

REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA06/221

TITLE: Shinagawa Refractories Australasia Pty Ltd Glastonbury Avenue - Operations Enterprise Agreement 2005

I.R.C. NO: IRC5/4765

DATE APPROVED/COMMENCEMENT: 27 September 2005 / 27 September 2005

TERM: 33

**NEW AGREEMENT OR
VARIATION:** Replaces EA03/220.

GAZETTAL REFERENCE: 30 June 2006

DATE TERMINATED:

NUMBER OF PAGES: 17

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees employed by Shinagawa Refractories Australasia Pty Ltd., located at Glastonbury Avenue, Unanderra NSW 2526, who fall within the coverage Refractory Industry (State) Award.

PARTIES: Shinagawa Refractories Australasia Pty Ltd -&- The Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch

SHINAGAWA REFRACTORIES AUSTRALASIA PTY LTD

**GLASTONBURY AVENUE - OPERATIONS
ENTERPRISE AGREEMENT 2005**

Between

SHINAGAWA REFRACTORIES AUSTRALASIA PTY LTD

(ABN 81 082 371 891)

And

**THE FEDERATED BRICK, TILE and POTTERY INDUSTRIAL
UNION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

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1. TITLE

This agreement will be known as the Shinagawa Refractories Australasia Pty Ltd Glastonbury Avenue Operations Enterprise Agreement 2005 and will be submitted to the Industrial Relations Commission of New South Wales for approval in accordance with Section 34 of the *Industrial Relations Act, 1996* (NSW). This agreement extends the operation of working arrangements contained in all previous SRA enterprise agreements – subject to the qualifications and modifications contained in this agreement.

2. PARTIES BOUND

This agreement is made between:

- (a) Shinagawa Refractories Australasia Pty Ltd (ABN 81 082 371 891); and

(b) The Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch;

This agreement will be binding on Shinagawa Refractories Australasia Pty Ltd, the Unions, and the Employees eligible to become members of the Union who are performing work under classifications prescribed by the Awards at the Company's Glastonbury Avenue site.

3. DEFINITIONS

- **'Award'** means Refractory Industry (State) Award.
- **'Commission'** means The Industrial Relations Commission of New South Wales.
- **'Company'** means Shinagawa Refractories Australasia Pty Ltd
- **'Consultative Committee'** means the team consisting of management and employee representatives established under Clause 7.
- **'Employees'** means all operations personnel employed by the Company working at the Company's Glastonbury Avenue site and covered by the Award.
- **'Parties'** means the Company, the Union and Employees.
- **'Union'** means The Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch.
- **'VER'** means Voluntary Early Retirement.
- **'Work Group'** in principle means all members of an operating shift with day workers belonging to the Work Group which is on day shift at that time.

4. APPLICATION OF AWARD

The Parties agree that the provisions of the Refractory Industry (State) Award as varied or replaced (except in respect of any matters dealt with in this agreement) continue to apply to employees who are covered by the applicable Award.

5. STRATEGIC PARTNERSHIP

- 5.1 This agreement has been prepared by representatives of the employees and management. The agreement will continue to make the Company the best refractory manufacturing site in the Asia Pacific. The recognition and development of sustained strategic partnerships between all levels of the organisation is fundamental to this agreement. The Parties are committed as a site to the development of the working relationships between all Parties at the Glastonbury Avenue site.
- 5.2 The Parties will continue to develop the relationships to form a strategic partnership on the site that will be long lasting, robust and of mutual benefit. The partnership will be based on trust, commitment and co-operation by all Parties. The Parties will work in an environment where they recognise that the effort and performance of individual employees and the teams to which they belong will result in growth for the Company through the achievement of the business goals in conjunction with the satisfaction and development of individual employees covered by this agreement. The performance targets as listed in Clause 12 will be achieved by all employees co-operation.
- 5.3 The strategic partnership will be developed to actively meet all the needs of the business. It is recognised that all employees are part of the business and will contribute to defining the business needs.

- 5.4 The Parties agree that all facets of work at the Glastonbury Avenue site are aimed at achieving best standards of excellence and best practice in all relevant areas including –
- Operational and business performance;
 - Work organisation;
 - Workplace flexibility;
 - Recruitment practices;
 - Continuous improvement;
 - Training and development;
 - Quality;
 - Safety; and
 - Harmonious employee relations
- 5.5 It is recognised that any work injury at the Company’s Glastonbury Avenue site is totally unacceptable. The OH&S Committee will involve all employees in ensuring that there is a continuous improvement in the Company’s safety performance and working environment. It is an objective of this agreement through all the Parties to achieve and maintain an injury free workplace by implementing the initiatives identified in Clause 8.
- 5.6 The Parties recognise that the success and viability of the business is based on customer focus. At the Glastonbury Avenue site, customer focus is a driving force behind our strategies and daily actions. The most significant impact that the Parties can make on customer satisfaction is for the Company to operate the plant safely, reliably, efficiently and effectively. During the term of the agreement all Parties are committed to develop processes to ensure that all customer and business needs are met. The Parties are committed to improving the performance of the Glastonbury Avenue site by implementing the initiatives identified in Clauses 11 and 12.
- 5.7 During the term of this agreement, the Parties agree to maintain the terms and conditions of employment under this agreement and the Unions and Employees agree not to take actions on the potential changes proposed by the Federal Government.

6. WORK GROUPS

- 6.1 Employee ‘Work Groups’ will ensure that employees work as a team with their Supervisor/Leading Hands to meet the goals of the business. The Work Groups will be involved in activities including the development of workplace safety improvement plans, developing employee skill and competency levels, job and skill sharing and the resolution of workplace issues.
- 6.2 The Leading Hand will assist and allocate work roles to group members, and will be responsible for ensuring that each team member has access to necessary training and experience to enable the optimal performance of the Work Group. Refer to Attachment 6 for the Job Description for a Leading Hand (Operations).
- 6.3 Employees may be transferred and/or rotated between any areas of the Glastonbury Avenue site.

7. CONSULTATIVE COMMITTEE

- 7.1 The Parties are committed to the establishment and maintenance of processes through which changes to the business, performance of work and the implementation of this agreement can be discussed and monitored to ensure the interests of all Parties are properly considered.
- 7.2 A Consultative Committee will be established and will consist of representatives from the Parties which includes Union delegates and Leading Hands. The Consultative Committee will operate in a consensus mode.
- 7.3 The Consultative Committee will meet monthly to monitor the implementation of this Agreement, discuss targets as per Clause 12.4, and discuss any significant workplace issues that affects the business as a whole and which are unable to be resolved within the Work Groups or through normal channels of communication. It is important that the targets are monitored monthly. The financials will also be discussed to ensure employee entitlements are always covered.

8. OCCUPATIONAL HEALTH AND SAFETY

- 8.1 The employees covered by this agreement recognise that they are responsible and accountable for working in a safe manner at all times and in compliance with Company's policies and procedures, statutory requirements and the 'safe working' policies and practices developed by the Parties and the OH&S Committee.
- 8.2 The Consultative Committee will support the OH&S Committee in the development and implementation of safety initiatives aimed to continuously improve the safety performance measures of work place with the ultimate aim of achieving and maintaining an incident free work place.

9. EQUAL EMPLOYMENT OPPORTUNITY

- 9.1 This agreement does not contain any unlawful discrimination either directly or indirectly on the unlawful grounds of discrimination as prescribed by statute. The agreement also complies with all other relevant statutory requirements.
- 9.2 The Parties acknowledge that all employees have the right to work in an environment free of discrimination and harassment. The Parties will not condone such behaviour or a work environment that gives rise to such behaviour, and any allegations of workplace harassment or discrimination will be taken seriously and investigated by the Company. Refer to Clause 21.
- 9.3 Recruitment, selection for specific jobs and career progression and promotion will be determined on the basis of merit, competency and the potential to effectively perform the job.

10. HOURS OF WORK

- 10.1 The ordinary hours of work will be thirty-eight (38) hours per week, or 76 hours per fortnight.
- 10.2 Each employee will be entitled to one roster day off each fortnight. This will be taken on a Monday, but it is possible to swap or bank (up to a maximum 5 days per annum), or work roster days by agreement between the employee and the Company. The banked 5 days per annum will remain for the length of the agreement and on 1 July 2006, the Union Committee and Management will assess if the 5 days can be increased. The hours swapped will be at single time for the hours worked.
- 10.3 The Company agrees that all employees covered by this agreement will be entitled to one roster day off each fortnight for the duration of the period of their employment with the Company.

11. CUSTOMER SATISFACTION

- 11.1 The Parties are committed to developing and implementing ongoing quality, reliability and other improvement initiatives with the aim of continuously improving customer satisfaction and meeting their needs.

12. PERFORMANCE TARGETS

- 12.1 To ensure the Plant remains profitable it is necessary that the following labour cost saving targets are achieved. These targets apply for the duration of the agreement.

The labour cost saving targets in \$/t per month are set out in the table below:

	Casting Plant	Brick Plant	Monolithics Plant
Budget Labour Cost \$/t	\$597/t	\$251/t	\$108/t
Current Labour Cost \$/t June 2005	\$626/t	\$265/t	\$101/t
Target Scenario 1 \$/t	\$603/t	\$248/t	\$ 99/t
Target Scenario 2 \$/t	\$580/t	\$231/t	\$ 98/t

- 12.2 Wages increases will be applied if the targets are met. The following conditions apply:

12.2.1 If the monthly average labour cost per tonne does not exceed the labour cost target set out in the table above for Scenario 1 at the end of June 2006 (based on an average \$/t per month saving for the 3 months ending 30 June 2006) then a 1% increase in wages will be applied to the applicable base rates set out in Attachment 1 effective from 1 July 2006. If the monthly average labour cost per tonne does not exceed the labour cost target set out in the table above for Scenario 2 at the end of June 2007 (based on an average \$/t per month saving for the 3 months ending 30 June 2007), then a further 2% increase will be applied to the applicable base rates set out in Attachment 1 effective from 1 July 2007.

12.2.2 If the monthly average labour cost per tonne does not exceed the labour cost target set out in the table above for Scenario 2 at the end of June 2006 (based on an average \$/t per month saving for the 3 months ending 30 June 2006), then a 2% increase in wages will be applied to the applicable base rates set out in Attachment 1 effective from 1 July 2006. If the monthly average labour cost per tonne does not exceed the labour cost target set out in the table above for Scenario 2 for the period from 1 July 2006 to until the end of June 2007 (based on an average \$/t per month saving for the 3 months ending 30 June 2007), then a further 1% increase in wages will be applied to the applicable base rates set out in Attachment 1 effective from 1 July 2007.

- 12.3 It is possible to trade the \$/t per month target figures so that if one work area misses the target and the other two work areas are ahead of target (for example, the Brick Plant does not achieve the target, but the Casting Plant and Monolithics Plant do achieve the target), then it is possible to get the wage increase based on a cumulative calculation of \$/t labour costs per month. The 'trading' of targets and any subsequent decision to make payment is a matter in the absolute discretion of the Company.

Example: if the performance to the targets were as follows:

	Casting Plant	Brick Plant	Monolithics Plant	Difference
Actual \$/t Labour Cost per month	\$575/t	\$236/t	\$ 95/t	
Target \$/t Labour Cost per month (Scenario 2)	\$580/t	\$231/t	\$98/t	
Difference	-\$5/t	+\$5/t	-\$3/t	-\$3/t

In the above example, the total target across each of the three work areas is cumulatively \$3/t per month lower than the target, the Company could exercise its discretion to apply the applicable increase to base wage rates set out in Attachment 1.

- 12.4 The performance versus the targets will be measured monthly by the Company based on all labour costs to the Company and discussed at the Monthly Meeting with the Consultative Committee (see Clause 7.3). The Company recognises that in order to measure actual labour costs per tonne per month to determine whether the targets are achieved, the Company may in its absolute discretion have regard to the following factors: raw material shortages, lack of market demand, and major unforeseen machinery breakdowns.

13. JOB DESCRIPTIONS (OPERATIONS)

- 13.1 The Job Descriptions for Operators is detailed below:

Basic Entry Operator

This is for a new employee who has to be trained in all aspects of operating the plant. This period will be for a minimum of 12 months and the Basic Entry Operator will be assessed by 2 Supervisors and 2 Leading Hands to enable progression to the Operator position. However, under special circumstances, where a new employee has prior experience in refractories, the period of 12 months can be reduced, after agreement between the Plant Manager, 2 Supervisors, and 2 Leading Hands.

Operator

This is for all employees except the Basic Entry Operator. The Operator must be willing and capable of operating in all areas of the Plant. Also see Attachment 5 re Cleaner/Peggy conditions.

Leading Hand

This is a Management appointed position. See Attachment 6 for details on the requirements for a Leading Hand. The number of Leading Hands will remain at 16 while the number of employees (BTPU members) remain at 63. If there are changes in the number of employees (63), Management and the Union Committee will discuss the future number of Leading Hands.

14. WAGES

- 14.1 Employees covered by this agreement will be paid the wage rates as set out in Attachment 1 of this agreement. Any increases in Award rates of pay, including but not limited to increases arising from State Wage Case decisions (including Safety Net adjustments), National Wages Case, or Living Wage decisions, or Test Case decisions, or any mechanism under new legislation which has similar effect, will be absorbed into the increases set out below on the first pay period commencing on or after:

1 July 2005	annual base wage will be increased by 4%
1 July 2006	annual base wage at the time will be increased by a further 3%, and
1 July 2007	annual base wage at the time will be increased by a further 3%

A schedule of applicable rates following the increases are prescribed in Attachment 1.

14.2 Other conditions are also detailed in Attachment 1.

15. SUPERANNUATION

15.1 The Company agrees to make Superannuation contributions calculated on 10% of the employees' base wage.

15.2 The Company also agrees that on 1 July each year, that a further \$1100/employee gross will be either:

- (a) paid into the employee's Superannuation fund, or
- (b) paid as a lump sum into the first weekly pay after 1 July each year.

16. SALARY SACRIFICE

16.1 Employees covered by this agreement may (if they choose) sacrifice part of their wage into their Superannuation fund, based on the Company guidelines. Refer to Attachment 4.

16.2 An employee must elect, by a notice in writing, in accordance with Clause 16.1, that the employee wishes to receive a nominated amount as an employer contribution to Superannuation made by the Company. Effective from the date nominated by the employee, the wage payable to an employee pursuant to Attachment 1, will be reduced by the Company by the nominated amount instructed by the employee (but such instructions must not exceed the maximum deductible limits as prescribed by the Company's guidelines set out in Attachment 4, or as required by applicable superannuation legislation).

17. LEAVE

17.1 Annual Leave

Employees will be entitled to annual leave in accordance with the *Annual Holidays Act 1994* (NSW), as amended or replaced, or in accordance with other leave legislation that may apply from time to time. The Annual Leave Loading will be 20%.

17.2 Sick Leave

There will be 10 sick leave days (or 80 hours)/calendar year. At the end of each year (December) an employee can opt to be paid out for untaken sick leave. An employee must keep 80 hrs entitlement after being paid out. On leaving the Company, all untaken sick leave will be paid out.

17.3 Picnic Day

The Company will only allow for one day per year for a common Union Picnic Day.

17.4 Long Service Leave

Employees are entitled to Long Service Leave in accordance with the *Long Service Leave Act 1955* (NSW) as amended or replaced, or in accordance with other leave legislation that may apply from time to time, at the base wage rate. The base wage is the individual's rate of pay (hourly rate) at the time of taking Long Service Leave. It does not include overtime and/or any other special payments. The Parties agree to discuss changes to benefits of Long Service Leave during the term of this agreement, especially if the majority of the Local Industries

change conditions. The benefits to be discussed are the current 0.86 factor versus the 1.3 factor.

17.5 Parental Leave

An employee with 12 months or more continuous service is entitled to a maximum of 52 weeks unpaid Parental Leave, as per the guidelines set out in the *Industrial Relations Act 1996* (NSW), as amended or replaced, or in accordance with other legislation that may apply from time to time.

Parental Leave taken by an employee can be:

- (i) Maternity Leave, in connection with a pregnancy or birth of her child
- (ii) Paternity Leave, in connection with the birth of his spouse's child
- (iii) Adoption Leave, in connection with the adoption of a child under 5 years of age.

All Parental Leave must be completed before the child's first birthday, or anniversary of adoption.

An employee and his or her spouse may not take Parental Leave at the same time, except where one spouse is on a period of 'Short Paternity Leave', or 'Short Adoption Leave'.

An employee must:

- (i) at least 10 weeks before the anticipated commencement of the Parental Leave, give written notice of the intention to take Parental Leave, and
- (ii) at least 4 weeks before the anticipated commencement of the Parental Leave (14 days for Adoption Leave), give written notice of when they wish to start and end the leave.

18. EMPLOYMENT SECURITY

- 18.1 The Company's aim is to maximise employment security.
- 18.2 If a downturn in business necessitates a reduction in manning, the Company's priority will be to redeploy employees to available positions at any of the other Company sites.
- 18.3 The Company will initially request for volunteers for redeployment. If this fails to get sufficient volunteers, then the Union and employees will select employees for redeployment using years of service on the plant (gate seniority) and years of service in the Company (Company seniority), where gate seniority is equal.
- 18.4 There will be no short term transfers between the Glastonbury Avenue Plant and the Berkeley Road Plant. Transfers will be on a permanent basis and any transferred employees will work in accordance with the terms of the enterprise agreement applying to the employees at the respective plant where the employee is transferred to work.
- 18.5 If suitable redeployment opportunities are not available, the Company may invite employees to offer themselves for voluntary early retirement. Refer to Attachment 3.
- 18.6 If the reduction in employees achieved by applying steps 18.2, 18.3, and 18.5 are insufficient to meet the needs of the business, then the Union and employees will select employees for redundancy using years of service on the plant (gate seniority) and years of service in the Company (Company seniority), where gate seniority is equal to meet the business needs in manning reductions. Refer to Attachment 2 – Redundancy Package.

19. DISPUTE SETTLEMENT

19.1 The Parties to this agreement shall observe the following disciplinary procedure:

- (i) Initial warning by Supervisor (documented).
- (ii) Formal warning by Supervisor in presence of delegate (documented).
- (iii) Warning in presence of Union Committee (documented).
- (iv) Dismissal.

19.2 The Parties to this agreement shall observe the following dispute settlement procedures:

Step 1

If an employee, or employees, have a problem, they are to take it to their immediate Supervisor, and attempt to solve it within that shift, or within the second hour of their next rostered shift.

Step 2

Should Step 1 fail, the problem is then to be referred to the Plant Manager, and discussed with the employee and the employee's nominated representative within 24 hours.

Step 3

Should Steps 1 and 2 fail, the employee and/or the employee's nominated representative should pursue the discussion with the Plant Manager in conjunction with the Union Committee, again within 24 hours.

The Company and the employee may bring in outside assistance, including a Company adviser, or Union organiser, at any point following Step 3.

Work shall continue normally during the procedures outlined above.

20. UNION DELEGATES

20.1 The Company is committed to the training and development of Union Delegates at the site so that they have appropriate skills to successfully perform the following responsibilities:

- Developing positive relationships between employees and management;
- Facilitating the implementation of the Plant's Enterprise Agreement;
- Assisting in the resolution of employee grievances and disputes;
- Improving communications within the workplace;
- Ensuring leadership in planning future direction;
- Liaising with Union and industry organisations.

20.2 Subject to approval of their Supervisor and Work Group, Delegates will be given suitable time during work hours to resolve work related issues raised by union members.

20.3 The Company will allow for paid time off for Union Delegates to attend Trade Union training courses.

20.4 Union officials of Unions party to this agreement, will be given reasonable access to the Plant, providing that all safety and access procedures are adhered to and reasonable notice is given to Company management.

21. TERMINATION OF EMPLOYMENT

21.1 Permanent employment shall be by the week. Notice of termination of employment shall be in accordance with the following:

21.1.1 Notice of Termination by the Company

- (i) In order to terminate the employment of a full-time employee, the Company will give to the employee the period of notice specified in the table below:

<u>Period of Continuous Service</u>	<u>Period of Notice</u>
One year or less	1 week
Over 1 year and up to the completion of 3 years	4 weeks
Over 3 years and up to the completion of 5 years	4 weeks
Over 5 years of completed service	4 weeks

- (ii) In addition to the above notice, employees over 45 years of age at the time of the giving of the notice, with not less than 2 years continuous service with the Company, will be given an additional week's notice.
- (iii) The Company may terminate an employee's employment by making a payment of wage in lieu of notice. Employment may be terminated by the employee working part of the required period of notice and by the Company making payment in lieu for the remainder of the period of notice.
- (iv) In calculating any payment in lieu of notice, the relevant part of the employee's annual wage, which would have been received in respect of the period of notice had the employee's employment not been terminated, will be used.
- (v) The periods of notice in this clause will not apply in the case of dismissal for conduct that justifies instant (summary) dismissal.

21.1.2 Notice of Termination by Employee

- (i) The notice of termination required to be given by an employee is the same as that required of the Company, except that there is no requirement for the employee to give additional notice based on his or her age.
- (ii) If an employee fails to give notice, the Company has the right to withhold any salary owing to the employee, to a maximum amount equal to the salary for the relevant period of notice.

22. SHORT TERM EMPLOYMENT

- 22.1 Due to the unpredictability of the Company's business, it will be necessary from time to time to use short term employees to manage peak loads. The employment of these short term employees will be based on the needs of the business.
- 22.2 The use of part-time employees, casuals, and contractors, will be by consultation and agreement with the Parties agreeing as to what conditions of employment they come onto the Plant.
- 22.3 The maximum term of employment of a short-term employee, or position, will be 6 months continuous employment. If the needs of the business require a short-term employee, or position, for greater than 6 months continuous employment, then he/she or the position shall be made permanent. If the overtime reduces to less than an average of 6 hours/week/man,

then the Company and Union Delegates will meet and then terminate the short term employees.

22.4 The Company has the right to ensure that any available positions are filled with the most appropriate persons. The relevant Parties will be involved in the selection of the person for the available position. The decision whether to make an appointment is in the absolute discretion of the Company.

23. FURTHER AGREEMENT

23.1 The Parties agree that on, or before, 1 July 2008, the Company and the Unions may enter into a further enterprise agreement for a term of no less than twelve (12) months, and lodge an application for approval of the further agreement under relevant laws.

23.2 The Parties agree that the terms and conditions of the further agreement under Clause 23.1 will be the same as those contained in this agreement, except the wage rate will be increased by 3% for the year 1 July 2008 to 30 June 2009. New targets in Clause 12 will also be set by the Company and a percentage wage increase will need to be agreed for these new targets.

24. PERIOD OF OPERATION OF AGREEMENT

This agreement will operate from the date of its approval by the Commission until 1 July 2008. Negotiations for a new agreement may commence 4 months prior to expiry of this agreement.

25. NO EXTRA CLAIMS

The Unions and Employees undertake not to make any claims during the term of the agreement, including but not limited to claims relating to pay, conditions of employment, National or State Wage Cases or test cases.

DATED the _____ day of _____ 2005

26. SIGNATORIES

SIGNED for and on behalf of
**THE FEDERATED BRICK, TILE, AND
POTTERY INDUSTRIAL UNION OF
AUSTRALIA, NEW SOUTH WALES
BRANCH**

.....
Secretary

Name (printed):.....

Witness:.....

Name (printed):.....

SIGNED for and on behalf of
SHINAGAWA REFRACTORIES
AUSTRALASIA PTY LTD
(ABN 81 082 371 891)

in the presence of:

Director

Name (printed):.....

.....

Director or Secretary

Name (printed):.....

ATTACHMENT 1

GLASTONBURY AVENUE SITE E.B.A.

OPERATIONS WAGES

	June 30 2005 Equivalent	July 1 2005	July 1 2006	July 1 2007
Basic Entry Operator	\$798/w \$21.00/hr	\$829.92/w \$21.84/hr	\$854.81/w \$22.50/hr	\$880.46/w \$23.17/hr
Operator	\$915.80/w \$24.10/hr	\$952.43/w \$25.06/hr	\$981.00/w \$25.82/hr	\$1010.43/w \$26.59/hr
Bricklayer	\$998.85/w \$26.28/hr	\$1038.80/w \$27.34/hr	\$1069.97/w \$28.16/hr	\$1102.07/w \$29.00/hr

- If targets are met as per Clause 12, then the 1 July 2006 and 1 July 2007 figures above would increase by a further 1% or 2%, depending if the targets are partially met or fully met, as prescribed by Clause 12 of this agreement.
- Leading Hand Allowance is \$45/week.
- Meal money is \$20/meal,
- First Aid Allowance for Senior First Aiders is \$12/week and \$24/week for an Occupational First Aider. First Aiders are nominated by the Company and must have passed the appropriate First Aider training and holds a current First Aid Certificate.
- Shift Allowance

Rotating Shift	\$50/week
Permanent Afternoon Shift	\$75/week
Permanent Night Shift	\$150/week

If the BTPU base award for shift allowances is increased above these rates, the Company agrees to pay the award shift allowances.

- On an annual basis, employees will be entitled to a voucher for \$275 (not including GST) to purchase all safety clothing using Company nominated suppliers. The voucher can only be used for safety clothing/shoes, and must include high visibility clothing, which must be worn on the plant after 1 January 2007.

- Tool allowance for the Bricklayer is \$400/annum, paid in the first week of December each year (tax free as per the Income Tax Assessment Act). Employees must purchase their own tools. The Company will arrange Company discount at nominated suppliers.

ATTACHMENT 2

REDUNDANCY PACKAGE

Standard Payment

1. 4 weeks at the ordinary/base rate **PLUS**
2. 2.5 weeks pay at the ordinary/base rate per year of service.

Supplementary Payment

Permanent employees with 12 months continuous service, or more, will have the following supplementary payment:

- | | |
|------------------|--------------------------|
| 1 year's service | = 1 week's extra payment |
| 2 years service | = 2 weeks' extra payment |

etc, up to:

- | | |
|------------------|---------------------------|
| 15 years service | = 15 weeks' extra payment |
|------------------|---------------------------|

If people have more than 15 years service, the maximum payment remains at 15 weeks.

Notice of Termination

Not less than 4 weeks notice to be given by the Company.

ATTACHMENT 3

VOLUNTARY EARLY RETIREMENT PACKAGE

Standard Payment

3. 4 weeks pay at the ordinary/base rate **PLUS**
4. 2.5 weeks pay at the ordinary/base rate per year of service.

Supplementary Payment

Permanent employees with 12 months continuous service, or more, will have the following supplementary payment:

- | | |
|------------------|--------------------------|
| 1 year's service | = 1 week's extra payment |
| 2 years service | = 2 weeks' extra payment |

etc., up to:

- | | |
|------------------|---------------------------|
| 15 years service | = 15 weeks' extra payment |
|------------------|---------------------------|

If people have more than 15 years service, the maximum payment remains at 15 weeks.

Additional Supplementary Payment

Permanent employees with 12 months continuous service, or more, a special payment of \$12,000 (after tax).

Notice of Termination

Not less than 4 weeks notice to be given by the Company or employee.

Note: It is agreed that, during the life of this EBA, further discussions will occur on the VERS Package. This may include slanting the payment towards longer serving employees.

ATTACHMENT 4

SALARY SACRIFICE GUIDELINES

Salary Sacrifice – Implementation Guidelines

Salary Sacrifice – is an arrangement between the Company and the employee for which the employee agrees to forego part of his, or her, salary or wages in return for particular benefits of similar value. The purpose of this arrangement is to provide the employee to receive income and benefits in a tax-effective manner. In other words, the employee is taxed under the income tax laws only on the reduced salary or wages, and that the employer is liable to pay FBT, if any, on the benefits provided (other than Superannuation contributions made to a complying Superannuation Fund).

General Rules

- Employees are encouraged to get independent, professional, financial advice about their own particular circumstances before requesting or agreeing to any salary sacrifice arrangement.
- Only future earnings can be sacrificed.
- The Company will only agree to the employee sacrificing part of their salary or wages as an additional Superannuation contribution. All Superannuation contributions must be made into the employee nominated fund.
- The employee must agree to a fixed dollar amount for which he, or she, wishes to sacrifice from each future pay not yet earned as an additional Superannuation contribution – based on conditions listed below.
- The agreement must be in writing.
- The Company has agreed to a settling period of six weeks, for which the nominated value can be changed. Once this period expires, the nominated amount can only be reviewed annually by the first pay period in July.
- Sacrificed amounts are treated as employer contributions so are subject to income tax of up to 15% in the receiving fund and are preserved until retirement.
- Entitlements such as Long Service Leave, Annual Leave, Leave Loading, Overtime, and Company Superannuation contributions will be paid on the same basis as if there was no salary sacrifice.
- PAYG tax is calculated on the take home pay (i.e. the gross less the sacrificed amount).
- Any bonuses, incentive, or ex-gratia payments announced may be sacrificed on the condition that there is an agreement made prior to receiving that payment and that the conditions listed below are met.
- Additional Superannuation contribution tax (commonly known as Superannuation Surcharge) of up to 15% may be applicable for high income earners or those with large Super balances (refer to your financial adviser for assistance).

Conditions

- Award employees will **not** be allowed to salary sacrifice below an award, industrial instrument, or other legal entitlements. That is, they cannot sacrifice if this would reduce their gross take home pay below the applicable legal minimum in the relevant award or Enterprise Agreement governing their employment.
- The total Super contribution (including those made pursuant to the Superannuation Guarantee Legislation, an award, or under a salary sacrifice arrangement) for any employee, should not exceed the amount that the paying company can claim as a tax deduction for that employee:

Age	Maximum deductible contribution
Under age 35	\$14,603
35-49	\$40,560
Age 50 and over	\$100,587

Note: These maximums are for the 2005/2006 financial year and are indexed each 1 July to the annual positive movements in the full time adult Average Weekly Ordinary Time Earnings (AWOTE), or as required by applicable superannuation legislation.

- ALL leave entitlements will be subject to PAYG and cannot be sacrificed.

ATTACHMENT 5 - OPERATIONS

OTHER AGREEMENTS

1. During the period of this Agreement, the Cleaner/Peggy, while on day shift, will perform cleaning work for the full shift.

In the case of overtime and back shifts:

- (a) When more than 12 employees are required, a Cleaner/Peggy will be used. Once the cleaning duties are complete, the Cleaner/Peggy will perform other duties on the Plant.
- (b) When 8 or more Maintenance employees are required, a Cleaner/Peggy will be used. Once the cleaning duties are complete, the Cleaner/Peggy will perform other duties on the Plant.
- (c) When Burner is doing his normal duties, he is not counted in the above numbers. However, if he moves outside his normal duties he is counted as a number.

ATTACHMENT 6

LEADING HAND JOB DESCRIPTION - OPERATIONS

A Leading Hand shall be an employee appointed as such, who shall perform the following duties in addition to those of his, or her, classification:

- (a) Be able to communicate with Supervisors and all personnel, and assist with the day-to-day work of other employees.
- (b) Assist the Supervisor in day-to-day organising and controlling the use of resources in the most effective way to reach targets in a safe way.
- (c) Be able to set up and/or assist in setting up equipment for production runs.
- (d) Notify Maintenance in breakdown situations, and inform the relevant Supervisor as soon as practicable.

- (e) Lead by example by following O.H. & S. procedures, plant procedures, and Company policies.
- (f) Report any safety and/or Maintenance issues to Supervisor.
- (g) Ensure all paperwork is correct and completed in accordance with Plant procedures.
- (h) Assist in continuous improvement in Safety, Quality, Housekeeping, and Manufacturing.
- (i) All Leading Hands appointed in the future (after July 2005) must have a Forklift Ticket.

ATTACHMENT 7

ACHIEVING TARGETS (REQUIREMENTS) - OPERATIONS

- Ensure Safety standards are maintained.
- Ensure Quality standards are maintained.
- Be more efficient in change-over of product.
- Be vigilant in Manufacturing process.
- Be aware of excess waste and spillage.
- Be more efficient in car change-overs at the Press.
- Be more diligent in the workplace.
- Pursue 100% delivery performance.
- Ensure everything is ready in advance of product change-over ie materials, moulds, backing plates, packaging, etc.
- Minimise damage to kiln cars through the drying and firing process.
- In breakdown, or stoppage, situation be reactive in the use of resources, ie set up for next product, housekeeping, etc.
- Dragging line to change-over kiln cars and pallets more efficiently.
- Ensure continuous production.
- Improve timekeeping.
- Improve Green and Fired rejects.

Note: All of the above shall equate to targets being met. Anything out of control from the normal processes shall not affect the targets eg lack of orders, major breakdowns, raw materials.