

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA00/13

**TITLE: Nestle Australia Ltd-Northern Distribution Centre (NUW) Agreement
1999-2001**

L.R.C. NO: 99/6703

DATE APPROVED/COMMENCEMENT: Approved 17 December 1999 and commenced 12 October 1999

TERM: 12 October 2001

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 9

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees employed at Nestle Australia Ltd - Northern Distribution Centre

PARTIES: National Union of Workers, New South Wales Branch -&- Nestle Australia Limited



**NESTLÉ AUSTRALIA LTD - NORTHERN DISTRIBUTION CENTRE
(NUW) AGREEMENT 1999 - 2001**

FILED
7 DEC 1999
OFFICE OF THE INDUSTRIAL
REGISTRAR

1 Disputes Procedure

- (i) If an employee has any problem or concern in relation to an aspect of employment, the employee shall in the first instance discuss the matter with the employee's supervisor who will endeavour to resolve the issue expeditiously. An employee may elect to have a delegate present at all or any stage of this procedure.
- (ii) Any unresolved matter shall then be referred to the Shift Operations Manager where genuine attempts should be made to resolve the problem(s) or concern(s).
- (iii) Should the dispute still remain unresolved, appropriate assistance should be sought, wherever possible within 24 hours, from the Distribution Manager and an official of the Union.
- (iv) In the event of no agreement being reached, the dispute shall be referred to the Industrial Relations Commission of NSW.
- (v) During the discussions the status quo shall remain and work shall proceed normally. "Status quo" shall mean the situation existing immediately prior to the dispute or the matter giving rise to the dispute.

Registered
Enterprise Agreement
Industrial Registrar

2 Classification and rates of pay

The following classifications and rates of pay shall be applicable for stores personnel. The base rates contemplate the nature and conditions of the work to be performed, 38 hours ordinary pay and all conditions and allowances except shift allowance, first aid allowance, casual loading, meal money and leading hand allowance. These rates represent an initial wage increase of 2%. Further adjustments to rates of pay during the life of this Agreement will be accordance with clause 3 of this agreement.

Level 1 \$ 609.96

An employee who has all the necessary skills for operations within the stores function of the distribution centre and has 60 or more shifts' experience with Nestlé.

Level 2 \$ 579.46

An employee not operating equipment requiring a licence or an employee who has not fulfilled the requirements for Level 1.

3 Wage Increases During the Life of the Agreement

- 3.1 The following increases will apply to wages during the term of this Agreement.
- a) from first pay period commencing 28th March 2000, a 3 % increase.
 - b) from first pay period commencing twelve months after 28th September 2000, a 3 % increase.
 - c) from first pay period commencing eighteen months after 28th March 2001, a 2 % increase.
- 3.2 The payments shown above in 3.1 a) and c) will be paid subject to Nestle, the site elected Consultative Committee (employee representatives) and the stores employees covered by this agreement, genuinely working together in an endeavour to consolidate and if possible improve aspects of the operation.

Evidence of this will be as follows:-

- a) Agreement by all parties of changes required to improve the business
- b) Positive movement in the specific Warehouse KPIs (see Attachment 1)
- c) Adherence to the Grievance Procedure
- d) Satisfactory performance of the site consultative processes
- e) Other issues that may be raised by Employees, the Union or the Company

This evidence shall be considered at the Warehouse 3 months prior to the due date and where progress is unsatisfactory, the reasons for this will be examined and a plan put in place to correct any problems.

The parties to this Agreement shall support an agreed plan put in place to correct concerns and problems within the Operations of the Warehouse. Evidence used in this clause to measure warehouse performance shall in no way be used against individual employees.

If the employees have not supported the agreed plan put in place to correct concerns and or problems, the Company reserves its right to defer the payment for a period. Where the Union disagrees with the decision it can pursue the issue through the disputes procedure.

Any factors, internally or externally outside the control of the employees will not be taken into consideration.

Meetings between the Consultative Committee and the Company shall occur once monthly or at least regularly.



4 Payment of Wages

Upon commencement of this agreement, employees shall be paid weekly by electronic funds transfer (EFT). Where the majority of employees affected by this Agreement agree, the Company may introduce fortnightly pay.

Employees shall receive a payment of \$2.00 per pay period. This payment is in lieu of any award provision relating to the payment of wages by EFT.

Every endeavour will be made to rectify discrepancies on site by way of cash adjustments or through bank deposit within 24 hours, if practicable.

5 Allowances

The following allowances shall be paid, in accordance with award provisions.

First Aid	\$9.00
Meal	\$7.60

Where an allowance is higher under the parent award, the higher amount shall be paid.

Dock Controllers on each shift shall be paid \$20.00 per week in addition to their weekly pay, while so appointed.

6 Period of Operation

This agreement shall operate for a period of 24 months from 12th October 1999 and shall expire on 12th October 2001. The parties to this agreement commit to commence negotiating a collective agreement at least 3 months prior to its expiry.

7 6 and 7 Day Operation

Rosters for weekend shift operation if required by the Company will be drawn up in agreement with the Union.

8 Redundancy

It is agreed that during the life of this Agreement there shall be no forced redundancies as a result of productivity improvements made by employees.

As soon as possible after a definite decision has been made to implement changes likely to cause redundancies, the Company will hold discussions with the employees affected and the Union. These discussions will include the introduction of the changes, the likely effects upon employees and measures to avert or mitigate the adverse effects



which have been considered. The Company will give prompt consideration to matters raised by the employees and the Union.

In the event of redundancies being required, the following will apply:

General

- 8.1 It is the Company's intention that as many employees as possible continue in their employment for as long as possible and for whom meaningful work can be found.
- 8.2 This agreement shall apply to those employees for whom meaningful work cannot be found as a result of changes in the Company's operations or market influences.
- 8.3 This clause shall not apply to employees of the company who:
- (i) Are employed as temporary or replacement employees.
 - (ii) Terminate their employment of their own accord prior to receiving formal notice of redundancy.
 - (iii) Are terminated including instant dismissal.

8.4 Transfer - General

Any employee may apply for the opportunity to transfer to any Nestlé Site in Australia subject to vacancies existing and normal selection criteria.

Redundancy Package

8.5 Severance Payment

3 weeks' ordinary payment.

8.6 Service

- (i) Employees with 3 years' service or less - 3 weeks ordinary pay per year of service.
- (ii) Employees with more than 3 years service - 4 weeks' ordinary pay per year of service.

8.7. Age Allowance

An age allowance will be provided as follows:



- (i) 45 years of age to 49 years of age - an additional 2 weeks pay.
- (ii) 50 years of age to 54 years of age - an additional 4 weeks pay.
- (iii) 55 years of age to 59 years of age - an additional 6 weeks pay.
- (iv) 60 years of age and over - an additional 8 weeks pay.

8.8 Annual Leave

Pay-out of all leave plus 17.5% loading including pro rata.

8.9 Sick Leave

Pay-out of all accumulated sick leave with maximum of \$135.50 per day.

8.10 Long Service Leave

Proportional payment of long service leave for employees with more than 3 years service.

Where employees have up to 3 years service they will be paid an amount equivalent to the long service leave they would have accrued up to termination.

8.11 Formal Notice / Selection Criteria

Employees will be given as much notice as practicable of their actual date of redundancy.

Based on the number of redundancies offered, would first be on a voluntary basis and thence through seniority of service.

If there are no volunteers, discussions will be held to determine an appropriate selection criteria.

8.12 Time off for Interviews

The Company will allow time off with pay for employees to attend interviews for alternate employment. This time off will be subject to prior notice/approval of the employee's manager and verification of attendance at the interview.



8.13 Retention

Employees subject to compulsory redundancy and who stay in the company's employ until their advised termination date or beyond will be paid an additional amount of \$1500 or 4 weeks pay whichever is the greater amount.

Where an employee has been given notice of termination and subsequently resigned of his/her own accord, that employee shall be paid his/her Award and legal entitlements and in addition, the whole of the payments he/she would have received pursuant to Clause 7.4 had he/she not given notice provided that an employee who terminated in the circumstances described above shall not be entitled to the retention bonus.

8.14 Superannuation

As per Trust Deed (full refund of employee and employer contributions plus interest on both).

8.15 Death of Employee

If an employee who has been given formal notice of redundancy dies before the date of termination, all benefits payable to the employee under this agreement shall be paid directly to the employee's estate.

8.16 Method of Payment

All benefits under this Agreement shall be paid by cheque.

8.17 Definition

In this Agreement , "ordinary pay" means that remuneration for the employee's normal weekly number of hours of work calculated at the ordinary time rate of pay applicable at the time of receiving notice, but excluding shift loading.



9 Site Consultative Committee

A site consultative committee comprising representatives from employees and management shall be formed and shall meet on a regular basis. The objectives of this committee will be the enhancement of operations in line with business requirements and welfare of all employees.

Key issues would include, but not be limited to identification of inefficient work practices; improvement in quality of service; reduction in staff turnover; roster systems; work organisation; training requirements and improvements in communication.

It is agreed this committee is not an industrial relations body and while it will need to address issues relevant to IR, it will not be used to bypass the Union's involvement in issues as per the Disputes Procedure.

10 Permanent Employment Review

- a) It is the Company's intention to maximise the permanent component of the workforce in line with operational requirements.
- b) The parties recognise the need to use casual employees to cover site requirements however casual employees will not replace, on a permanent basis, full time employees.
- c) Where a casual has been engaged for a period greater than three months, management and delegates will review the cause and nature of the position which the casual has filled in order to determine the number of permanent positions.

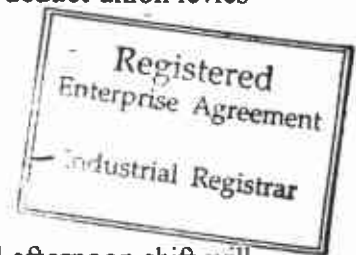
11 Union Recognition Clause

- a) All employees subject to this agreement shall be given the opportunity to join the NUW.
- b) All new employees shall be introduced to their shift NUW delegate during induction.
- c) Upon authorisation by the employee, the Company shall deduct union levies from the employee's pay.

12 Hours of Work

Meal and Rest Breaks

- Day shift will have a ½ hour unpaid meal break and night and afternoon shift will have a ½ hour paid meal break.
- All shifts will have two paid rest breaks of 10 minutes each. The first rest break shall be taken between start of shift and the meal break and the second rest break shall be taken at the end of shift ie employees will finish work 10 minutes before the scheduled end of shift and will be paid to the end of shift.



Example Roster Hours

Night Shift - 11.10pm to 7.10 am including a ½ hour paid meal break.
 Day Shift - 7am to 3.30pm including a ½ hour unpaid meal break
 Afternoon Shift - 3.20pm to 11.20pm including a ½ hour paid meal break

The first shift of the week commences 11.10pm on Sunday night

	Commence	10 min. paid		Finish Work	Roster Ends
N	11.10pm	()	()	7.00am	7.10am
			½ hr paid		
D	7.00am	()	()	3.20pm	3.30pm
			½ hr unpaid		
A	3.20pm	()	()	11.10pm	11.20pm
			½ hr paid		

13 No Extra Claims

No further claims shall be made during the life of this Agreement except where consistent with the Principles issued from time to time by the Industrial Relations Commission of NSW.

14 Signatures

Nestlé Australia Ltd

Witness

Date

[Signature]
[Signature] J.P.
 12.11.99

MAUL BILWAR
 NORTHERN D.C
 MANAGER.

National Union of Workers
 New South Wales Branch

Witness

Date



[Signature]
[Signature]
 15-11-99

STATE SECRETARY
 D.A.M

KPIs

1/9/99

Objectives

Under the Company's policy of continuous improvement, it is proposed the following KPIs be measured.

1. Credit Errors
2. On time dispatch
3. Inventory accuracy
4. Absenteeism
5. Damages

These KPIs will be measured on a monthly basis - the measurement criteria being positive movement in each criteria.

Only warehouse driven performance will form part of the measures.

Guidelines

1 Credit Errors

Measures "returns" based on data from RFC and WCA. Exclude any non warehouse reasons Codes O, A, D, W

2 On Time Dispatch

Measured by date of invoice vs required date. Current measurements in place. Lead time rules (current) to apply.

3 Inventory Accuracy

Pick face and reserve measured by cycle counting and stock take. Measures include pick face and reserve and cover item, lot, code.

4 Absenteeism

Measures only unplanned absences, sick leave and leave without pay. This includes RDOs applied for in arrears.

5 Damages

Stock damages - Measured by number of items moved to Damaged warehouse. Excludes receipt damaged and returns.

Equipment damages - measured on the monthly repair / replacement costs to racking, R&F equipment, mobile equipment etc. Admin to supply costs. Fair wear and tear to be subtracted.

