.

4 days or more are classified as an annual leave period and are covered by someone covering for the full period.

10 single days of annual leave are allowed per calendar year. If 3 consecutive days are taken they are counted as 3 single days leaving a total of 7 single days remaining.

## **23. SICK LEAVE**

### **Entitlement**

- 23.1 An employee who is absent from his/her work on account of personal illness or injury will be entitled to sick leave without deduction of ordinary pay in accordance with this clause.
- 23.2 An employee will be entitled to up to 10 days paid sick leave each calendar year. Any untaken sick leave will accrue. In addition, employees may also be entitled to Extended Sick Leave as provided by sub-clause 23.4 below.

### **Conditions and Limitations**

23.3 Paid sick leave will be subject to the following conditions and limitations:

- (a) An employee will not be entitled to paid sick leave for any period in respect of which he/she is entitled to workers' compensation benefits.
- (b) For any absence for which an employee claims sick leave which lasts for more than two consecutive days of work, the employee will not be entitled to payment unless he/she provides to the Company a certificate of a medical practitioner that in his/her opinion the employee was unable to attend for duty on account of personal illness or injury for at least the second and subsequent days of the absence.

### **Extended Sick Leave**

- 23.4
- (c) An employee employed by the Company on a continuous basis in excess of 12 months and who incurs an illness or injury that requires him/her to be absent from work for more than 10 consecutive days of work will be entitled to up to 40 days paid sick leave, which is referred to in this Agreement as "Extended Sick Leave". The entitlement to Extended Sick Leave does not accrue from year to year.

- (d) To apply for Extended Sick Leave, the employee must provide the Company with a certificate from a medical practitioner that in his/her opinion, the employee is unable to attend work for more than 10 consecutive days of work on account of personal illness or injury. The Company may require the employee to attend appointments arranged by the Company with other medical practitioners and allow those other medical practitioners to examine the employee and provide a report to the Company on the employee's condition for the purpose of confirming or otherwise the employee's medical practitioner's opinion and the employee's entitlement to Extended Sick Leave. The Company will meet all travel costs and medical costs associated with appointments with medical practitioners arranged by the Company pursuant to this paragraph.
- (e) If there is any dispute in relation to the Company's decision to grant an employee Extended Sick Leave or not, this will be dealt with in accordance with the disputes procedure set out in clause 28 of this Agreement.
- (f) An employee will not be entitled to Extended Sick Leave for any period in respect of which he/she is entitled to workers' compensation benefits.
- (g) The entitlement to Extended Sick Leave may be given in relation to one or more sick leave incidents each year, however the total period of the Extended Sick Leave entitlement shall not exceed 40 days in any one year of the employee's employment.

**24. BEREAVEMENT LEAVE**

As per clause 20, Bereavement Leave of the *Devro Pty Limited Operating Employees Award 2003*.

**25. PERSONAL / CARER'S LEAVE.**

As per clause 21, Personal/Carers Leave of the *Devro Pty Ltd Operating Employees Award 2003*, except that reference to clause 25, Sick Leave in clause 21 of that award is to be taken as referring to clause 23, Sick Leave, of this Agreement.

**26. REDUNDANCY**

Clause 4.4 - Redundancy of the Award applies in respect of any termination, or proposed termination, in circumstances of redundancy except that a payment of 3 weeks pay for each year, or part thereof, of service will, subject to any greater entitlement under clause 4.4.5 of the Award, be paid up to a maximum of 35 weeks pay in respect of any termination due to redundancy. This severance payment will be increased by 25 percent where the employee concerned is aged 45 years or over.

During the life of this agreement the Company will, subject to unforeseen circumstances, adopt the following manning levels.

22 Fitters

1 Storeperson

1 Adult Apprentice (but when the person who was an adult apprentice at the time of the making of this agreement completes his apprenticeship, the number of adult apprentices will reduce to nil, and that person will be offered employment as a Fitter, and, if that that person accepts employment as a Fitter, the number of Fitters will increase to 23)

## **27. WORKPLACE CONSULTATIVE COMMITTEE**

A Consultative Committee will continue which is formed of representatives of the workforce, who are elected by the workforce, and Company representatives to administer the Productivity Agreement, monitor the Key Performance Indicators and Measurement Criteria and establish payment methods in respect of costs saved.

## **28. DISPUTES PROCEDURE**

- 28.1 All Disputes, other than those concerning unsafe practices and unsafe conditions, must be dealt with in accordance with the following Disputes Procedure.
- 28.2 The Disputes Procedure contains graduated steps which must be followed in the order provided.
- 28.3 Work will continue normally whilst the matter is being dealt with.
- 28.4 Disputes concerning unsafe practices and unsafe conditions will be dealt with in the scope of the Company's Safety Programme.
- 28.5 At any stage of a dispute an employee may elect to have an "accredited shop -steward" accompany such employees in any discussions.
- 28.6 Should a "full-time" Union Official be involved in Step 3 and beyond the Labor Council of New South Wales may be informed of the dispute.

### **Step 1**

When an employee has a complaint, he/she shall take the matter up with his/her immediate Supervisor. The Supervisor shall discuss the matter with the employee, obtain facts and a clear understanding of the points to be considered.

The Supervisor shall investigate the matter and consult the appropriate persons. He shall give an answer as soon as possible and in any case within three working days unless an extension of time is required (during the period Monday to Friday), in which case the employee shall be so informed.

The Supervisor shall ascertain whether his/her answer is satisfactory to the employee and if not, the Supervisor shall remind the employee that he/she is able to take up the matter with the next higher level in the Company's Management structure.

The employee should indicate his/her desire concerning the complaint when such action is required. The Supervisor shall arrange the forthcoming interview and inform employee of time, date and venue.



## **Step 2**

The employee may discuss the matter with the next level of supervision or other representatives of Management, as appropriate to the department concerned; i.e. Department Head. An answer shall be given to the employee as soon as possible and in any case within one week from the time the matter was referred to the particular management representatives.

Should the matter under dispute not be resolved to the employee's satisfaction, arrangements shall be made by the level of supervision concerned (this step) to implement Step 3.

## **Step 3**

The employee who has the complaint may refer the matter to his/her Union. The employee or the Union may make representations on the employee's behalf to Operations, Production or Engineering Managers, or any combination thereof for decision and finalisation.

## **Step 4**

The employee or the Union may seek finalisation of the matter under dispute via Managing Director or his nominated representative/s.

## **Step 5**

If the matter is not resolved at Step 1.

The AWU and/or the Company may refer the matter in dispute to the Industrial Relations Commission of NSW for Conciliation and/or Arbitration.

## **29. DISCIPLINARY PROCEDURE**

The Disciplinary Procedure contained in Annexure B will apply to all matters involving the need to discipline employees.

## **30. SUPERANNUATION**

Superannuation for all employees covered by this Agreement will be provided by the Company through the Mercer Super Trust and the Company will be bound by the Mercer Super Trust Deed.

## **31. SALARY SACRIFICE**

31.1 The Company and an employee may enter into effective salary sacrifice arrangements if:

- (a) the employee requests a salary sacrifice arrangement;
- (b) the arrangement is settled before the employee earns any right to payment of the amounts to be sacrificed; and

(c) the employee signs an election to salary sacrifice prepared by the Company.

- 31.2 The employee may make a request for a salary sacrifice arrangement in accordance with this sub-clause once annually. This may be varied subject to the approval of the Company and has no legally binding effect.
- 31.3 In the salary sacrifice arrangement, the employee may sacrifice any portion of their base salary (as specified in Annexure A of this Agreement) (including the compulsory employer contribution as specified in relevant legislation) for such salary.
- 31.4 Upon entering into a salary sacrifice agreement, the employee's salary in respect of all purposes, including all entitlements under this Agreement, (as specified in Annexure A of this Agreement) shall be immediately reduced by the amount sacrificed as agreed in writing between the employee and the Company.
- 31.5 The Company or the employee may cancel a salary sacrifice arrangement made under this sub-clause in the event that changes in relevant legislation or policy materially alter the benefit of the employee or the cost to the Company of the salary sacrifice arrangement.
- 31.6 The implementation of any salary sacrifice arrangement is subject to the agreement of the Company. The implementation of a salary sacrifice arrangement in respect of superannuation is also subject to the terms of the Mercer Super Trust.
- 31.7 All salary packaging arrangements will be provided in accordance with the Company's policies and procedures. Some examples which may at the Company's discretion be provided include:
- (a) Motor vehicle leasing; and
  - (b) Laptops.
- 31.8 Salary sacrificing will be at no cost to the Company. Where a salary sacrifice arrangement has been entered into which causes the Company to incur costs, including taxation costs, which would otherwise not have been incurred by the Company, the Company may seek reimbursement of these costs from the employee by making deductions from the employee's salary over a reasonable period of time as determined by the Company. Any dispute over the operation of this sub-clause 31.8 shall be resolved by using the dispute procedure in clause 28 of this Agreement.

## **32. OCCUPATIONAL FIRST AID**

The Company will provide on each shift for one person trained to the level of Occupational First Aid. A payment of \$10 per week will apply to each employee chosen by the Company to carry out the Occupational First Aid role.

## **33. CONTRACTORS**

When the Engineering Manager is considering contracting out of work that may reasonably be considered to fall within the scope of maintenance employees' capabilities, a process of consultation with maintenance employees representatives will occur.

If required and deemed appropriate, meetings will be implemented for the purpose of this discussion and any dispute arising from these meetings will be resolved through the dispute procedure.

**34. TRAINING**

The Company is committed to ensuring that employees have access to training which is appropriate to their individual development within the Company, subject to such training meeting the requirements of the Company and the employee's department. Training will be approved at the discretion of management.

**SIGNATORIES**

**Signed for and on behalf of  
Devro Pty Ltd**

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Witness

**Signed for and on behalf of  
Australian Workers Union, New South Wales Branch**

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Witness

**ANNEXURE A**

|      |                                | Effective 1st Oct 2004   |                                 | Effective 1st Oct 2005   |                                 | Effective 1st Oct 2006   |                                 | Effective 1st Oct 2007   |                                 |
|------|--------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
| (ia) | <i>Trades<br/>Salary Rates</i> | <i>Annual<br/>Salary</i> | <i>Base<br/>Hourly<br/>Rate</i> | <i>Annual<br/>Salary</i> | <i>Base<br/>Hourly<br/>Rate</i> | <i>Annual<br/>Salary</i> | <i>Base<br/>Hourly<br/>Rate</i> | <i>Annual<br/>Salary</i> | <i>Base<br/>Hourly<br/>Rate</i> |
|      | DF1 Devro Fitter - Shift       | \$62,351.21              | \$19.9372                       | \$66,175.39              | \$21.1593                       | \$68,822.40              | \$22.0057                       | \$71,575.30              | \$22.8859                       |
|      | DF1 Devro Fitter - Day         | \$40,032.78              | \$19.9372                       | \$42,852.63              | \$21.3415                       | \$44,566.73              | \$22.1952                       | \$46,349.40              | \$23.0830                       |
|      |                                |                          |                                 |                          |                                 |                          |                                 |                          |                                 |
|      | DF2 Devro Fitter - Shift       | \$63,909.15              | \$20.4357                       | \$67,803.43              | \$21.6809                       | \$70,515.57              | \$22.5481                       | \$73,336.20              | \$23.4501                       |
|      | DF2 Devro Fitter - Day         | \$41,035.04              | \$20.4357                       | \$43,899.99              | \$21.8625                       | \$45,655.99              | \$22.7370                       | \$47,482.23              | \$23.6465                       |
|      |                                |                          |                                 |                          |                                 |                          |                                 |                          |                                 |
|      | DF3 Devro Fitter - Shift       | \$65,468.21              | \$20.9341                       | \$69,432.65              | \$22.2018                       | \$72,209.96              | \$23.0899                       | \$75,098.36              | \$24.0135                       |
|      | DF3 Devro Fitter - Day         | \$42,035.04              | \$20.9341                       | \$44,944.99              | \$22.3833                       | \$46,742.79              | \$23.2786                       | \$48,612.50              | \$24.2098                       |
|      |                                |                          |                                 |                          |                                 |                          |                                 |                          |                                 |
|      | DF4 Devro Fitter - Shift       | \$68,586.33              | \$21.9310                       | \$72,691.09              | \$23.2435                       | \$75,598.73              | \$24.1732                       | \$78,622.68              | \$25.1402                       |
|      | DF4 Devro Fitter - Day         | \$44,037.30              | \$21.9310                       | \$47,037.35              | \$23.4251                       | \$48,918.85              | \$24.3621                       | \$50,875.60              | \$25.3366                       |
|      |                                |                          |                                 |                          |                                 |                          |                                 |                          |                                 |
|      | DF5 Devro Fitter - Shift       | \$71,702.21              | \$22.9278                       | \$75,947.18              | \$24.2852                       | \$78,985.07              | \$25.2566                       | \$82,144.47              | \$26.2669                       |
|      | DF5 Devro Fitter - Day         | \$46,038.43              | \$22.9278                       | \$49,128.53              | \$24.4667                       | \$51,093.67              | \$25.4454                       | \$53,137.42              | \$26.4632                       |
|      |                                |                          |                                 |                          |                                 |                          |                                 |                          |                                 |
|      | DF6 Devro Fitter - Shift       | \$77,937.33              | \$24.9215                       | \$82,462.88              | \$26.3686                       | \$85,761.40              | \$27.4234                       | \$89,191.85              | \$28.5203                       |
|      | DF6 Devro Fitter - Day         | \$50,041.82              | \$24.9215                       | \$53,312.07              | \$26.5501                       | \$55,444.56              | \$27.6121                       | \$57,662.34              | \$28.7166                       |
|      | DF6 Devro Fitter - Gel         | \$79,376.03              | \$24.9215                       | \$83,966.32              | \$26.3627                       | \$87,324.98              | \$27.4172                       | \$90,817.98              | \$28.5139                       |
|      | NT5 - Storeman - DAY           | \$37,118.26              | \$18.4853                       | \$39,806.95              | \$19.8236                       | \$41,399.23              | \$20.6166                       | \$43,055.20              | \$21.4412                       |

## ANNEXURE B

### CODE OF BEHAVIOUR

DEVRO PTY LTD

## DISCIPLINARY PROCEDURE

### 1. GENERAL

- 1.1 This disciplinary procedure is directed towards correcting and/or improving an employee's conduct on occasions when that conduct is unacceptable and to ensure the employee is treated fairly.

The disciplinary procedure, in the majority of cases, shall be used to assist an employee to understand Company policy and requirements.

- 1.2 The Company disciplinary procedure consists of three levels:-

Level One - Formal Interview

Level Two - Warning

Level Three - Final Warning

- 1.3 The levels of discipline may or may not be administered in a sequential manner depending upon the situation (See Clauses 7 and 8).

The circumstances surrounding an employee's action and the seriousness of those actions will determine what level of the disciplinary procedure is appropriate.

- 1.4 Throughout the application of the disciplinary procedure employees will be provided with the opportunity to present their own view of the situation and reasons for their conduct. (See Clause 6).

An employee may -request a person of their choice, who may be a union delegate, to be present at all points in the procedure.

- 1.5 When an employee disagrees with a formal interview or formal warning, a request to review the disciplinary action may be made by the employee to the next level of line management. In the case of final warning; a request for review may be made to the Personnel Department through the immediate supervisor.

- 1.6 A written record of the application of all levels of the disciplinary procedure (except informal discussions) will be made available and placed on an employee's personal file, with a copy also to be made available to the employee at the time of the procedure.

- 1.7 The disciplinary procedure will be conducted by the immediate supervisor or Department Manager.

### 2. LEVEL ONE - FORMAL INTERVIEW

#### 2.1 Informal Verbal Dialogue

This step should be used to outline relevant Company policy and requirements, and to correct any employee misinterpretation.

Continued informal discussion for the same or similar conduct by the employee will lead to a formal interview. The need to progress to formal interview will be established by the supervisor and will include consideration of the nature of the employee conduct, the frequency of informal discussions and the employee's response to previous informal discussions.

## 2.2 **Formal**

This step requires a detailed discussion of an employee's inappropriate conduct, and how the conduct is contrary to relevant Company policy and requirements (whether or not the employee is aware of the Company policy), any underlying reasons for the conduct and a participative commitment to correct and/or improve the area of concern. Formal interviews should be clearly seen and understood to have an assistance and educational function within the disciplinary procedure.

The procedure involves discussion of the following matters with the employee and documented accordingly:

- (a) What is required of the employee.
- (b) Where and how the employee's conduct does not comply with relevant Company policy and requirements.
- (c) What is to be done by the employee to meet Company policy and requirements and appropriate steps which may assist the employee.
- (d) The outcome of failure to meet Company policy and requirements.
- (e) The duration for which this warning will remain effective is for three (3) months.

## 3. **LEVEL TWO - FORMAL WARNING**

Where an employee continues with inappropriate conduct after the formal interview level, or engages in misconduct of a minor nature, the supervisor shall investigate the matter and issue a formal warning in writing, indicating to the employee:

- (a) What is required of the employee.
- (b) Where and how the employee's conduct does not comply with relevant Company policy and requirements (whether or not the employee is aware of the Company policy).
- (c) What is expected of the employee to meet Company rules and requirements and appropriate steps which may assist the employee.
- (d) The outcome of failure to meet Company policy and requirements.
- (e) The duration for which this warning will remain effective is for three (3) months.

## 4. **LEVEL THREE - FINAL WARNING**

- 4.1 A final warning will only be issued when the specific conduct complained of persists and after the employee having received informal interview and written warnings in accordance with Clause 2.2 and 3 respectively.

Where an employee fails to meet Company policy and requirements after these warnings, the supervisor should issue a final warning. Final warning is the last step before an employee is dismissed and will be in writing.

The procedure for a final warning involves a review of the relevant disciplinary procedure to date or the misconduct and the offer to the employee of opportunity to prove an explanation.

4.2 The written advice of final warning issued to the employee will contain the following information:

- (a) A statement that this is a final warning.
- (b) Identification of the inappropriate conduct by the employee with reference to relevant Company policy and requirements.
- (c) A summary of relevant disciplinary procedure to date.
- (d) Detailing that a specific change is required in the employee's conduct and failure to achieve the specific change will lead to dismissal.
- (e) The duration for which this warning will remain effective is for six (6) months.

## **5. DISMISSAL**

Where an employee fails to meet the requirements clearly identified in the written advice of final warning, or engages in serious misconduct, the supervisor should seek dismissal of the employee. Dismissal may take the form of dismissal with notice or it may be summary dismissal.

## **6. OPPORTUNITY TO RESPOND**

At all stages of the disciplinary procedure, employees will be given an opportunity to explain their conduct or to respond to allegations made against them. Employees .Subject to disciplinary action will be given a detailed account of any allegations made against them in order that they can respond.

## **7. LEVEL OF DISCIPLINE**

- 7.1 The levels of discipline outlined in the disciplinary procedure may or may not be administered in a sequential manner depending upon the situation.
- 7.2 The level of discipline appropriate in any particular situation will depend upon a number of factors including the seriousness of the conduct concerned, the circumstances in which such conduct occurs and any interviews/warnings which are currently effective and relevant.
- 7.3 Many factors are involved in individual cases, and these must all be considered prior to instituting the level of the disciplinary procedure. Clause 8 contains some general guidelines which may help to indicate what level should be applied.
- 7.4 These guidelines are for the assistance of employees, supervisors and union delegates, and should not be taken to limit the instances or manner in which the disciplinary procedure may be administered. The examples provided are not exhaustive and should not be taken to be exhaustive.

## **8. GUIDELINES FOR THE APPLICATION OF THE DISCIPLINARY PROCEDURE**

The following areas of conduct may be addressed through either informal discussions, formal interviews or formal warning depending upon the circumstances of each particular situation.

### **8.1 Level One - Formal Interviews**

- (a) Absenteeism.



- (b) Malingering, neglect of duty, inefficiency.
- (c) Misbehaviour, disobedience, abuse, insubordination.
- (d) Breach of Company policies.
- (e) Or the like.

## 8.2 **Levels Two and Three**

- (a) As above, but considered to be of a more severe nature.
- (b) Discrimination (all types).
- (c) Sexual harassment.

## 8.3 **Instant Dismissal**

Areas of conduct deemed to warrant immediate dismissal in line with Award provisions and Company policies.

## 9. **GUIDELINES IN THE ADMINISTRATION OF THE DISCIPLINARY PROCEDURE**

Whilst the effectiveness of any disciplinary procedure involves many factors, the following key points are highlighted as being particularly important.

- 9.1 Responsibility for the administration of the disciplinary procedure belongs with an employee's immediate supervisor and the Operations Manager in consultation with a union delegate if the employee chooses to involve the Union delegate.
- 9.2 Administration of the disciplinary procedure depends upon the union delegate and supervisor's clear understanding of Company policies and requirements, and informing employees of these policies and requirements.
- 9.3 The disciplinary procedure should be applied:
  - Promptly with minimum delay.
  - Objectively i.e. focus upon the conduct concerned not the person involved.
- 9.4 Normal working relationships with the employee and supervisor should be re-established once the disciplinary procedure is complete.

**DEVRO PTY LTD**  
**DISCIPLINARY PROCEDURE**

**LEVEL TWO – FORMAL WARNING**

Name: .....

Department: .....

Supervisor: .....

Union Delegate: ..... Date: .....

1. Nature of problem: .....

.....

.....

.....

2. Employee has been informed that this conduct consolidates a final warning for minor misconduct or a second warning relating to a previous warning for similar incidents.

YES

3. Employee comments: .....

.....

.....

.....

4. To be rescinded ..... (three months from the above date)

**DEVRO PTY LTD**  
**DISCIPLINARY PROCEDURE**

**NOTICE OF DISMISSAL**

Name: .....

Department: .....

Supervisor: .....

Union Delegate:..... Date: .....

1. The abovenamed employee will terminate as from .....  
in accordance with the Devro Code of Behaviour.

2. Nature of problem: .....  
.....  
.....  
.....

3. Notice Period Required:  Yes  No

4. Summary Dismissal:  Yes

## **POLICY FOR ROSTERED DAY OFF**

### **WAGES ENGINEERING PERSONNEL**

#### **10. POLICY**

- 10.1 Wages employees will be entitled to 13 days off work on full pay each calendar year. These days will be termed “Rostered Days Off” or RDOs.
- 10.2 RDOs may be changed in the light of changing business requirements.
- 10.3 Final allocation of RDOs will be a management responsibility.
- 10.4 In exceptional circumstances and at the request/approval of the Engineering Manager, RDOs may be accumulated, with a maximum of two (2) days being allowed to be taken off at any one time at a minimum interval of 2 weeks.

#### **11. OPERATING PROCEDURE**

- 11.1 RDOs will be allocated on the basis of one each four weeks for wages personnel.
- 11.2 An allocation list of RDOs will be prepared and maintained by the Engineering Manager.
- 11.3 RDOs for Engineering employees will be allocated in conjunction with the respective work/shift rosters.
- 11.4 An employee may request to:
  - (a) change his or her allocated RDO within the month that the RDO falls due; or
  - (b) take his or her RDO in advance of the allocated dateby written application to the Engineering Manager. Approval will be at the discretion of the Engineering Manager subject to Departmental requirements.
- 11.5 The Engineering Manager, in conjunction with the Engineering Supervisors, will maintain a record of RDOs for all employees in the Engineering Department
- 11.6 As a general rule it is not envisaged that any accumulation of RDOs will take place (exception refer 1.4). Where an unforeseen situation necessitates an employee being asked to work a RDO, that employee will be eligible for an alternative. Such a day should be taken as quickly as practicable thereafter.
- 11.7 When workplace commitments result in the employee not being able to take their allocated rostered days, a maximum of 2 days may be accumulated. Any accumulation beyond this figure with mutual agreement can be paid out at the appropriate rate. RDOs may only be accumulated beyond the above days at the request/approval of the Engineering Manager.
- 11.8 Work carried out on a RDO after transferring that scheduled RDO day to another day as outlined above, will be paid at ordinary rates. If however, a person is requested to work on his allocated RDO due to workplace commitments and by mutual agreement, that day can be paid out. In this situation the day worked in lieu of the RDO will be paid at the appropriate penalty rates.

**12. ROSTERED DAYS OFF FALLING DURING A PERIOD OF LEAVE OR SICKNESS**

- 12.1 Where a RDO falls during a period of Annual Leave, that Annual Leave will be extended or credited by one day.
- 12.2 No day in lieu will be granted where a RDO falls during a period of Sick Leave or Long Service Leave.
- 12.3 Annual Leave loading is not payable in respect of a RDO falling during a period of Annual Leave.
- 12.4 When a RDO falls during a period when the employee is on workers compensation the RDO entitlement will be pro-rata to the actual period on site. If 100% incapacitation should occur no RDO entitlement will be credited.

**13. ABSENCE**

- 13.1 An employee absent on authorised training or education programme will receive a day in lieu where a RDO coincides with such absence and in accordance with 2.7.

**14. TERMINATION OF EMPLOYMENT**

- 14.1 No RDO will be granted within the required period of notice on either resignation or termination of employment. Any accrued RDOs will be paid out at normal rates.