

REGISTER OF  
ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA 97/58

I.R.C. NO: 97/828

DATE APPROVED/COMMENCEMENT: 19 March 97

TERM: 1 year

NEW AGREEMENT OR  
VARIATION: Replacing EA7/95 Old Act.

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 29

TITLE: Discount Freight Express Sydney Branch Enterprise Agreement

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** To apply to Driver, Leading Hand and Freight Handler specified in the Transport Industry Interim (State) Award and Transport Industry Wages (State) Award located at 53 Britton Street Smithfield; 429 Victoria Street Wetherill Park and Unit 4, 29-33 Bourke Road Alexandria.

**PARTIES:** Multigroup Distribution Services Pty Ltd trading as Discount Freight Express and Transport Workers Union of Australia, New South Wales Branch.

1.0 Title

**DISCOUNT FREIGHT EXPRESS**

**SYDNEY BRANCH**



**saving Australia**

**ENTERPRISE BARGAINING**

**AWARD**

## 2.0 ARRANGEMENTS

SUBJECT MATTER	CLAUSE NO.
Title	1.0
Arrangement	2.0
Preamble	3.0
Parties to the Agreement	4.0
Intention	5.0
Duress	6.0
Date and Period of Operation	7.0
Incidence	8.0
Fair Treatment Policy (Appendix 1)	9.0
Rostered Days Off	10.0
Holidays	11.0
Casual Hire Employees	12.0
Recall	13.0
Rates of Pay (Wage Increase)	14.0
Future Wage Increase	15.0
Workers Compensation	16.0
Productivity Improvements	17.0
Leading Hands	18.0
Training and Multi-Skilling	19.0
Demarcation	20.0
Crib Break (Appendix 2)	21.0
Employment/Termination of Employment	22.0
Profit Sharing Bonus Scheme (Appendix 3)	23.0
Start Times	24.0
Settlement of Disputes (Appendix 4)	25.0
Prevention of Disputes	26.0

## **MULTIGROUP DISTRIBUTION SERVICES PTY LTD**

### **ENTERPRISE BARGAINING AWARD**

#### **3.0 PREAMBLE**

Multigroup Distribution Services Pty Ltd trading as Discount Freight Express is Australia's largest independent express transport company providing a range of services in an extremely competitive environment. It is imperative to the company's very survival that all employees embrace new technology and recognise that changes to work methods and practices are essential.

The company recognises that clearly only working together with all of the individuals in the organisation can it achieve its objectives of being the best express transport company in Australia.

This agreement provides for improved productivity and greater flexibility in employment practices to provide the funding for the wage increase to all employees included in clause 5.00. It is noted and accepted that failure to adhere to any requirement in this agreement by either party may result in termination of the agreement. It is recognised that this is not the desire of the company, employees or the union and it is therefore essential for our continued success that this agreement is adhered to.

#### **4.0 PARTIES TO THE AGREEMENT**

4.1 The parties of this are as follows:-

4.2 Multigroup Distribution Services Pty Ltd trading as Discount Freight Express of 53 Britton Street, Smithfield, NSW with respect to its enterprises carried on and from the following addresses ("The Employer"):-

- 53 Britton Street, Smithfield, NSW, 2164
- 429 Victoria Street, Wetherill Park, NSW, 2164
- Unit 4, 29-33 Bourke Road, Alexandria, NSW, 2015

and in respect of the employees of Multigroup Distribution Services Pty Ltd within the following occupations; drivers, leading hands and freight handlers, specified in Transport Industries Interim (State) Award and Transport Industry Wages (State) Award as Transport Workers ("The Employees").

4.3 Transport Workers Union of Australia (New South Wales Branch).

#### **5.0 INTENTION**

The Agreement shall apply only to those employees in the occupations identified, situated at the above locations.

#### **6.0 DURESS**

The parties to this Agreement agree that agreement has been reached through consultation and all points have been fully discussed and that no party has entered into the Agreement under duress.

## **7.0 DATE AND PERIOD OF OPERATION**

The Agreement shall commence on the day of its registration by the Industrial Registrar and shall operate for a period of twelve (12) months.

## **8.0 INCIDENCE**

This Agreement shall partially regulate the terms and conditions of employment previously regulated by Transport Industries Interim (State) Award and Transport Industry Wages (State) Award. Apart from the clauses specified in this Agreement all other clauses of the Transport Interim (State) Award and Transport Industry Wages (State) Award, including the Disputes Procedure shall apply.

## **9.0 FAIR TREATMENT POLICY (Refer Appendix 1)**

The Fair Dealing Policy is the centrepiece of human resource policy within the organisation. The fundamental components embodied in the policy are:-

- (i) No retrenchment goal.
- (ii) No immediate stand-down for mis-conduct without review, fully paid stand-down whilst in progress.
- (iii) Dismissal a last resort.
- (iv) No unfair dismissal - proper appeal rights.
- (v) Fair treatment in general matters and conditions.
- (vi) Employee safety is a first priority.
- (vii) Fair payment policy.
- (viii) Employee crisis/welfare support.
- (ix) Co-operation/working in with all employees.
- (x) Commitment to two-way communication and information sharing with employees.
- (xi) Commitment to skills development.
- (xii) Policy of promotion within.
- (xiii) Education assistance.
- (xiv) Policy of providing good equipment.
- (xv) Provision of good amenities and clean work environment.
- (xvi) Management open-door policy.
- (xvii) Employee commitment expected.

## **10.0 ROSTERED DAYS OFF**

10.1 In addition to the provisions contained in clause '8' of the Transport Industries Interim (State) Award and Transport Industry Wages (State) Award (i) Accumulated Rostered Days off may be paid out at the request of an employee and by agreement with the employer.

10.2 Penalty rates will not apply for normal hours worked on each 20th consecutive day of work if it is requested that accumulated RDO's be paid out rather than be taken as paid leave. Penalty rates will apply to hours worked outside the normal spread of hours.

- 10.3 RDO rosters will be compiled for 3 monthly periods for each Driver Team and twelve (12) months for Freight Handling Teams, it is requested that the company is advised if RDO's will be taken as an RDO or accumulated for pay out so we can effectively plan staffing levels prior to establishing the roster. The maximum number of days to be accrued for pay out by the end of the calendar year shall be no greater than ten (10). The maximum number of days to be accrued, and to be taken as leave shall be no greater than five (5) (1 Week). If required seven (7) days notice is to be given so RDO's can be paid out at any time during the calendar year by completing the appropriate application form. Management accept that it is their responsibility to maintain adequate staffing levels to maintain the roster. However, under exceptional circumstances it maybe required to revise the roster plan after consultation with the employees. (for example in periods of high levels of sick leave due to flu epidemic.
- 10.4 In the high volume months of October to December and Easter rosters will be dependant on staffing levels.

## **11.0 HOLIDAYS**

As a rule, holidays will not be granted in the high volume months of October, November, December and Easter unless there are exceptional circumstances. In these instances as much notice as possible is to be provided and applications will be assessed by the relevant Divisional Manager and submitted to the Operations Manager for approval.

## **12.0 CASUAL HIRE EMPLOYEES**

Casual hire employees shall be engaged on a daily basis and paid weekly, for a minimum of four (4) hours for each period of engagement. This clause shall be in lieu of clause 8 (ii) of the NSW Transport Industries Award. Payment for casuals will be as per NSW Transport Industries Award plus the differential between this award and the EBA rate for permanent employees.

Casual hire employees on a minimum four (4) hour basis will be engaged in a non-driving capacity only.

## **13.0 RECALL**

The Agreement provides for employees engaged in a Freight Handling capacity only to recall to a second shift after the completion of their ordinary/normal shift. A flat rate of \$17.50 per hour will apply for all time worked under recall conditions regardless of grading. This clause would apply to any person volunteering to work on a shift other than their regular shift and will only involve duties of a freight handling nature ie. not a driving capacity. This in no way replaces overtime for an employees regular shift. A programmed roster will be utilised and available to all personnel so that everyone has the opportunity to recall duty. Preference for recall duties will be given to permanent 8 hour employees over 4 hour casual employees. Employees will be engaged on a recall basis for a minimum of 3 hours and this will be communicated before the commencement of the recall shift. Normal overtime rates will apply for a single shift in excess of eight hours as per the Transport Industries Interim (State) Award and Transport Industry Wages (State) Award Clause 42 Subclause (iv).

#### **14.0 RATES OF PAY (WAGE INCREASES)**

The Company agrees to grant to the Employees an increase on their present base wage in an amount of three point nine per centum (3.9%) for a period of twelve (12) months as an increase upon the Employee's present wage rates which are equal to or greater than those in the Transport Industries Interim (State) Award and Transport Industry Wages (State) Award. This increase shall however, be subject to the following further matters:-

- 14.1 Any Award increased during the said twelve (12) month period shall be absorbed within the 3.9% increase, save where within such twelve month period the Award increase shall be in excess of the EBA rate, in which case such excess will be passed on to the Employees.
- 14.2 The Union shall not make or pursue any extra wage or other claims during the life of this agreement other than those agreed to in accordance with the heads of agreement between Discount Freight Express and the Transport Workers Union of Australia (NSW Branch) dated 16th December 1994.

#### **15.0 FUTURE WAGE INCREASE**

The EBA shall meet at least once per quarter to review our progress in achieving the productivity/flexibility commitments in this agreement. It is essential that satisfactory progress is made in these areas prior to commencement of negotiations for any further wage increases based on future productivity/flexibility improvements. It is our intention to commence these negotiations at or around six (6) months prior to the expiry of the terms of this agreement.

In the meantime the EBA committee will consider the viability of other forms of remuneration.

#### **16.0 WORKERS COMPENSATION**

As per the Workers Compensation Act 1987.

#### **17.0 PRODUCTIVITY IMPROVEMENTS**

The parties agree that the following shall represent work practices and/or goals agreed to be in the interest of the parties which will assist the Company to achieve its Service Quality Assurance required standards.

##### **17.1 Work Teams**

All employees are to adopt the principle and contribute to the introduction and building of self management work Teams. The implementation of the work Teams will create far greater harmony within the operations group as well as providing a more rewarding and satisfying work environment. Supervisors will play a more guiding and advisory role, rather than their current directive role.

The following is a list of issues to be addressed by work Teams.

- Achieve specified targets of 1% or less service failures.
- Share work within Team on most equitable and efficient basis.
- Achieve operational and budget goals.
- Maintain housekeeping standards.
- Conform to health and safety standards.
- Minimise wastage.

17.2 All the employees who are involved in handling freight shall:-

- Handle customers' products in a correct and proper manner and agree that the practice of 'throwing freight' should be eliminated.
- Aim to improve the quality of loading, for example by eliminating misdirects, damages and achieving improved linehaul utilisation and linehaul departure deadlines are maintained. Particularly this means that the last Brisbane unit must depart by 8.30pm, Melbourne by 10.00pm and Tamworth, Coffs Harbour and Wagga by 10.30pm. Our mutual objective is to improve Linehaul utilisation from its present level of 75.4% to 77.5%.
- Employees shall ensure that freight is cubed to 100% accuracy.
- Employees shall accept and embrace new technology which is critical to our ongoing success.

17.3

- Employees shall ensure that freight is stickered 100% accurately.
- All employees shall work to improve our current drop rate by 3% per quarter to achieve our previous average of 44.62 drops.

17.4 The Employees shall start work at the time agreed upon for their classification and by way of example this shall mean that casuals, depot staff and drivers shall commence immediately at the start of the working day.

17.5 The Employees who are drivers shall have as their prime objective to achieve the earliest possible departure and arrival times from and back to the company's terminal. Our mutual objective is to achieve fleet inbound times of 70% by 6.00pm, 95% by 6.30pm and 100% by 7.00pm. Further our target for unloading time for Run Trucks is 40 minutes on average and 30 minutes for Bulk Trucks on average. This means that unload times may take more or less time depending on circumstances. To assist in achieving this the following work practices shall be adopted.

- Assist on adjoining runs when applicable.
- Assist on conveyor lines whenever required.
- Ensure that pick ups are effected as quickly and efficiently as possible.
- Assist colleagues in the PM unload rather than sit in the queue.

## 18.0 LEADING HANDS

Leading Hands will be appointed by the Branch Manager upon recommendation by the Operations Manager. Leading Hands will continue to embrace the additional responsibilities necessary to become effective Team Leaders. They will continue to be involved in assisting Supervisors, inducting training, counselling, and providing feed back to Teams in Team Meetings regarding achievement of key objectives. They will work with Team Members, Supervisors and Managers in not only maintaining existing standards, but constantly seeking areas of improvement. They will be totally committed to multi-skilling and training as per clause 21.0 below. They will be paid a Leading Hand allowance of \$50.00 per week.



## **19.0 TRAINING AND MULTI-SKILLING**

As the company embrace the technological advances and industrial reform essential for its success it is critical that employees embrace the concepts of multi-skilling and additional training. This means that drivers and freight handlers may be required to learn and experience different factors of the operation and will be encouraged to embark on additional external training of approved courses at TAFE or other appropriate institutions as indicated by the company.

To this end the company will provide a list of both internal and external training courses together with dates of commencement, application forms and costs (where applicable) which employees will be encouraged to complete.

Where costs are involved for approved external courses, and an employee has applied for and been approved by the Branch/Operations Manager to embark on such a course, the company will provide reimbursement of these costs upon successful completion of the course.

## **20.0 DEMARCATION**

In line with our corporate desire to operate as a Team towards mutually accepted goals Supervisors, Managers and other employees shall be allowed to engage in freight handling and driving functions (in company cars) in certain circumstances and conditions provided that the TWU delegate is consulted at the time.

## **21.0 CRIB BREAK**

In yard agreements relating to flexibility with crib breaks have already been struck and are as follows:- (see Appendix 2)

## **22.0 EMPLOYMENT/TERMINATION OF 8 HOUR EMPLOYEES**

All eight (8) hour employees are subject to a three (3) month probationary period and positions can be terminated at the discretion of management. The company commits to review employees on the three month anniversary and either appoint to permanent position or extend trial for a finite period. The principles of the Fair Dealing Policy shall be observed in all instances.

The company reserves the right to implement and maintain standards/rules codes of conduct to which employees shall abide. These rules which are contained in company procedures, policies and handbooks are to be observed at all times.

## **23.0 PROFIT SHARING BONUS SCHEME (Refer Appendix 3)**

The company offers a Profit Sharing Bonus Scheme as per the document entitled "1995 Profit Sharing Bonus Scheme" - March 1995 attached.

## **24.0 START TIMES**

Change of shift start times within the normal spread of hours will require 24 hours notice and is limited to three (3) changes per annum. In the unlikely event of an additional requirement to change start times seven (7) days notice will be given.

## 25.0 SETTLEMENT OF DISPUTES

The parties agree that any disputes that shall arise in respect to the implementation operation or interpretation of this Agreement shall be dealt with in accordance with the dispute provision of the Transport Industries Interim (State) Award and Transport Industry Wages (State) Award (refer attachment 4) and the Multigroup Distribution Services Pty Limited "Company Fair Dealing Policy" (refer Appendix 4). All work shall continue as normal while these negotiations are taking place.

Unless the issue relates to safety it is agreed that :-

1. There will be at least 24 hours notice of any requirement of a yard meeting to discuss a dispute.
2. The timing of any such meeting so as to minimise the impact on the operation will be outside of paid hours.
3. All work will continue as normal whilst these negotiations are taking place.
4. Management will be given the opportunity to address employees directly if the dispute remains unresolved through normal channels.

## 26.0 PREVENTION OF DISPUTES

The parties agreed that the best method of settling disputes is to prevent them from developing with effective communication and follow up. To this end a paid meeting will be held for the duration of one (1) hour at normal rates on the second Tuesday of each month at 6.30am for Drivers, 3.00pm for all Freight Handlers and a mutually acceptable time for Air Couriers. Management will not attend these meetings unless requested by the Yard Representatives but will be available throughout if required at any stage. The ongoing requirement of these meetings will be reviewed in the new year.

It should be noted by all employees that if a concern or grievance of any nature remains unresolved by their immediate Supervisor or Manager this may be progressively elevated to what ever level of Management necessary to conclude the matter (as per the company Fair Dealing Policy).

SIGNATURE FOR AND ON BEHALF OF MULTIGROUP DISTRIBUTION SERVICES PTY LTD

DISCOUNT FREIGHT EXPRESS SYDNEY BRANCH ERA

SIGNED BY:



NAME AND POSITION:

SIMON FARAWAY - OPERATIONS MANAGER

DATED:

2.1.87



**COMPANY/EMPLOYEE RELATIONS****COMPANY FAIR DEALING POLICY - EMPLOYEE COMMITMENT EXPECTED**

THE FOLLOWING POLICY STATEMENTS AND SUPPORTING NOTES REPRESENT THE **MINIMUM** STANDARDS ACCEPTABLE WITHIN THE COMPANY REGARDING DEALINGS WITH ALL WHO WORK IN THE COMPANY, EITHER AS EMPLOYEES OR FULL-TIME SUBCONTRACTORS. AS CASUAL/PART-TIME PEOPLE ARE NOT ENGAGED ON A CONTINUING BASIS AND ENGAGEMENT IS ONLY ON A DAILY BASIS - ITEM 1 IS NOT APPLICABLE TO THOSE MEMBERS

1. NO RETRENCHMENT GOAL
2. NO IMMEDIATE DISMISSAL FOR MISCONDUCT WITHOUT REVIEW - FULLY PAID STAND-DOWN WHILST IN PROCESS
3. DISMISSAL A LAST RESORT AND ONLY AFTER ASSISTING EMPLOYEE
4. NO UNFAIR DISMISSAL - PROPER APPEAL RIGHTS
5. FAIR TREATMENT POLICY IN GENERAL MATTERS/CONDITIONS
6. EMPLOYEE SAFETY IS A FIRST PRIORITY
7. FAIR PAYMENT POLICY
8. EMPLOYEE CRISIS/WELFARE SUPPORT E.G. SICKNESS/ACCIDENT
9. CO-OPERATION/WORKING IN WITH EMPLOYEES
10. COMMITMENT TO 2-WAY COMMUNICATION AND INFORMATION SHARING WITH EMPLOYEES
11. COMMITMENT TO SKILLS DEVELOPMENT
12. POLICY OF PROMOTION FROM WITHIN
13. EDUCATION ASSISTANCE
14. POLICY OF PROVIDING GOOD EQUIPMENT
15. PROVISION OF GOOD AMENITIES AND CLEAN WORK ENVIRONMENT
16. MANAGEMENT OPEN DOOR POLICY
17. EMPLOYEE COMMITMENT EXPECTED

1. **NO RETRENCHMENT GOAL**

As at 1990 the company has successfully avoided retrenchment as a general approach to business problems and this has not been accidental - it has been an important part of company policy for more than sixteen years since the company started in 1974.

It has been and continues to be a clear goal for managers to place even ahead of profitability goals the objective of generating sufficient freight volumes and associated work to keep all permanent members of the company in a job.

In 1982/1983, the worst recession we have been through in our history, we consciously maintained and added work at prices that were below the commercial price level required by the company and weathered the storm, keeping everybody in a job. Currently during 1989/1990 we have carried higher levels of employment than work has justified as we did in 1982/1983 and management has the clear goal and commitment to increase freight volume to provide employment in 1991.

The summary of this is that we will not cut back on employment as a first option and will do everything we can to avoid this in the normal management of the business, accepting that the company has an obligation to strive to look after all those who work for the company as a first priority, level with the priority of looking after our customers (which also helps to create job security in itself).

2. **NO IMMEDIATE DISMISSAL FOR MISCONDUCT WITHOUT REVIEW - FULLY PAID STAND-DOWN WHILST IN PROCESS**

It is acknowledged that serious employee created incidents occur at times which may warrant dismissal without notice, including misconduct such as dishonesty, theft, being under the influence of alcohol or drugs on duty, serious cases of security breaches, abusiveness, violence etc.

It is a clear company policy that no "heat of the moment" decision should be made regarding an employee's future with the company and the following steps are required in a situation where it appears that dismissal may be warranted for a serious breach by the employee.

- (a) Private discussion between the person concerned and their immediate manager to ensure that both sides of the story are understood.
- (b) Discussion by the immediate manager concerned with the manager to whom they report.
- (c) Stand-down on full pay for a day from stand-down pending a proper review the next day.
- (d) A fair review of the facts within 24 hours and approval needed to be given to the immediate manager concerned by their manager for termination and involvement of delegate/s where appropriate.

**3. DISMISSAL A LAST RESORT AND ONLY AFTER ASSISTING EMPLOYEE**

Dismissal of an employee for unsatisfactory performance will be effected only after proper steps have been undertaken by the manager directly concerned, to assist the employee to reach the required job performance standards.

It is acknowledged that sometimes insufficient effort is made by a person in this position to close the gap between required performance and performance that is not satisfactory. However, where clear efforts are being made by the employee to reach the required standards, management is expected to be patient, helpful and understanding and give very clear assistance to the person to both learn and apply those skills to his job.

Where it is believed that the employee is not making reasonable attempts to meet required standards or if performance is simply too low compared to standards that it is believed the person cannot make up the gap, no dismissal is to be carried out until this has been properly reviewed between the direct manager responsible and their immediate superior and termination of the person concerned is only to proceed if no other course of action can be seen workable. At this point involvement of delegate/s will be required where appropriate.

Where serious misconduct, dishonesty etc occurs this is a different matter and is covered in section 2.

**4. NO UNFAIR DISMISSAL - PROPER APPEAL RIGHTS**

Where an employee has been dismissed for either unsatisfactory performance or misconduct, the employee has the right to apply for a formal review of this decision.

This must be done in writing by the employee addressed to the branch manager concerned or the most senior executive at the work station involved within seven (7) days from date of termination.

A Committee of Review will be formed within a further seven (7) days comprising three (3) local members of the company (where numbers are sufficient) nominated by the person requesting formal review and two (2) additional people appointed by senior management. The Review Committee will be chaired by the most senior executive involved and the committee will be conducted as a formal meeting. The committee will hear all relevant facts and the five (5) people concerned will vote by secret ballot on the future status of the person being reviewed. The findings in this case will either confirm termination or reinstatement in the case where an error of judgement is believed by the committee's majority to have occurred.

All members of the company involved in the review are expected to review the facts in a fair and balanced manner and to decide whether termination was warranted given the facts, or whether a serious mistake, misunderstanding or error of judgement occurred and the person being terminated genuinely deserved reinstatement. A balance of fairness is expected of all in reaching a decision and voting, with both the individual and the company's position being carefully considered.

In the case of misconduct, reinstatement may only take place where the committee's majority is of the belief that the alleged misconduct did not occur and not on the basis that serious misconduct should be ignored or accepted by the company. Where doubts exist regarding the true facts, the balance of probability rule will apply as the basis of each person reaching an opinion.



Where reinstatement is considered appropriate by a majority vote of the Review Committee, this will be done immediately by the company and all former seniority and financial status will be reinstated, with full normal pay applying to the unpaid period involved.

5. **FAIR TREATMENT POLICY IN GENERAL MATTERS/CONDITIONS**

It is the policy of the company to treat all employees fairly in all respects and concerns regarding questions of unfair treatment expressed by an employee are to be taken seriously and corrective action is to be taken by the direct manager concerned, should there be a reasonable basis for the employee's complaint.

Where a person does not feel they are having their problem addressed by their immediate manager, the employee has the right to discuss any concern of this nature with their immediate manager's superior privately without fear of the consequence. If this course of action is considered appropriate by the person concerned it is suggested that an appointment be made with their immediate manager's superior and the problem discussed openly with a view to obtaining assistance in the matter. If this process does not result in satisfaction then the employee concerned has the right subject to their availability to approach one (only) more senior manager still, up to and including the Managing Director, and any such approach to more senior management will need to be undertaken in writing so that a proper response can follow.

The aim of all of this is to ensure that everyone is dealt with fairly and it is hoped that these rights will not be abused or used in relation to trivial matters. In all cases, as a courtesy to the direct manager concerned, the person wishing to discuss their concerns should politely advise their direct manager they are exercising this right and they have the right to expect assistance and goodwill in this process, without interference or pressure.

6. **EMPLOYEE SAFETY IS A FIRST PRIORITY**

Any immediate issue of safety is an important and immediate matter and where any employee considers a situation, work practice etc is unsafe they are expected to immediately raise the matter with their direct superior with a view to urgent corrective action occurring to ensure safe working conditions.

Concerns of a less immediate nature and suggestions for improving safety will be welcomed by management and management throughout the company is expected to respond in an effective, practical manner to any practical suggestions for improving safety in the work place.

7. FAIR PAYMENT POLICY

It is the policy of the company to remunerate everyone working within it in a fair and equitable manner for the job concerned.

Where a relevant award applies it is absolutely required that pay scales and conditions outlined in that award are passed on and where no award is applicable, that market rates apply relevant to the skills and responsibility level required by the job. Where any employee has a concern in this regard they are entitled to discuss this with their immediate manager who is expected to be receptive, open and frank in relation to this matter. Where applicable, relevant copies of awards are to be made available upon request at any company location.

8. EMPLOYEE CRISIS/WELFARE SUPPORT E.G. SICKNESS/ACCIDENT

In unusual cases of employee financial, sickness or accident crisis situations, the company can provide assistance on a short-term basis.

On the basis that these problems occur in relatively few instances compared with the number of people who work for the company, some capacity exists for employee assistance on occasions of extreme hardship. In all cases of this nature these should be brought to the attention of the Managing Director by the branch/local senior manager where it is considered that some special assistance is needed and warranted.

It is not the role or intention of the company to attempt to displace the relevant welfare agencies, required personal insurance arrangements, finance companies etc. However, the company has assisted special cases in the past and will continue to do so in the future on the basis of commercial capacity to do so and the merits of the individual case concerned.

9. **CO-OPERATION/WORKING IN WITH EMPLOYEES**

It is a clear intention of senior management that all who work in the company are considered equal contributing members of the team despite varying levels of responsibility and the different jobs that people may have. It is expected that everybody working for the company will

exhibit a co-operative, respectful and mutually supportive approach to all other members of the company. A positive supportive approach of other team members is especially expected of management and their example in setting these standards of co-operation and mutual respect is considered a duty and an obligation.

10. **COMMITMENT TO 2-WAY COMMUNICATION AND INFORMATION SHARING WITH EMPLOYEES**

It is the policy of the company to let everybody know what our goals, problems, successes etc are. Everyone within the company is entitled to information of at least a general nature on the business situation, whether things are getting better or worse and especially aspects of the company's performance overall and locally that might affect job security and matters important to the employee. Management is expected to communicate progress etc regularly to all concerned and to share information, goals, plans etc as much as possible.

It is the company's belief that a well informed employee knowing what the company's goals are, how we hope to achieve them and how they personally fit into the plans, is better equipped as a member of the team and more able to get on with their job, feeling rightly an important part of the company's progress.

11. **COMMITMENT TO SKILLS DEVELOPMENT**

It is the responsibility of every manager in the company and every other experienced person who has developed skills relative to their job within the company to assist others via training, information sharing etc to develop similar skills.

All personnel in management and supervision positions are expected to devote some of their time every day in assisting their people to develop knowledge, understanding and practical skills applicable to their job and to particularly answer questions, give information relevant to this on request by people who need better understanding of their responsibilities and methods to be employed in doing their job.

The company is committed also to the development of formal training programs to assist people developing skills internally within the company, which will also contribute to career development of people within the company generally.

**12. POLICY OF PROMOTION FROM WITHIN**

Wherever possible it is the policy of the company to develop people working within the company so they may pursue a career development course within the company.

Where this results in existing personnel having developed skills that qualify them for a promotion to a position of greater responsibility and better remuneration, promotion will be undertaken within the company as it is preferred to recruitment outside in any case where an existing employee meets the required standards for the position.

This does not mean that the company can always make internal appointments and promote only from within and it is considered that a balance of external and internal appointments will always be necessary to ensure development of the best team. However, it would always be considered appropriate to appoint and promote from within where an existing employee clearly has the right skills, motivation and ability rather than appoint from outside.

**13. EDUCATION ASSISTANCE**

The company is committed to supporting employee self education where this is relevant to the job and the career path within the company of the employee. For example - where an employee wishes to undertake part-time studies in their own time in developing general knowledge directly related to their job, the company will on approved programs reimburse fees, text book costs and other direct education expenses upon successful completion of the course year, semester, term etc evidenced by official results.

Assistance of this nature must be approved by both the branch/local manager and also the relevant overall General Manager of the Company along strict guidelines arranged prior to commencement of the course.

The aim of this is to assist in personnel development and help to support the policy of promotion from within.

**14. POLICY OF PROVIDING GOOD EQUIPMENT**

The company expects a good workmanlike job to be done by everybody within the company and it is the policy of the company to provide the correct equipment, tools etc to do the job properly. Wherever it can be seen that equipping a person better to do the job will result in productivity improvement adequate to pay for the costs concerned, it is the direct manager's responsibility to ensure that this opportunity is identified and properly recommended, to ensure the implementation of appropriate equipment improvements to assist the person to do a better job.

It is company policy to maintain equipment in good order and condition and for the appearance of all company equipment to signify the high standards that exist within the company and also to assist in a person feeling pride in their use of that equipment in their job.

15. PROVISION OF GOOD AMENITIES AND CLEAN WORK ENVIRONMENT

It is company policy to provide clean, hygienic and pleasant working conditions for all concerned. This is a shared responsibility and requires the attention of management to ensure routine maintenance, cleaning and good presentation of facilities and for all who use them to assist in achieving continuing cleanliness, care of facilities etc.

It is acknowledged that it is a reasonable expectation of everybody employed in the company to be able to come to work at company premises and use facilities which are not unpleasant and as good as we can arrange given age of buildings etc. Morale, job satisfaction etc are directly affected by these factors and should be taken seriously by all.

16. MANAGEMENT OPEN DOOR POLICY

To ensure amicable relationships within the company, management is expected to have a receptive "open door" approach to employees and ensure that they listen and respond where required to any reasonable concern or suggestion by other members of the company.

It is absolutely essential that a fair balanced relationship exists throughout the company and this can only be achieved by managers realising that the company has responsibilities to all of the people working within the company and expectations of diligence, loyalty and support of the company by everyone within the company depends upon mutual respect, fairness in all aspects of dealing with each other and being on the same side.

17. EMPLOYEE COMMITMENT EXPECTED

The workability and success of the company's policies towards those who work for it depend upon the success of the company in harmoniously providing an unbeatable level of service to its customers. Keeping customers depends upon keeping customers happy and this is completely dependent upon those who work towards this end.

Put the other way around, the company's success depends upon customers being given the best service by those working in the company and those working for the company in turn being able to achieve secure, well rewarded positions and good conditions as a result.

This 3 way partnership and mutual dependence has to work for all participants and improving conditions and pay progressively depends upon us improving service and customer satisfaction progressively each day.

Working and thinking hard to do a better than average job, loyalty, reliability, diligence and teamwork are the hallmarks of a successful group and these are expected of all who work for an ambitious company that really wants to look after its people.

A handwritten signature in black ink, appearing to read "Greg Poche". The signature is fluid and cursive, with a large initial "G" and "P".

**GREG POCHE**  
**MANAGING DIRECTOR**

## Appendix 2

A. Memorandum regarding AM Freight Handlers Crib Break dated 10 November 1995

In our meeting held in the Training Room on 31 October, 1995 regarding the 15 minute Crib Break, a democratic show of hands resulted in the following agreement.

1. It was agreed that on Mondays there will be a 15 minute crib break at some stage prior to 9:30am when commencing the shift at 5:00am. There would also be a 45 minute lunch break held between 11:00 am and 11:45am.
2. On Tuesdays to Fridays when starting prior to 6:30am, it was agreed that there would be no 15 minute crib break between 8:00am and 9:00am. There will however, be a 45 minute break between 11:00 am and 11:45am.
3. It was also agreed that where possible the shift would finish prior to 3:30pm on the proviso that all the work is done including the up keep of the depot. Further, that whilst our normal priority is to process freight, there may be occasions whereby a greater emphasis is placed on depot up keep. This has always been our policy but has been more difficult to achieve during the high volume months of October, November and December (for example last week the shift finished an average of 15 minutes early compared to 40 minutes 10 weeks ago). It was agreed that any finish time before 3:30 for our permanent employees should be viewed as a bonus and not taken for granted.
4. The current 6:00am start time may be revised depending on prevailing volumes/linehaul arrivals times etc.

The purpose of this memorandum is to clarify what we believe to have been agreed in our meeting of 31 October, 1995 and to give anyone who disagrees with this interpretation of the agreements reached an opportunity to bring this to Tony, Mark or myself.

In the meantime, I thank you all for your common sense approach to understanding how this crib break can badly effect our fleet on road times and therefore driver moral and ultimately the service we provide our customers.

B. Memorandum regarding Crib Time dated 26 February 1996

Thank you all for accepting our proposal re flexibility of the crib break to be reviewed on the 15th March.

The purpose of this memorandum is to ensure that everybody has a clear understanding of the agreement reached which is as follows

1. From here on in, the 10:00pm crib break will be waived.
2. After the last time-critical linehaul departure, ie. Brisbane, Melbourne, Coffs Harbour, Tamworth or Wagga/Albury, we will call a five minute's paid break.



3. The twenty minute crib break allowance will be paid for, this applies to both casual and permanent employees.
4. Penalty rates will commence at 11:10pm for permanent and after 7 hours and 40 minutes for casual employees.

**Example 1:** Employee works from 15:30 to 23:10, payment will be 8 hours normal and 20 minutes crib at normal rate.

**Example 2:** Employee works from 15:30 to 23:30, payment will be 8 hours normal and 20 minutes overtime at time and a half plus 20 minutes crib at normal rate.

5. On nights whereby circumstances dictate that the finish time is likely to be after 12:30 am we will call a twenty minute crib break after the last linehaul departure as defined above.

Flexibility over this issue will significantly improve the linehaul departures of our last time critical legs and will result in a corresponding improvement in servicing our receiving branches.

Should you have any queries or concerns regarding this arrangement, please don't hesitate to contact your Supervisor or Manager and in the meantime, I thank you for your co-operation and support.

# FINANCIAL YEAR 1996/97 QUARTERLY PROFIT SHARING SCHEME

We have now entered 1996/97 financial year together with the commencement of the fourth year of our company wide profit sharing bonus scheme.

It is worth repeating or restating the aims of the bonus scheme from the 1995 guidelines published on 6 March 1995.

". . . . . The aim of our profit sharing bonus scheme is to create a means whereby people who work in the company for a wage or salary, can through commitment of effort above and beyond the minimum, earn bonuses for the improving results that are generated by this greater effort.

Profit sharing bonuses are not intended to replace basic remuneration levels which are determined either by awards or market rates, but are intended as an "extra" to reward people who go the extra distance in effort, thought and care to achieve a more intelligent and desirable result in company efficiency, productivity and quality of service that we dispense to our customers.

As is the same with all incentives, profit sharing bonuses cannot be guaranteed, they can however be earned . . . . ."

The results of a committed team, looking for daily opportunities of improvement, over the last three financial years has allowed for bonuses in total to be paid in excess of eight million dollars.

The proposed bonus scheme for this year is again based on quarterly results and continues to focus on firstly the company's service and profitability result, your branches service and profitability result, your team's (or department's) performance and finally your own individual performance. The foundation of our company's service and productivity and ultimately it's profit, is based on each individual's pursuit of their targets daily, weekly, monthly and quarterly to a collective company-wide outcome.

From your commitment to be a strong effective contributor to the team, puts the earning of bonus back in each individuals hands, and coupled with everyone's input into "smarter" ways to operate channelled through and led by management, we have the basis of a successful formula.

Our profitability is driven by our attitude to service and the cost of providing that service, as well as the market pressures that determine our price. Therefore to be able to afford to pay significant bonuses on top of normal wages and salaries, we have to have better service and better productivity than the opposition. Only at this stage is profit sharing affordable and sustainable.

The future of our company and it's transition into the twenty first century will be moulded in the next few years. The managers of our company will play an important role in identifying goals and targets, setting direction, planning, coaching and training for the years ahead, but they alone will not achieve our targets and goals. Our team will only move ahead if all personnel understand their targets, achieve them and work toward our overall company goals. Then a maximum commitment to the team, by all of the team, will achieve our goals. At the end of the day we all have a stake in the success of our company as all personnel, managers and non managers have bonuses over and above salaries and wages riding on good results.

The success and future of the scheme will not only be dependent on immediate results and current service levels, but the longer term viability will depend on ownership of our own responsibilities. Once this attitude is adopted then more self management, voluntary initiative and company pride will take place. This for all of us is the best type of organisation to be part of, providing job satisfaction and security, leading to an outcome, of a focused, successful committed team that any of our opposition will find difficult to match.

## QUALIFYING REQUIREMENTS 1996/97

The scheme is dependent on achieving our goals in four clear areas.

1. The company must meet (and exceed) its overall financial and service targets.
2. Branches to individually meet (and exceed) their own financial and service targets.
3. Your own team's (department's) performance is satisfactory or above.
4. Your individual contribution is satisfactory or above.

The following expands on each of these requirements.

### SERVICE

As technology penetrates our organisation and the despatches of our customers, the need for us to be even more accurate and damage free in delivery as well delivering good information and communication is apparent. Both ourselves and our trading partners (our customers) have committed to an investment to achieve the "worlds best practice" in the distribution of their goods.

Further to this commitment we have also committed to be the best service/lowest possible cost operator. All of this is possible and achievable and can be done by equipping the best people available, with the latest in technology and equipment, then training them, and finally through a committed team approach working together for a common goal. This powerful combination will achieve good results that can be shared (and have been) back through quarterly bonuses to all personnel.

Given the need to seek continual improvement in our commitment to the partnership, this must translate into a reduction in our error rate. For some time now we have set an overall company average rate of failure of 2%, this year we will set our sights on confirming our improvement. All branches by now have set themselves some individual targets for their own rate of failure and in most cases their targets drawn from actual results is closer to 1% than 2%. Putting all of this together for a national average rate of failure target that provides for continual improvement this year, we will set ourselves to meet (and improve on) :

QUARTER 1	1.90%	(inclusive of audit result *)
QUARTER 2	1.75%	(inclusive of audit result *)
QUARTER 3	1.55%	(inclusive of audit result *)
QUARTER 4	1.40%	(inclusive of audit result *)

\* Audit result is our own audit independent of the branches reviewing proof of delivery consignments entered into our system. Any error in the coding of a "clean" (faultless) delivery that is in fact an error will be measured against the random weighted sample taken from each of the branch returns and that additional percentage of failure identified under audit added back to the original declared percentage of error rate.

### PERFORMANCE

Performance requirements are unchanged and are restated :

Where a branch or department qualifies for profit sharing bonus distribution, each individual within the team qualifies personally for a bonus, providing their general work performance for the quarter has been satisfactory or better. A person must have worked for the company for the whole of the quarter concerned to qualify for consideration of bonus and must have attained a satisfactory or better rating in their job performance for the quarter. In most instances this will mean that a new employee has the opportunity of being included within their first full quarter with the company.

The only exceptions to this are in more complex jobs, for example (management positions) where it takes longer to learn the job. In some of these cases it may be six months before a person could be expected to be contributing at a satisfactory or better level.

Appraisals of individual performance are conducted each quarter and it is necessary for the manager of each section/department of the company to go through this appraisal with the person concerned and discuss their job performance with them, to ensure that there is full communication taking place regarding what is expected of each person and what is occurring.

Where it is believed that a person's job performance is generally unsatisfactory in some important area, then the manager who is conducting the appraisal must discuss this with their immediate manager prior to counselling the person concerned to ensure that a balanced, well considered and fair approach to this issue occurs.

A minor problem or issue in the quarter would not lead to an unsatisfactory rating if the employee's contribution generally was very good in all other respects. This does not mean that repetitive problems will still allow a "satisfactory" rating in a future quarter.

Considering the expectation that maximum effort and personal initiative above average is required to achieve results that allow a bonus to be earned, a person who cannot even be considered to be performing their job at a generally satisfactory level is well below the standard required to qualify for a bonus.

Obviously a bonus cannot be recommended or paid to someone not performing at a standard required to justify even their normal base wage or salary for the job concerned. This applies equally to all employees, whether they are management or non-management employees.

If the person being appraised is at a satisfactory or above satisfactory level of general job performance for the quarter, the recommendation for profit sharing bonus may be made by the manager concerned. If the person appraised is at an unsatisfactory level of performance then a recommendation may not be made for the bonus. It is essential that the manager concerned carefully counsels the person who has not qualified for a bonus, to ensure that they are clear on what needs to be done to correct the unsatisfactory performance rating to qualify for inclusion in the bonus scheme for the coming quarter.

It is expected that the individual being appraised will take the necessary steps personally, to improve their performance and achieve a satisfactory job performance which will also qualify the person for inclusion in the bonus scheme in the future. Continued unsatisfactory performance would obviously not only result in a person not qualifying for a bonus, but would require review of their continuing employment with the company.

Where the person being appraised does not agree with an unsatisfactory rating, they may request a review with the manager who appraised them, together with that manager's immediate senior manager, whereby this rating will be further discussed and will either be confirmed or amended at that time. Appraisals must be completed and submitted to head office by the last week of the quarter concerned.

Because profit sharing bonuses are an investment in a continuing improvement of the company's results, they relate as much to the future success as the past result achieved and bonuses will not be paid to any employee who leaves the company for any reason, prior to distribution of profit sharing being finalised.

## PROFIT

From the budgets submitted from your branch and every other branch we have been able to provide for a distribution of bonuses based on the anticipated results. Looking at the total of all branch budgets we are able to set financial targets both nationally and for your branch which are common to both, and when achieved qualify for bonuses to be paid in this area.

# GROSS PROFIT / BRANCH CONTRIBUTION

Branch contribution is your branches "bottom line" result which then funds the companies overheads, company tax, finance costs and of course it's contribution to the profit share pool. Company gross profit is the result after the deduction of all of these costs except for tax and profit share distribution. Therefore it is essential that we qualify in both areas as the national result is a reflection in the main of each branch's performance.

A good result in an individual branch against a poor national result can not afford a payment of bonus. We as a national team are all dependent on each other's performance to achieve our own goals and therefore we must achieve the collective result in profit and service first and foremost, to be able to afford to pay a bonus over and above normal salaries and wages. Once the overall target has been achieved we can then look to branch performance, for performance that was on target (satisfactory) or above.

The planning this year for our budgets has been careful and mostly conservative and many of our future decisions have been based on the predicted growth, expenditure and finally branch contribution outcome.

Therefore this year level 1 profit sharing for the company can commence when we achieve our budgeted quarterly growth (necessary to our future) and budgeted level of gross profit (our ability to pay bonus over and above salaries and wages).

The same assessment will be made at a branch level on total revenue and budgeted level of branch contribution. For each additional 5% of total revenue and gross profit (for branches - total revenue and branch contribution level) from the qualifying level (level 1) we will qualify for the next multiplying level of the scheme.

Therefore,

- LEVEL 1 PROFIT SHARE 100% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION
- LEVEL 2 PROFIT SHARE 105% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION
- LEVEL 3 PROFIT SHARE 110% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION
- LEVEL 4 PROFIT SHARE 115% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION
- LEVEL 5 PROFIT SHARE 120% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION
- LEVEL 6 PROFIT SHARE 125% OF TOTAL BUDGETED REVENUE AND GROSS PROFIT / BRANCH CONTRIBUTION

## RESPONSIBLE MANAGEMENT CHECKS TO SCHEME

To ensure that the payment of bonus is not in conflict with the resources required to run the company day by day and be able to fund our future, including the anticipated borrowings we will require in our longer range plans, a limit of funds needs to be set for profit share bonus distribution.

COMPANY GROSS PROFIT AS A PERCENTAGE TO REVENUE	MAXIMUM DISTRIBUTION OF GROSS COMPANY PROFIT
10%	10%
11%	12%
12%	14%
13%	16%
14%	18%
15% and over	20%

# CALCULATION OF PROFIT SHARE LEVELS

## TABLE OF BONUS FOR RESPONSIBILITY

(NB for casual personnel -  
the table is based on average weekly work pattern during the quarter)

POSITION	LEVEL 1	LEVEL 6 (maximum)
DRIVERS	500	1,500
LOADERS	400	1,200
LOAD MASTERS / LEADING HANDS	500	1,500
20 - 30 HOUR CASUALS	200	600
31 - 38 HOUR CASUALS	300	900
38 HOUR CASUALS	350	1,050
CLERKS (lowest responsibility)	300	900
CLERKS (middle responsibility)	350	1,050
CLERKS (highest responsibility)	400	1,200
SUPERVISORS (basic level)	650	1,950
SUPERVISORS (most senior level)	750	2,250

In larger branches level 1 increases by 40% for each additional 5% of result to revenue and contribution target (beginning at 100% of target) i.e. level 2 is your level 1 bonus level multiplied by 1.40, level 3 is your level 1 bonus level multiplied by 1.80 and so on to level 6 which is your level 1 bonus level multiplied by 3.00.

In smaller branches as a responsible management check, (as per the national check) the same basic calculation applies, but successive bonus levels are not to inflate overall bonus payable by more than half of additional revenue dollar contribution above base target qualifying for level 1 profit share bonus.

Finally you will be able to measure your own branch's performance from your own weekly updated performance indicator boards both in service and financial performance. However, I recognise the need for you to follow the progress of the rest of the team and I commit to communicate this progress to you on a monthly basis.

At the completion of each trading month our results are usually finalised by week three into the following month, therefore I will endeavour to advise you at this time each month of our national effort. For the current quarter to date, our August result has just been published. The national progress of the quarter so far has been forwarded to your branch so please look for this update to be displayed on relevant notice boards.

Please complete the attached application form if you wish to join the scheme this financial year and return it to your immediate manager.