

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA97/134

TITLE: Krone Manufacturing Services Pty Limited Enterprise Agreement 1997

I.R.C. NO: 97/3313

DATE APPROVED/COMMENCEMENT: 8 July 1997

TERM: 24 Months

**NEW AGREEMENT OR
VARIATION: New**

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 24

COVERAGE/DESCRIPTION OF

EMPLOYEES: To apply to all full-time and part-time employees engaged in production, stores, tool room and cleaning departments of the company

PARTIES: Krone Manufacturing Services Pty Limited -&- Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch





KRONE MANUFACTURING SERVICES PTY LIMITED

ENTERPRISE AGREEMENT, 1997

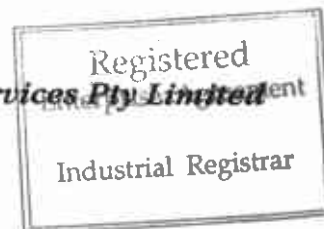
1. ARRANGEMENT

Clause No.	Subject
1	Arrangement
2	Title of Agreement
3	Incidence and Parties Bound
4	Definitions
5	Term of Agreement
6	Relationship to Parent Award
7	Duress
8	Purpose of Agreement
9	Sick Leave
10	Hours of Work
11	Shift Allowances
12	Overtime
13	Payment of Wages
14	No Extra Claims
15	Meal Allowances
16	Demarcation, Restrictive Work Practices and Multi-Skilling
17	Delegate Training
18	Wage Increases
19	Disputes Procedure
20	Union Right of Entry
21	Apprentices,
22	Protective Clothing
23	Future Enterprise Negotiations
24	Date of Registration
25	Signatories to Agreement



2. TITLE OF AGREEMENT

This Agreement shall be known as the *Krone Manufacturing Services Pty Limited Enterprise Agreement 1997*.



3. INCIDENCE AND PARTIES BOUND

This Enterprise Agreement made this 3rd day of March 1997, between Krone Manufacturing Services Pty Ltd located at 2 Hereford Street, Berkeley Vale, NSW 2259 and the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch binding on all full-time and part-time employees engaged in the Production, Stores, Tool Room and Cleaning Departments of the Company.

4. DEFINITIONS

- 4.1 For the purpose of this Agreement the following definitions shall apply:
- 4.1.1 "Company" shall mean Krone Manufacturing Services Pty Limited.
 - 4.1.2 "Agreement" shall mean the Krone Manufacturing Services Pty Limited Enterprise Agreement, 1997.
 - 4.1.3 "Employee" shall mean a full-time or part-time employee engaged on a permanent basis covered by this Agreement.

4.1.4 "Parent Award" shall mean the Metal and Engineering Industry (NSW) Interim Award, Miscellaneous Workers' General Services (State) Award, Storemen and Packers General (State) Award and the Plastic Moulding &c., (State) Award.



4.1.5 "Union" shall mean the Automotive, Food, Metals Engineering, Printing and Kindred Industries Union, New South Wales Branch.

5. TERM OF AGREEMENT

This Agreement shall take effect from the first full pay period to commence on or after the date of registration with the Industrial Relations Commission of NSW, and shall remain in force for a period of 2 years.

6. RELATIONSHIP TO PARENT AWARD

It is agreed by the parties that the Metal and Engineering Industry (NSW) Interim Award, Miscellaneous Workers' General Services (State) Award, Storemen and Packers General (State) Award and the Plastic Moulding &c., (State) Award will continue to regulate the rates of pay and conditions of employment of all employees covered by this Agreement except to the extent that such rates and/or conditions of employment have been varied by this Agreement, in which case the provisions of this Agreement shall apply.

7. DURESS

This Agreement has not been entered into under duress by any of the parties.



8. PURPOSE OF AGREEMENT

- 8.1 The purpose of this Agreement is generally to establish and operate a more efficient and productive manufacturing facility that will ensure that the company will maintain a continuing competitive edge in the market place and ensure the building and retention of secure and worthwhile employment prospects.
- 8.2 Furthermore, employees will continue to actively participate in ongoing Total Quality Management (TQM) and Occupational Health and Safety programs to evaluate and improve existing manufacturing operations including the assessment of new technology and equipment.

9. SICK LEAVE

A Doctor's Certificate must be produced for each sick leave day taken after two single sick leave days have been taken in each year of employment.

10. HOURS OF WORK

- 10.1 The ordinary spread of hours for day work will be between 6.00am and 6.00pm. The ordinary working hours per week will be 38 hours.
- 10.2 For day shift workers the hours will be 8 hours 15 minutes Monday to Thursday and 5 hours on Fridays. However, the number of ordinary working hours per day may be varied by mutual agreement between individual employees and management.

- 10.3 Additionally, due to the necessity to maintain customer delivery performance on Fridays, the stores personnel, with the exception of personnel who commenced employment prior to 1.1.1992, agree that stores personnel are on duty on Friday afternoons. At such times, the ordinary hours for stores personnel will be 7 hours 36 minutes per day, 5 days per week.
- 10.4 Afternoon and night shift working hours will be in accordance with the normal award provisions for shift workers.

11. SHIFT ALLOWANCES

Where an afternoon or night shift employee notifies of an inability to attend work, the provision of a 10 hour break between shifts may be deleted. The relieving employee and the company will reach a mutually acceptable arrangement, such as equal time off at a mutually agreed time. In the absence of any mutually acceptable arrangements, the provisions in the applicable parent award shall apply.

12. OVERTIME

- 12.1 Subject to the general provisions relating to the payment of overtime detailed within the parent awards nominated in Clause 6 herein, equal time off in lieu of payment for overtime may be granted by mutual agreement between the company and each employee or group of employees.
- 12.2 Overtime for weekdays and Saturdays is paid on the basis of the first 2 hours at time and one half, followed by double time.
- 12.3 When overtime of more than 1½ hours is required to be worked, a paid crib break of 10 minutes will be provided at ordinary rates.

12.4 Where an employee, due to circumstances beyond their control, is absent for a short period during their normal shift, mutual agreement must be reached between the employee and their supervisor. If absence is granted, this Agreement shall determine when the employee will make up the lost time, at an ordinary rate of pay, during the current working week, or at a time mutually agreed by both parties.



13. PAYMENT OF WAGES

Where a Public Holiday falls on a Monday or Tuesday, the day for payment will regress by one day.

14. NO EXTRA CLAIMS

It is agreed that during the life of this Agreement there shall be no extra claims, made by either party bound by this Agreement.

15. MEAL ALLOWANCES

Irrespective of the notice given to an employee of the requirement to work overtime, it has been agreed that such employee will have no entitlement to the payment of a meal allowance. The Company shall give as much notice as possible to an employee of the requirement to work overtime.

16. DEMARCATION, RESTRICTIVE WORK PRACTICES & MULTI-SKILLING



The parties to this Agreement undertake to ensure that there will be no job demarcation or restrictive work practices. By Agreement, the parties will work towards developing more broadly based job skills training enabling expanded multi-skilling within the workforce subject to safety and award provisions.

17. DELEGATE TRAINING

17.1 A duly authorised union delegate may proceed on a union training course on not more than five days in a calendar year, subject to the following conditions:

17.1.1 The Company must be consulted about the course as to its nature and content.

17.1.2 The Company must be given at least two weeks notice of the delegate's desire to attend such a course.

17.1.3 The delegate shall not attend the course unless approval has been given by the Company. Provided that the Company shall not unreasonably withhold its approval.

17.1.4 The Company shall not be liable for any additional costs, other than the payment of ordinary time earnings to the employee while on leave. Provided that the Company may require a delegate to produce proof of any such attendance.

17.1.5 The union training course days referred to in subclause 17.1 are not cumulative from year to year.

Registered
Enterprise Agreement
Industrial Registrar

17.1.6 The provisions of this clause shall only be available to two union delegates in each year. Provided that the total number of days taken shall not exceed five days in any year.

17.1.7 Where a disagreement arises concerning this clause, the parties undertake to observe clause 19 - Dispute Procedure of this Agreement.

18. WAGE INCREASES

18.1 Group One -Machine Setters

18.1.1 Increase to Base Rates

There shall be a 5% increase to the base rates for Machine Setters as follows:

- From 3 March 1997, the rates of pay shall be increased by 2.5%.
- From 3 March 1998, the rates of pay shall be increased by a further 2.5%.

18.1.2 Grading Increase

There shall be a \$15 grading increase as follows:

- From 3 March 1997, Machine Setters shall receive a grading increase of \$10.00 per week.

- From 3 March 1998, Machine Setters shall receive a further grading increase of \$5.00 per week.

18.2 Group Two - Process Workers



18.2.1 Grading Allowances

Process workers shall be paid the following allowances on the basis of their grading:

Grade	Rate Per Week 3/3/97	Rate Per Week 3/3/98
Grade 1	\$20.00	\$25.00
Grade 2	\$15.00	\$20.00
Grade 3	\$10.00	\$15.00
Grade 4	\$ 5.00	\$10.00

- A description of each of the above grades is contained in Appendix "A" to this Agreement.
- The grading allowances contained in this subclause are payable for all purposes of this Agreement, except on overtime payments.
- Employees will have their grading assessed every six months. This is explained in Appendix "A" to this Agreement.

18.2.2 Wage Increases

18.2.2.1 Increases to Base Rates

There shall be a 5% increase to the base rates for Process Workers as follows:

- From 3 March 1997, the rates of pay shall be increased by 2.5%.



18.3.2 Stage 2 - Increases

- From 3 March 1998, Staff in the appraisal system shall receive a wage increase of 2.5%.

- From 3 March 1998, Staff in the appraisal system shall receive a further minimum wage increase of \$5.00 per week.

18.4 Individual Attendance Bonus

18.4.1 In order to ensure that there is a collective improvement in the rate of staff attendance, an individual attendance bonus scheme will be implemented in accordance with the conditions outlined below.

18.4.2 All permanent employees will be entitled to an attendance bonus of \$50.00 per quarter for the first three calendar quarters and \$100.00 will be available in the fourth calendar quarter. The payment of the attendance bonus is subject to the provisions contained in subclause 18.4.3 below.

18.4.3 The payment of the individual attendance bonus is subject to the following conditions:

18.4.3.1 In order to receive an attendance bonus in each quarter, an employee must not take more than 0.60 of a sick leave day (one day equals 7 hours 36 mins), within each full quarter.

18.4.3.2 If an employee takes more than four days sick leave in a calendar year, they will not be eligible for the remainder of the quarterly bonus system for that current year.

- From 3 March 1998, the rates of pay shall be increased by a further 2.5%.



18.2.2.2 Grading Increase

There shall be a \$10.00 grading increase as follows:

- From 3 March 1997, Process Workers shall receive a grading allowance increase of \$5.00 per week, as reflected in the allowance specified in 18.2.1.
- From 3 March 1998, Process Workers shall receive a further grading allowance increase of \$5.00 per week, in addition to the allowances specified in subclause 18.2.1 above.

18.3 Group 3 - Appraisal Employees

Increases to rates of pay for appraisal employees is subject to the individual performance of each employee.

Apart from the minimum increase specified below, appraisal employees can earn higher increases on the basis of their work performance as determined by the appraisal process. This process is outlined in more detailed in Appendix "A" to this Agreement.

18.3.1 Minimum Wage Increases - Stage 1 Increase

- Staff in the appraisal system shall receive an increase of 2.5% payable from 3 March, 1997.
- From 3 March 1997, Staff in the appraisal system shall receive a further minimum increase of \$10.00 per week.

18.4.3.3 The individual attendance bonus shall not be affected as consequence of absences arising from:

- workers' compensation
- public holidays
- annual leave
- bereavement leave
- jury duty



18.5 Minimum Rates of Pay

It is the intention of the parties that employees covered by this Agreement shall not be paid less than the base rate of pay prescribed by the appropriate parent award in respect of ordinary hours of work.

19. DISPUTES PROCEDURE

19.1 The procedure for the resolution of industrial disputation is as follows:

19.1.1 Procedure relating to a grievance of an individual employee:

19.1.1.1 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.

19.1.1.2 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.

19.1.1.3 Reasonable time, to be agreed upon by all parties, must be allowed by discussion at each level of authority.



- 19.1.1.4 At the conclusion of the 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.
- 19.1.1.5 While a procedure is being followed, normal work must continue.
- 19.1.1.6 The employee may be represented by an industrial organisation of employees.
- 19.1.1.7 If the matter remains unresolved, it shall be referred to the Industrial Relations Commissioner of New South Wales.
- 19.1.2 Procedure for a dispute between an employer and the employee
- 19.1.2.1 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.
- 19.1.2.2 Reasonable time, to be agreed upon by all parties, must be allowed for discussion at each level of authority.
- 19.1.2.3 While a procedure is being followed, normal work must continue.
- 19.1.2.4 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.
- 19.1.2.5 If the matter remains unresolved, it shall be referred to the Industrial Relations Commissioner of New South Wales.

20. UNION RIGHT OF ENTRY

The right of entry of the union shall be in accordance with Chapter 5 - Part 7 of the Industrial Relations Act, 1996.



21. APPRENTICES

The Company acknowledges that this Agreement, the relevant parent awards and the Industrial and Commercial Training Act 1989 apply in respect of apprentices.

22. PROTECTIVE CLOTHING

- 22.1 Where in the Company's opinion, the nature of an employee's work requires the use of protective clothing, such clothing shall be provided at the discretion of the Company and shall be worn by the employee. This clause shall only apply to employees regularly working in the tool room, metal shop and mould shop and for the machine setters where such clothing is deemed necessary.
- 22.2 All articles of protective clothing provided by the Company shall remain the property of the Company.
- 22.3 Where an employee's issue of protective clothing includes protective footwear, such protective footwear shall not exceed \$80.00 in cost. The provision of protective footwear shall only apply to machine setters and work performed in the tool room, metal shop and mould shop.
- 22.4 An employee requiring a replacement of his/her protective footwear, shall firstly return the corresponding article issued to them to the Company.

23. FUTURE ENTERPRISE NEGOTIATIONS

The parties to the Agreement will commence negotiations for a new Enterprise Agreement no later than 4 months prior to the expiry of this Agreement.



24. DATE OF REGISTRATION

This Enterprise Agreement shall take effect from the date of registration.

25. SIGNATORIES TO AGREEMENT



Signed on behalf of Krone Manufacturing Services Pty Limited.

Name: CRAIG M JONES
Title: DIRECTOR
Signature: [Handwritten Signature]
Date: 10-6-97

Name: ROBERT A FITZGERALD
Title: Director
Signature: [Handwritten Signature]
Date: 10/6/97

WITNESSED BY:

Name: WARWICK MILLS
Title: PERSONNEL OFFICER
Signature: Warwick Mills
Date: 10.6.97

Signed for and on behalf of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch.

Name: PAUL BASTIAN
Title: S.A.S. SECRETARY (ELECT)
Signature: [Handwritten Signature]
Date: 02 Jan 97

WITNESSED BY:

Name: David Bourne
Title: Research Officer
Signature: David Bourne J.P.
Date: 2nd June, 1997

APPENDIX "A"

KRONE GRADING SYSTEM - STORES/PRODUCTION/MACHINE SETTERS



As part of Enterprise Bargaining, a Personnel Evaluation Grading System has been drawn up to assess the following:

1. Work ability
2. Quality performance
3. Efficiency achievements
4. Attendance record
5. Personnel flexibility

These factors will be graded by the Supervisors of the relevant departments on a six monthly basis (i.e. March and September). To participate in this grading system, an employee will need between 3 to 6 months experience as a permanent employee. Personnel covered under the current 12 monthly appraisal system, (eg. senior machine setters, toolmakers and supervisors) will not be eligible.

GRADING REQUIREMENTS

1. Machine Setter Grading

Tradesman Setters to qualify for grading must have completed three months as a permanent employee.

Non-Tradesman Setters to qualify for grading must have completed three months as a permanent employee and had equivalent training to enable the employee to perform work within the scope of the process.



- Grade 5** Non-Tradesman personnel who have had sufficient training to set up and maintain various basic equipment and achieve B or C on all categories listed on the grading evaluation form.
- Grade 4** Non-Tradesman personnel who have had sufficient training to set up and maintain the majority of standard equipment and achieve B or C on all categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 5.
- Grade 3** Non-Tradesman personnel who have had sufficient training to set up and maintain various high precision equipment and achieve B or C on all categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.
- Grade 2** Tradesman/Non-Tradesman who have had sufficient training to set up and maintain various precision equipment and achieve A or B on most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.
- Grade 1** Tradesman who have had sufficient training to set up and maintain the majority of precision equipment and achieve A in most of the categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 2.



2. Stores Grading Requirements

Grade 4 Requires six months experience as a permanent employee and experience in basic stores procedures.

Grade 3 Personnel would be required to be graded B and C in all areas of the evaluation sheet and completed sufficient training to perform set duties efficiently. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.

Grade 2 Personnel would be required to be graded A and B in most areas of the evaluation sheet and completed sufficient training to assist in training staff, work with a minimum of supervision, follow set procedures and carry out roles and responsibilities efficiently and in a quality manner. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.

Grade 1 Personnel would be required to be graded A in most areas of the evaluation sheet and completed sufficient training in all warehouse procedures, required to assist in personnel training and the co-ordination of warehouse activities in the absence of the Section Leader or as directed by the Stores supervisor. An employee at this grade performs work above and beyond the skills of an employee at Grade 2.



3. Production Grading Requirements

- Grade 4** Requires six months experience as a permanent employee. An employee at this level must be experienced in basic assemble procedures.
- Grade 3** Personnel would be required to be graded B and C in all areas of the evaluation sheet and completed sufficient training to manufacture components to efficiency standards, produce to quality acceptance criteria and assist higher graded staff members in carrying out their roles as requested by the Cell Leader. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.
- Grade 2** Personnel would be required to be graded A and B in most areas of the evaluation sheet and completed sufficient training to assist in training staff, carry out line checks, work with a minimum of supervision and assist in the co-ordination of other staff and production, as directed by the Cell Leader or authorised staff member. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.
- Grade 1** Personnel would be required to be graded A in most areas of categories listed on the evaluation sheet and completed sufficient training to train other staff, co-ordinate work through work centres. An employee at this level, in the absence of the Cell Leader or Assistant Cell Leader is responsible for the productivity and supervision of other staff. An employee at this grade performs work above and beyond the skills of an employee at Grade 2.

KRONE APPRAISAL SYSTEM - MACHINE SETTERS, TOOLMAKERS AND SUPERVISORS

Employees subject to the appraisal process will have their work performance assessed on a twelve monthly basis, i.e March of each year.



The appraisal process involves the assessment of each employee's individual work performance against certain criteria. These criteria include the following:

- * Work ability
- * Quality performance
- * Productivity & efficiency
- * Level of attendance
- * Personnel flexibility
- * Technical competence (*where applicable*)
- * Job innovation
- * Interpersonal skills
- * Team contribution
- * Decision making (*where applicable*)
- * Work planning
- * Compliance with company goals and targets
- * Communication, oral and written (*where applicable*)
- * Ability to prioritise
- * Standard of service to our customers, external and internal
- * Cost control (*where applicable*)

Each employee will be given a rating on how their work performance measures against the criteria listed above.

Any of the above criteria may change from time to time, to reflect our changing market and customer needs. The Company shall advise employees when changes to the criteria are necessary.

Employees in the appraisal process will have the potential to earn larger increases for outstanding work performance. However, the capacity for the company to reward employees is dependant upon other variables, such as the company's level of productivity and profitability.



GENERAL

Personnel grading/discussion points should be treated in a confidential manner between an employee, the union delegate or workers' committee representative (where applicable), and management. Management's decision regarding grading levels is final.

The parties undertake to observe Clause 19 - Disputes Procedure of this Agreement should a disagreement arise in respect of an employee's grading.

BELOW STANDARD PERFORMANCE LEVEL

If a situation arises where an employee, after the evaluation grading, drops below the minimum standard requirements of their current grade, a counselling session will take place between the Grading Supervisor, the employee and the union delegate or workers' committee representative (at the employee's discretion). During this counselling session problem areas will be discussed, and improvements suggested. The points raised will be documented on the Personnel Evaluation Sheet.

The employee will then be given 1 month to rectify the problem areas. At that time a further discussion will take place. If adequate improvements in these areas are not achieved, a reclassification of grading may occur.

