

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/306

TITLE: Caroma Industries Limited Chatswood Enterprise Agreement 1999

L.R.C. NO: 99/6031

DATE APPROVED/COMMENCEMENT: Approved 6 December 1999 and commenced 2 June 1999

TERM: 26 July 2000

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 14

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees of Caroma Industries Limited engaged in or in connection with the manufacture of sanitaryware and other ceramic products at the Company's Chatswood site

PARTIES: Caroma Industries Limited -&- Epic Wright Heaton Pty Ltd, The Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch, Transport Workers' Union of Australia, New South Wales Branch



FILED
2 NOV 1999
OFFICE OF THE INDUSTRIAL
REGISTRAR

CAROMA INDUSTRIES LTD

CHATSWOOD

Registered
Enterprise Agreement
Industrial Registrar

ENTERPRISE AGREEMENT 1999

1. TITLE

This Agreement shall be known as the "Caroma Industries Limited Chatswood Enterprise Agreement 1999."

2. ARRANGEMENT

Clause	Subject	Page
1.	Title	2
2.	Arrangement	2
3.	Application And Incidence of Agreement	2
4.	Persons/Parties Bound	3
5.	Date And Period Of Operation	3
6.	Relationship To Parent Award	3
7.	Terms Of Employment	3
8.	Career Progression, Training And Entry To Work Team	4
9.	Labour Flexibility	4
10.	Objectives Of Parties	5
11.	Hours	5
12.	Overtime	6
13.	Meal And Rest Periods	6
14.	Smoke Free Workplace	6
15.	Annual Maintenance Close Down	6
16.	Annual Leave	7
17.	Long Service Leave	7
18.	Sick Leave	7
19.	Payment Of Wages	8
20.	Wages	8
21.	Holidays	9
22.	Disciplinary/Counselling Procedure	9
23.	Grievance Procedure	10
24.	Redundancy	11
25.	Superannuation	12
26.	Declaration	13
27.	No Extra Claims	13



3. APPLICATION AND INCIDENCE OF AGREEMENT

This Agreement shall apply to employees of Caroma Industries Limited engaged in or in connection with the manufacture of sanitaryware and other ceramic products at the Company's Chatswood site (176 Victoria Avenue, Chatswood, 2057) who perform work within the scope and incidence of the *Pottery, Tiles (other than Roofing Tiles) Chinaware and Bristolware Makers (State) Award* and the *Metals & Engineering Industry (N.S.W.) Award*, whether a member or not of the organisation of employees named in sub-clause 4.2.

4. PERSONS/PARTIES BOUND

- 4.1 Caroma Industries Limited;
- 4.2 The Federated Brick, Tile & Pottery Industrial Union of Australia, NSW Branch ; and
- 4.3 All employees of Caroma Industries Limited at the Company's Chatswood site engaged in or in connection with the manufacture of sanitaryware and other ceramic products who perform work within the scope and incidence of the *Pottery, Tiles (other than Roofing Tiles) Chinaware and Bristolware Makers (State) Award* and the *Metals & Engineering Industry (N.S.W.) Award*.

5. DATE AND PERIOD OF OPERATION

This Agreement shall take effect from the beginning of the first pay period commencing on or after 2 June 1999 and shall remain in force until 26 July 2000.

6. RELATIONSHIP TO PARENT AWARD

This Enterprise Agreement shall be read and interpreted wholly in conjunction with the Pottery, Tiles (other than Roofing Tiles) Chinaware and Bristolware Makers (State) Award and the Metals & Engineering Industry (N.S.W.) Award provided that where there is any inconsistency between these Awards and the Caroma Industries Chatswood Enterprise Agreement, this Agreement shall take precedence.

7. TERMS OF EMPLOYMENT

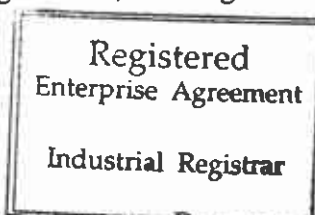
In addition to Full-time employment, employment can also be either on a Permanent Part-time or Casual basis. The incidence of either Part-time or Casual employees will not exceed 10% of the permanent workforce under normal circumstances.

Employment for the first twelve (12) weeks shall be on probation, and during such probationary period can be terminated by a days notice.

Casuals shall be employed on a daily basis and may be terminated by a days notice. Casuals shall receive a pro-rata annual leave loading in accordance with the *Annual Holidays Act 1944*, and 20% casual loading, both of which are included in the weekly rate of pay outlined in clause 20 Wages of this Agreement. All endeavours will be made by management to ensure that casual labour shall be used in circumstances where the commercial necessities warrant. The Company shall not be obligated to employ casual employees as permanent employees.

With respect to available overtime, overtime work shall first be offered to permanent employees in each respective section.

Notwithstanding the above, the employer shall have the right to dismiss an employee without notice in the case of an employee guilty of gross misconduct.



8. CAREER PROGRESSION, TRAINING AND ENTRY TO WORK TEAM

The parties to this Agreement recognise that in order to increase the efficiency and productivity of the enterprise, a greater commitment to skill development is required.

Opportunities will be afforded where practicable to enable employees to develop skills and competencies necessary for the progression through the hierarchal structure at the enterprise.

Employees will be encouraged to progress to the highest level personally attainable consistent with the needs of the workplace. When a new employee enters the enterprise at a high level due to particular skill requirements, he/she will backfill their skills within 12 months to ensure full flexibility.

9. LABOUR FLEXIBILITY

Employees shall perform a wider range of functions and duties including work which is incidental or peripheral to their main tasks or functions.

Employees shall perform such work as is reasonable and lawfully required of them by management including accepting instruction from authorised personnel.

Employees shall comply with all reasonable requests to transfer, and to perform any work covered by this agreement. In carrying out duties, employees shall ensure and take all necessary steps to ensure the quality, accuracy and completion of any job or task are maintained to the satisfaction of management. Specifically for those employees engaged in the casting operation, their finished-product must (without further work from other employees) be of a quality suitable for glazing.

Employees shall not impose any restrictions or limitations on the measurement and/or review of work methods or prevent the flexible arrangement of labour including the use of management when required to maintain the operation of the plant.

In situations where a machine breakdown occurs, employees will be required to take measures to ensure the plant is kept clean and free from spent materials and other items resulting from or in connection with the production process.

Any direction given by management shall be consistent with the employer's obligations under the *Occupational Health and Safety Act 1983 (NSW)*.

Registered Enterprise Agreement Industrial Registrar
--

10. OBJECTIVES OF PARTIES

It is the objective of the parties to this Agreement to implement workplace practices so as to provide for more flexible working arrangements, which improves the efficiency and productivity of the industry, enhances skills and job satisfaction and assist positively towards ensuring that the company becomes a more efficient enterprise.

The parties agree that the objectives of this Agreement are to facilitate:

- (a) flexible working hours;
- (b) workplace productivity; and
- (c) the development and maintenance of the most productive and harmonious working relationship obtainable.

It is recognised that an important factor towards reaching the above objectives is the development of a working environment where all parties are involved with the decision-making process. Both management and employees are committed to co-operating positively to implement work practices that are flexible and meet the requirements of the company.

11. HOURS

Ordinary hours worked per week shall be no greater than 37.5 hours Monday to Friday and are to be worked between 5.00am and 5.00pm.

Time worked in excess of 7.5 hours per day shall constitute overtime and shall be paid in respect of the time worked in excess of 7.5 hours at overtime rates.

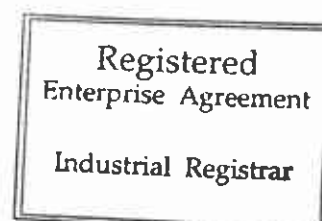
Start and finish times and changes to these times are to be made by mutual agreement between the employer and employees and the union, or by the giving of one (1) weeks notice.

Breaks are to be taken at a time to suit the product and production requirements of the enterprise.

It is a requirement for operators to be at their stations at the designated start and finish times.

Shift Work

A two and/or three shift operation is to be decided by mutual agreement or giving of notice, at the time determined by market requirements or technological advancements. Past work methods will not hinder the introduction of new technologies.



12. OVERTIME

Any work done in excess of ordinary hours prescribed in clause 11 Hours or in excess of 7.5 hours in a full day period shall constitute overtime worked.

Overtime worked shall be paid at the rate of time and one half for the first two hours and double time thereafter.

All employees shall be required to work a reasonable amount of overtime so as to maintain continuous operation of the factory. Overtime given to employees shall be determined by management depending upon enterprise considerations.

13. MEAL AND REST PERIODS

A period of thirty (30) minutes per day shall be allowed for a meal to be arranged so as to minimise disruption to the production process. To ensure that the production process is continuous, meal breaks will be staggered as directed by management.

One (1) rest period of ten (10) minutes duration shall be allowed each full day and will be staggered as directed by management.

Breaks are to be taken at a time to suit the product and production requirements. If overtime is worked in excess of two hours a further paid meal break of ten (10) minutes will be provided.

Registered Enterprise Agreement Industrial Registrar
--

14. SMOKE FREE WORKPLACE

This is confirmation of the unanimous decision by the work force in 1991 to adopt a NO SMOKING WORKPLACE.

Employees found to be smoking within the enclosed area of the factory or associated buildings will be counselled and officially warned, if on-site smoking continues (see clause 22 Disciplinary/Counselling Procedure).

The Company undertakes to hold QUIT courses to help smokers who genuinely want to give up the smoking habit.

15. ANNUAL MAINTENANCE CLOSE DOWN

Management has the right to close down the enterprise or a section or sections thereof provided one (1) months written notice is given pursuant to section 4A of the *Annual Holidays Act 1944*, and subsequent amendments thereafter and payment is made in accordance to such Act.

16. ANNUAL LEAVE

Annual leave entitlements shall be in accordance with annual leave provisions under the *Annual Holidays Act 1944*, and subsequent amendments to that Act.

Consistent with the provisions of the *Annual Holidays Act 1944*, annual leave will be scheduled in normal circumstances, 28 days prior to taking and can be taken in up to five multiple blocks. Application by employees for changes to this because of unusual situations or circumstances will be allowed on approval by management, provided adequate notice is given.

It is the responsibility of the employee and the employer that annual leave entitlements do not reach excessive levels, that being for example more than 40 days leave owing.

17. LONG SERVICE LEAVE

Entitlements to long service leave shall be in accordance with the *Long Service Leave Act 1955*, and subsequent amendments to such Act.

18. SICK LEAVE

<p style="text-align: center;">Registered Enterprise Agreement Industrial Registrar</p>
--

Employees shall be entitled to five (5) days, being the equivalent to ~~37.5 hours work time~~, paid sick leave for the first year of service. The first sick leave day is not entitled until after three (3) months of service, however, during the first three (3) months accrual of sick leave remains unaffected. Sick leave accrues at the rate of eight (8) days/year thereafter.

Employees shall, before the commencement of taking sick leave, inform their supervisor no later than within two (2) hours after they would have commenced work, and as far as possible, state the nature of the injury or illness and the estimated duration of the absence.

A Doctor's certificate is required to be produced by an employee who has already had in any one year:

- (i) a single occurrence of a two-day absence from work; or
- (ii) two single occurrences of a one-day absence from work.

Failure to produce a medical certificate may result in the employee not being entitled to payment for the period of absence. This is up to the discretion of management.

Employees who take sick leave immediately preceding or succeeding a public holiday shall be required to produce a medical certificate for such period of absence. Failure to produce a medical certificate may result in the employee not being entitled to payment for the period of absence.

Employees whose behaviour is unsatisfactory in relation to the use of sick leave will be given adequate time to demonstrate a willingness to improve. If, at the end of this period, the employee shows no willingness to improve in the opinion of management, then disciplinary action up to and including dismissal may be taken. Nothing in the procedure shall limit the right of management to summarily dismiss an employee for serious and wilful misconduct.

19. PAYMENT OF WAGES

Wages are to be paid by Electronic Funds Transfer (EFT) on the Tuesday of each week. Changes to this form of payment may be made to accommodate unusual situations or circumstances. Any such changes to the payment of wages shall be consistent with Chapter 2, Part 10, of the *Industrial Relations Act, 1996*.

Registered Enterprise Agreement Industrial Registrar
--

20. WAGES

- (i) The hourly rate of pay for casuals includes, in addition to the ordinary hourly rate of pay, a pro-rata annual leave loading consistent with the *Annual Holidays Act 1944*, and a 20% casual loading.
- (ii) Under the terms of the Agreement, base wages, attendance bonus and "extra cast bonus" will be increased in accordance with the following table:

	On the first full pay period on or after:	
Stage 1	2 June 1999 -	Increase by 3%
Stage 2	2 June 2000	Increase by 2%

Notes

- (a) The base wages applicable prior to this Agreement (effective as of 3 June 1998) are recorded in the Company's "Pay Class Register Listing", held within the Pay Office.
- (b) The Attendance Bonus (also known as the Attendance and Personal Performance Bonus) is a bonus payment, conditional on the basis of attendance at work and personal job performance.

On joining the Company, a new employee starts on no bonus for the first six weeks, during which time the employee's performance is evaluated. The employee's supervisor will recommend to the Manager that a certain level of bonus be paid, followed by a further period of evaluation. The maximum bonus paid will depend on the employee's job classification and currently vary from \$58.73 to \$194.64 per week. Most employees will attain full bonus, based on their classification, within the three month probationary period. In some circumstances of poor job performance and as a result of a counselling session, the bonus may be lost, or reduced, for a period of time until job performance returns to acceptable levels. For absences from work the bonus is reduced proportionally to the number of days absent from work.

- (c) The "extra cast bonus" for existing hand cast stick up products will be according to the following conditions:

Any number of stick up products can be cast, however, nine (9) pieces/day per caster are required for wages and attendance bonus.

Only 30% of the total number cast will be used in the extra cast calculation.

The price rate paid on caster performances for these products will be increased in accordance with the table in 20(ii). These increases will be applied to the rates set out in Attachment A which took effect from 02/06/98.

21. HOLIDAYS

- (i) The days which are observed as public holidays under this agreement are any days proclaimed or gazetted as a public holiday throughout New South Wales by the New South Wales Government and observed in the locality of the enterprise.
- (ii) It is the practice of the Company not to require work to be done on any Public Holiday proclaimed or gazetted as such throughout New South Wales. Notwithstanding this, the Company will have the right to ask employees to work on a Public Holiday, if needed, to meet production requirements.
- (iii) Notwithstanding sub-clause 21(ii), the Union Picnic Day and Australia Day can be moved to coincide with a weekend when those gazetted holidays fall on a Tuesday, Wednesday or Thursday. Payment for work done on the gazetted holiday would be at normal time rates.

<p>Registered Enterprise Agreement</p> <p>Industrial Registrar</p>
--

22. DISCIPLINARY/COUNSELLING PROCEDURE

The purpose of the counselling procedure is to correct under achievement of goals and obligations that an employee has to the employer. This may be specifically for performance or things relating to contract of employment, for example, time keeping and absenteeism.

This procedure outlines the basic steps for occurrences that do not warrant instant dismissal (refer to clause 7).

STEP 1: It is the responsibility of the supervisor to correct poor job performance.

The first step would be to verbally counsel the employee, which he/she may do more than once, if it appears that this method is working. All such discussions will be noted in the I.R. diary of the supervisor/manager.

However, if he/she is not having the required impact, he/she will bring it to the attention of the site representative of the Union. There will be a verbal counselling session with the employee in the presence of the Union representative. This will also be noted in the I.R. diary.

STEP 2: If the desired result has not been achieved, i.e., objectives set with the employee have not been achieved within the time frame specified, then a further counselling session in the presence of the Union representative will be required. The outcomes of this counselling session will be in writing stating the non-performance, the way in which it is proposed to be corrected and the time frame within which the objectives will be achieved.

A commitment from the employee is required and an indication of this will be for all parties to the counselling session sign the outcomes document.

STEP 3: As STEP 2, but this will be the final counselling session. Should job performance not improve to the desired level within the time frame set, then the employee will be dismissed. All parties to this procedure must be aware that it is a method by which top performance can be achieved from employees. It is a method by which people can be encouraged to do better and accept their responsibilities to their employer. It is not intended as an instrument for employee dismissal.

In cases where a counselling session will be confirmed in writing a Manager from the appropriate area will also be included in the discussions.

23. GRIEVANCE PROCEDURE

The procedural steps for the resolution of industrial disputation will be as follows:



- (i) Procedure in relation to a grievance of an individual employee:
 - (a) The employee is required to notify (in writing or otherwise) the employer as to the substance of the grievance, request a meeting with the employer for bilateral discussions and state the remedy sought.
 - (b) A grievance must initially be dealt with as close to the source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
 - (c) Reasonable time limits must be allowed for discussion at each level of authority.
 - (d) At the conclusion of this discussion, the employer must provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.
 - (e) While a procedure is being followed, normal work must continue.
 - (f) The employee may be represented by an industrial organisation of employees.
- (ii) Procedure for a dispute between an employer and the employees:
 - (a) A question, dispute or difficulty must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
 - (b) Reasonable time levels must be allowed for discussion at each level of authority.
 - (c) While a procedure is being followed, normal work must continue.
 - (d) The employer may be represented by an industrial organisation of employers and the employees may be represented by an industrial organisation of employees for the purposes of each procedure.

24. REDUNDANCY

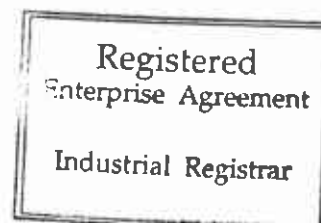
- (i) Effective from 2 June 1999 and in addition to Award Entitlements in respect of notice periods, the following arrangements shall apply in the case of redundancy.
- (ii) This clause shall apply in respect of full-time and permanent part-time employees.

Relocation to Wetherill Park

- (iii) The Company intends to progressively relocate its operations at the Chatswood site to its existing operations at Wetherill Park during the course of this Agreement. This relocation will be managed by the Company through consultation with the Union and employees.
- (iv) The Company will give one month's notice of the closure of the Chatswood plant.
- (v) At the Company's discretion employees may be offered alternative employment at the Company's operations at Wetherill Park. The offers to individual employees to relocate to Wetherill Park will be made on the basis of the Company matching the skills, competence and experience of employees with available positions at Wetherill Park.
- (vi) Employees who are offered alternative employment at the Wetherill Park site may accept or reject that offer. There will be no compulsory permanent transfers of employees to Wetherill Park.
- (vii) Employees who accept the offer to transfer to Wetherill Park and are relocated to that site will not be entitled to redundancy payments by the Company.
- (viii) For employees who are transferred to the Company's Wetherill Park site, their terms and conditions of employment will be governed by the Company's Wetherill Park Enterprise Agreement upon commencing work at that site. Continuity of service will not be broken by such a transfer.
- (ix) Subject to (xi) a transfer allowance of \$2000 is to be paid to all permanent employees who transfer to the Company's Wetherill Park operations.
- (x) Subject to (xi) casters, but not other employees, who relocate to Wetherill Park, will be paid an additional \$2000 to compensate them for loss of wages resulting from the relocation.
- (xi) The payments referred to in (ix) and (x) are due and payable only after a qualifying period of 13 weeks employment at the Wetherill Park site.

Employees Not Transferred to Wetherill Park

- (xii) Employees whose employment is not transferred to Wetherill Park and is terminated by the Company as a result of their position at Chatswood being made redundant will be entitled to the following:



- (a) Redundancy Payments will be made by the Company, subject to (f), in accordance with the following table:

Years of service	Weeks pay *	
	Employees aged under 45 years	Employees aged 45 years plus
Less than 1 year	Nil	Nil
1 to 2	4	5
2 to 3	7	8.75
3 to 4	10	12.5
4 to 5	12	15
5 to 6	14	17.5
6 to 7	16	20
7 plus **	additional 2.6 weeks for every year of service over 7 years (calculated on a pro rata basis for completed months)	Additional 2.6 weeks for every year of service over 7 years (calculated on a pro rata basis for completed months)

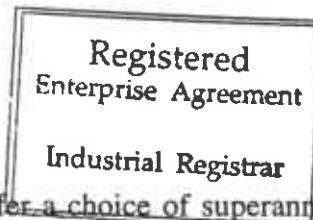
* For the purpose of the above table, "week's pay means the base rate plus the attendance allowance, plus any shift penalties payable. In the case of casters, the attendance bonus is referred to as the caster bonus. It does not include the "extra cast bonus" or any other allowance.

** Payments will be capped at 78 weeks irrespective of years of service.

- (b) All untaken sick leave 'credit' will be paid out in full.
- (c) All outstanding entitlements of Annual Leave, including Leave Loading pro rata entitlements will be paid.
- (d) Payment of pro rata Long Service Leave will be made where continuous service exceeds five (5) years.
- (e) Employees whose employment is terminated because they are not offered an alternative position at Wetherill Park or because they do not wish to accept an offer made to them to relocate will be paid \$500 as a "job search allowance" if, and only if, they continue to work at Chatswood until no longer required by the Company.
- (f) Employees who do not accept an offer made by the Company to relocate their employment to Wetherill Park and who obtain another job outside the Company are required to give 4 weeks notice to the Company or such shorter period as agreed before being entitled to the redundancy payments set out in (a) of this subclause.

25. SUPERANNUATION

The Company (Chatswood site) will not be required to offer a choice of superannuation funds to new employees. They will be offered membership to the GWA International Limited (GWAIL) Employees Superannuation Fund.



26. DECLARATION

The parties declare that this Agreement:

- (a) Is not contrary to public interest;
- (b) Is not unfair, harsh or unconscionable;
- (c) Was at no stage entered into under duress;
- (d) Reflects the interests and desires of the parties; and
- (e) Is not to be used as a precedent.

27. NO EXTRA CLAIMS

The parties agree that for the nominal term of this Agreement no further claims will be made in relation to terms and conditions of employment, including redundancy.

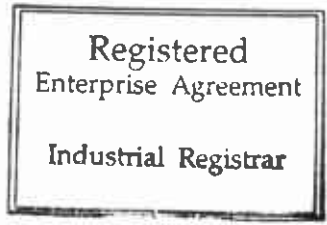
The undersigned parties approve the terms contained in the Enterprise Agreement herein sought and agree that the terms give effect to the agreement between them.

I am the Manager, Vitreous China Manufacturing, NSW, of Caroma Industries Limited, Chatswood, and am authorised to approve the terms contained within this Enterprise Agreement on its behalf and have approved those terms on its behalf.

Greg Nicholas
 dated 1/11/99

I am an officer of the Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch, and am authorised by the Committee of Management of the Organisation to approve the terms contained within this Enterprise Agreement on its behalf and have approved those terms on its behalf.

[Signature]
 dated 1-11-99



Attachment A

The price rate paid on hand cast stick-up products as at 03/06/98.

Caster Best %	\$ Piece	Caster Best %	\$ Piece	Caster Best %	\$ Piece	Caster Best %	\$ Piece	Caster Best %	\$ Piece	Caster Best %	\$ Piece
40	9.16	50	10.81	60	12.47	70	14.12	80	15.78	90	17.43
41	9.32	51	10.98	61	12.63	71	14.29	81	15.94	91	17.60
42	9.50	52	11.14	62	12.80	72	14.45	82	16.11	92	17.76
43	9.65	53	11.32	63	12.96	73	14.62	83	16.28	93	17.93
44	9.83	54	11.47	64	13.14	74	14.78	84	16.44	94	18.10
45	9.98	55	11.65	65	13.29	75	14.96	85	16.61	95	18.26
46	10.15	56	11.80	66	13.47	76	15.11	86	16.78	96	18.43
47	10.32	57	11.98	67	13.62	77	15.29	87	16.93	97	18.60
48	10.48	58	12.14	68	13.80	78	15.44	88	17.11	98	18.76
49	10.65	59	12.29	69	13.96	79	15.61	89	17.26	99	18.92
										100	19.08

Registered
Enterprise Agreement
Industrial Registrar