

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/188

TITLE: Serrol Ingredients Enterprise Agreement 1998

I.R.C. NO: 98/5434

DATE APPROVED/COMMENCEMENT: 22 October 1998 and commenced from first full pay on or after 13 February 1998

TERM: Expires 31 May 1999

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 39

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees covered by the Grocery Products Manufacturing (State) Award at Victoria Street, Wetherill Park 2164

PARTIES: Serrol Ingredients -&- National Union of Workers, New South Wales Branch

ENTERPRISE AGREEMENT

BETWEEN

SERROL INGREDIENTS

AND

NATIONAL UNION OF WORKERS (NUW)

UNDER

PART 2, CHAPTER 2 OF THE INDUSTRIAL RELATIONS ACT 1996

TO ESTABLISH THE

SERROL INGREDIENTS ENTERPRISE AGREEMENT 1998

1. TITLE

This Agreement shall be known as the Serrol Ingredients Enterprise Agreement 1998 (the Agreement).

2. ARRANGEMENT

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3. AREA AND INCIDENCE OF AGREEMENT

The Agreement shall apply to the manufacturing operation of Serrol Ingredients A Division Of Quality Bakers Australia Ltd, located at 464 - 466 Victoria Street Wetherill Park NSW 2164 in respect of all employees of the Company at the site covered under the Grocery Products Manufacturing (State) Award.

4. PARTIES BOUND

(a) The parties to this Agreement are:

- (i) Serrol Ingredients, a Division of Quality Bakers Australia Ltd. (the **Company**); and
- (ii) National Union of Workers, NSW Branch (the **Union**).

(b) Persons bound by this Agreement are:

- (i) Serrol Ingredients (the **Company**); and
- (ii) National Union of Workers, NSW Branch (the **Union**); and
- (iii) The Employees of the Company at Wetherill Park employed under the Grocery Products Manufacturing (State) Award.

5. DATE AND PERIOD OF OPERATION

The Agreement shall operate from the 13th February, 1998 and remain in force until May 31, 1999.

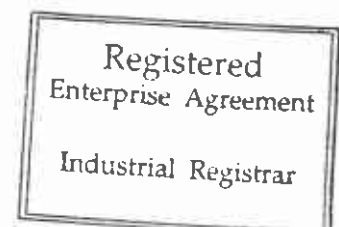
6. STANDARDS

The Agreement shall not operate so as to cause an employee to suffer a reduction in ordinary time earnings or in State standards such as hours of work, annual leave or long service leave.

7. OBJECTIVES

The parties agree to establish an Enterprise Agreement for the purpose of:

- (a) Increased quality, efficiency, productivity and profitability for the Company;
- (b) Improving remuneration to employees which reflects these achievements;
- (c) To replace and update existing industrial award provisions, and to replace and rescind all and any agreements and practises entered into or arranged between the parties at the site;
- (d) To realise and expand the Company's export market potential.



To this end the parties agree to focus on:

- Achieving sustained improvements in performance through the pursuit of international best practices;
- A commitment to product quality, and the implementation of a "Quality Programme". Priority issues will include:
 - Formulation accuracy;
 - Adherence to operational procedures;
 - Finished goods weight accuracy;
 - Presentation Quality, ie correctly sewn and labelled bags.
 - Housekeeping / hygiene
 - Quality efficiency

The achievement of these aims and objectives will be assisted by

- The introduction of a structured employee training skills development programme;
- The establishment of a common set of terms and conditions of employment for employees at the site covered under the Grocery Products Manufacturing (State) Award.

Using the enhanced flexibility available through new conditions of employment, the parties agree to co-operatively review the work practice arrangements at the site during the life of the Agreement in order to establish greater flexibility in work arrangements and staff utilisation so that the production needs of the Company and the requirements of customers are met. To this end a Workplace Consultative Committee (WCC) will operate at the site and will regularly review site conditions arrangements and reach agreement on appropriate work practice changes which will go as recommendations to management with a view to their implementation within the scope of this Agreement.

8. WORKPLACE CONSULTATION / WORKPLACE CONSULTATIVE COMMITTEE (WCC)

The means by which the parties will achieve the agreed objectives of the Agreement will either be through the specific arrangements set in place by the terms of this Agreement or through the process of Workplace Consultation.

A WCC already exists at the site. The structure, membership and constitution of the WCC will be reviewed to ensure that it is best achieves the objectives set out in Clause 7.

The WCC shall be responsible for the identification of issues requiring consideration and will reach agreement on recommendations to management on appropriate change. The WCC will be responsible for the implementation of changes and productivity improvement measures. The WCC will monitor the effectiveness of the agreed productivity measures and be responsible for ongoing consultation at the site.

Resources will be made available to ensure that members of the WCC are appropriately trained in the skills required for effective workplace consultation.

The WCC will have adequate time and facilities to carry out its functions.

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The process of introducing change to achieve increased flexibility is premised on the understanding that:

- (1) The majority of employees and the Company must genuinely agree.
- (2) No employee will have his/her income reduced as a result of these changes. Income in the context of this clause shall not include overtime earnings.
- (3) Agreement reached shall not adversely affect the health and safety of the employees within the meaning of the relevant state legislation.
- (4) Agreed changes that go beyond the flexibility provisions of this Agreement shall be implemented in accordance with the Enterprise Agreement provisions of the Industrial Relations Act 1996. In these circumstances the Union shall be notified of the proposed changes and shall not unreasonably withhold its consent to implementation of the changes where the majority of the employees agree.
- (5) The Union will assist in completion of the procedural steps required under the Act to implement such change. Issues on which agreement is reached by the WCC will be introduced at the site and will operate within the scope of this Agreement. However, where consensus cannot be reached by the WCC, or where the union withholds its consent, Step 6 of the disputes procedure established as part of this Agreement shall be observed in order to resolve the issue.

Operation of Workplace Consultative Committee

The WCC will co-ordinate and monitor the implementation of agreed workplace change and be responsible for ongoing consultation about:

Mechanisms to promote a better working environment, with high levels of consultation and co-operation;

A review of work allocation and the implementation of new methods of work with a particular focus on:

- materials handling;
- finished product weight accuracy;
- compliance to written procedures;
- plant hygiene;
- product quality;
- production throughput.

Job redesign;

- education and training of employees;
- establishment of a training committee to:
 - (a) formulate a training programme;
 - (b) disseminate information relating to the training programme, the availability of training courses and career opportunities to employees;
 - (c) recommend individual employees for training and reclassification; and
 - (d) monitor the effectiveness of the training programme and advise management and employees about the same.

Any other issues relevant to the work of the WCC.

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9. CLASSIFICATION OF WORK AND WAGES

(a) Classification Of Work:

The Agreement represents a continuation of a skills-based classification structure whereby each employee under this Agreement has an opportunity to better themselves through company sponsored training and receive remuneration accordingly.

(b) Ordinary Wage Rates and Increases:

The ordinary wage increases set out below represent payment in return for workplace improvements. The minimum increase a staff member would be entitled to over the life of the Agreement is 5.5%, which will rise to 7.0% once the second stage conditions are satisfied. However, any employee advancing to higher levels has access to increased wages in excess of these amounts.

“Ordinary Wage Rates” means the single time rate payable to an employee after working 38 ordinary hours in a week and does not include any other allowances.

The wage increases set out below represents payment in return for workplace improvements.

(1) Effective 13 February 1998, a 4% wage increase will be paid to employees.

Details of the current classification structure are shown below together with the ordinary wage rates including the 4% increase.

<u>Classification</u>	<u>Amount \$</u>
Level 6	472.43
Level 5	527.03
Level 4	581.63
Level 3	635.54
Level 2	690.14
Level 1	744.74

(2) Six months after the 13th February 1998, if conditions referred to below are met, then all employees will be entitled to a further increase of 1.5% in their ordinary wage rates. The Stage 2 wage levels would then be as follows:

<u>Classification</u>	<u>Amount \$</u>
Level 6	479.52
Level 5	534.94
Level 4	590.35
Level 3	645.07
Level 2	700.49
Level 1	755.91

The conditions set out for the Stage 2 wage increase involve aspects of quality. To enable the second stage of the wage increase to be paid, the percentage of finished product requiring reprocessing, as a result of Level 5 to Level 1 operator error, must decrease by 20% in the first six months of the Agreement being from 13th of February 1998. As a benchmark, the percentage of finished product that required reprocessing for the first six months period of the Agreement will be measured and agreed upon by the parties.

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The most recent measurement of figures, as finished product requiring reprocessing, will be tabled at the regular Consultative Committee meetings and changes shall be monitored over the life of the Agreement.

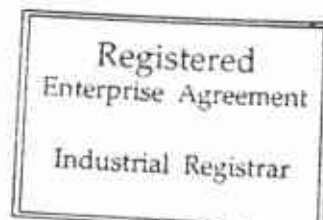
3. Nine months after the 13th of February 1998, a further 1.5% wage increase will be paid on the ordinary wage rates applicable at that time. Should the Stage 2 wage increase be paid as defined in paragraph (2), the wage levels would be as follows:

<u>Classification</u>	<u>Amount \$</u>
Level 6	486.71
Level 5	542.96
Level 4	599.21
Level 3	654.75
Level 2	711.00
Level 1	767.25

Should the Stage 2 conditions not be met, and the increase in paragraph (2) not be executed, then the wage levels following the payment of the further 1.5% increase prescribed in this paragraph would be as follows:

<u>Classification</u>	<u>Amount \$</u>
Level 6	479.52
Level 5	534.94
Level 4	590.35
Level 3	645.07
Level 2	700.49
Level 1	755.91

Set out in pages 7 to 22 are the full details of the training schedules and descriptions for the 6 level skills based classification system.





SERROL INGREDIENTS
PRODUCTION EMPLOYEE TRAINING SCHEDULE
LEVEL 6

COLLEAGUE NAME: _____

TEAM LEADER'S NAME: _____

Starting Date at Level 6: _____

Finishing Date at Level 6: _____

		<i>Leaders Initial</i>	<i>Date</i>
1) All induction procedures should have been completed: a) Including Hygiene in the Food Factory		<input type="text"/>	_____
2) Demonstrate correct lifting procedure:		<input type="text"/>	_____
3) Demonstrate operating procedure:	PM-OP-03	<input type="text"/>	_____
	PM-OP-04	<input type="text"/>	_____
	PM-OP-01	<input type="text"/>	_____
	PM-OP-02	<input type="text"/>	_____
4) Completed raw material identification training:	Week 4	<input type="text"/>	_____
	Week 9	<input type="text"/>	_____
	Week 13	<input type="text"/>	_____
5) Training in production recording:		<input type="text"/>	_____
6) Register in a forklift operators log book:		<input type="text"/>	_____

LEVEL 6 COMPLETION SIGN OFF

Colleague: _____

Team Leader: _____



PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 6 - Explanatory Notes

Minimum time required to be spent at this stage - 3 months.

1. All Induction procedures should have been completed:

Attach a copy of the completed Employee Induction Checklist.

Ensured that the employee has viewed the two videos:

- a) "Hygiene Induction"
- b) "Hygiene in Practice"

These videos are supplied by Food Industry Training.

2. Demonstrate correct lifting procedure:

Ensure employee has read relevant sections of the Induction and Safety Guidelines on Manual Handling and demonstrates correct lifting procedure at all times whilst at Level 6.

3. Demonstrate operating procedure for Level 6 employee

Identify and locate where the Factory Work Procedures Manual is kept and correctly adhere to the following procedures

1. **PM-OP-03** Filling and Closing the Bag or Box. Need only 6.A. Automatic packer for bags up to 25 kg. *Employee trained in this procedure in week 1.*

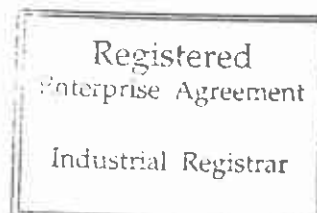
2. **PM-OP-04** Pallet Stacking, Wrapping and Storage. Need only 6.A. Pallet stacking. *Employee trained in this procedure in week 1.*

3. **PM-OP-01** Raw Material Collection and Measurement. Items 5 and 6. *Employee trained in this procedure in weeks 4 - 5.*

4. **PM-OP-02** Loading the Mixer. *Employee trained in this procedure in weeks 4 - 5.*

4. Completed raw material identification training

Randomly place an assortment of 1 unit of each key raw material used in production on a pallet, ensuring there is a wide variety of different stock items chosen. Select a formulation and require the person to pick the raw materials for that formulation. In this process, ensure that the raw materials demonstrated include not only those that are in the formulation requiring picking but also an assortment of other commonly used stock items in order to clearly identify the employees raw material knowledge. *Employee reviewed in raw material identification in week 4, week 9 and week 13.*



5. Training in production recording

Ensure that production recording is thoroughly reviewed emphasising the importance of accuracy and completeness. This is to be reviewed in conjunction with the employee reading PM-WI-03, being the Production Book Entries work instruction. *Employee reviewed continuously throughout Level 6.*

6. Obtain forklift learners permit

Ensure that the employee is registered in a forklift operators log book as soon as possible and that his hours are monitored.

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**AN EMPLOYEE CANNOT PROGRESS TO LEVEL 5 WITHOUT SUCCESSFULLY
COMPLETING ALL OF THE ABOVE REQUIREMENTS!**



SERROL INGREDIENTS PRODUCTION EMPLOYEE TRAINING SCHEDULE LEVEL 5

COLLEAGUE NAME:

TEAM LEADER'S NAME:

Starting Date at Level 5:

Finishing Date at Level 5:

Leaders
Initial

Date

1) Demonstrated ability to read and interpret formulations including ability to identify product.

2) Production recording has been reviewed for correctness and accuracy:

Week 4:

Week 9:

Week 13:

3) Demonstrated proficiency in both loading and unloading:

Week 4:

Week 9:

Week 13:

4) Working regular rotating shift:

5) Level 5 Procedure Training:

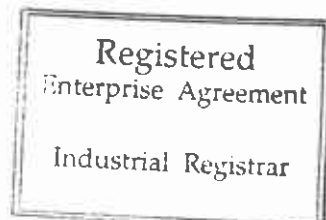
PM-OP-03

PM-OP-01

LEVEL 5 COMPLETION SIGN OFF

Colleague:

Team Leader:



PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 5 - Explanatory Notes

Minimum time required to be spent at this stage - 3 months.

1. Demonstrate ability to read and interpret formulations including ability to identify product:

This level tests the ability of the employee to interpret formulations by requiring the employee to write up a formulation and pick the required raw materials. QA will check their formula recording as well as their ability to pick the correct raw material. In addition, this stage involves not only identifying the correct raw material, but also ensuring that good stock rotation is being practiced and that the oldest product was selected. *Employee reviewed regularly and specifically at week 4, week 9 and week 13.*

2. Production recording has been reviewed for correctness and accuracy:

This section tests the ability of the employee to autonomously fill out the production book accurately, neatly and consistently over the three month period of being a Level 5. The employee should also review work instruction PM-WI-03 to ensure that the task is being completed correctly. *Employee reviewed regularly and specifically at week 4, week 9 and week 13.*

3. Demonstrated proficiency in both loading and unloading:

Review the employees ability in loading and unloading throughout the period the employee is at Level 5 ensuring the employee demonstrates a thorough knowledge of the process. This is to be completed in conjunction with a review of procedures originally covered in Level 6, being PM-OP-02 (Loading the mixer) and PM-OP-03 (Filling and Closing the Bag). *Employee reviewed regularly and specifically at week 4, week 9 and week 13.*

4. Working regular rotating shift:

At Level 5, an employee has had adequate experience to be in a position to undertake rotating shift work. This is a condition of employment and the employee is obliged to work any shift specified in the roster.

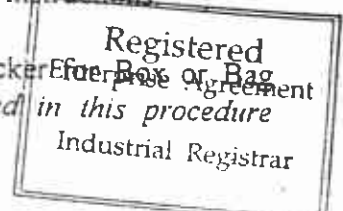
5: Undertake Level 5 procedural training:

Understand how the Operational Procedures relate to the Work Instructions. *Employee trained in this procedure immediately upon commencing Level 5.*

Be able to carry out the Work Instructions relating to the Operational Procedures stated in Level 6. *Employee reviewed continuously throughout Level 5.*

Be able to correctly carry out the following procedures and related work instructions:

1. PM-OP-03 Filling and Closing the Bag or Box, 6 B. Manual Packer For Box or Bag Weights up to 25 kg, 6.C. Filling Bulker Bags. *Employee trained in this procedure immediately upon commencing Level 5.*



2. PM-OP-01 Raw Material Collection and Measurement. Complete procedure. *Employee trained in this procedure immediately upon commencing Level 5.*

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**AN EMPLOYEE CANNOT PROGRESS TO LEVEL 4 WITHOUT SUCCESSFULLY
COMPLETING ALL OF THE ABOVE REQUIREMENTS!**



SERROL INGREDIENTS
PRODUCTION EMPLOYEE TRAINING SCHEDULE
LEVEL 4

COLLEAGUE NAME: _____

TEAM LEADER'S NAME: _____

Starting Date at Level 4: _____

Finishing Date at Level 4: _____

*Leaders
Initial*

Date

Obtain Forklift Licence and demonstrate safe driving:

Demonstrate knowledge of and adherence to stocktake procedure and accuracy:

Demonstrate thorough working knowledge of both Machine A & B:

Demonstrate knowledge of and adherence to safety procedures:

Complete the Train the Trainer course:

Level 4 Procedure Awareness Training:

PM-OP-07

<i>Leaders Initial</i>	<i>Date</i>
<input type="text"/>	_____
<input type="text"/>	_____
<input type="text"/>	_____
<input type="text"/>	_____
<input type="text"/>	_____
<input type="text"/>	_____
<input type="text"/>	_____

LEVEL 4 COMPLETION SIGN OFF

Colleague: _____

Team Leader: _____



PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 4 - Explanatory Notes

Minimum time required to be spent at this stage - 6 months.

1. Obtain Forklift Licence and demonstrate safe driving:

Employee must obtain forklift licence and demonstrate adherence to site safety procedures.

2. Demonstrate knowledge of and adherence to stocktake procedure and stocktake accuracy:

The employee's adherence to stocktake instructions are to be reviewed by their leader. Furthermore, stocktake accuracy will also be reviewed over several months and assessment made. If the person is having numeracy problems, numeracy training will be provided through formal education. If the problem is based on product specific identification problems, further familiarisation with the product will be required and proceeding to the following level will not be permitted until this has been achieved.

3. Demonstrate thorough working knowledge of both Machine A & B:

Leader to review employees performance in operating machine A & B in both packing and loading in line with procedures PM-OP-03 Filling and Closing the Bag or Box and PM-OP-02 Loading the Mixer, whereby the employee demonstrates adherence to these procedures and a thorough working knowledge of them.

4. Complete the Train the Trainer course:

A fully qualified Level 4 employee, on completion of the Train the Trainer course, will be able to be the "buddy" for new Level 6 employees.

5. Undertake Level 4 Procedure Awareness Training:

Be able to correctly carry out the following procedures and related work instructions:

- PM-OP-07 Mixing in the Small Factory Mixer. Employee trained in this procedure immediately upon commencing Level 4.

AN EMPLOYEE CANNOT PROGRESS TO LEVEL 3 WITHOUT SUCCESSFULLY COMPLETING ALL OF THE ABOVE REQUIREMENTS!





SERROL INGREDIENTS PRODUCTION EMPLOYEE TRAINING SCHEDULE LEVEL 3

COLLEAGUE NAME:

TEAM LEADER'S NAME:

Starting Date at Level 3:

Finishing Date at Level 3:

Leaders
Initial

Date

Undertake and Obtain First Aid Certificate:

Undertake QC training: No. 1 x 1 week

Undertake QC training: No. 2 x 1 week

Undertake and complete store training:

Undertake Supervisors course:

Level 3 Procedure Awareness Training: QAM-OP-01 - QAM-OP-09

PM-OP-04

PM-OP-05

PM-OP-06

PM-OP-08

PM-OP-09

LEVEL 3 COMPLETION SIGN OFF

Colleague:

Team Leader:

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PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 3 - Explanatory Notes

Minimum time required to be spent at this stage - 12 months.

1. Undertake and complete First Aid Certificate:

The employee is required to hold a First Aid Certificate. This is to be obtained by attending a course run by St Johns Ambulance.

2. Undertake QA training for two 1 week sessions:

The objective of this training phase is to highlight the importance of quality and to give employees an understanding as to why we undertake such levels of quality assurance. The program will consist of the following:

- In Line Production - reviewing formulation boards, loading, scales and packaging.
- Raw Materials - reviewing labels, weight, and quantity;
- Weigh up - review scales, print out on scale, and correct quantity;
- Finished Products - review correct batch number's and dates, bag colour and type, pallet stacking, finished goods QA testing, and product passing process;
- Production Book - review of correct product name and code, batch numbers and date, mix, yield and bag colour and type;
- Label printing - understand and train in use of label printing software and printer, reviewing correct product name and quantity;
- Production Procedure - training in and review of all production procedures in order to be qualified to conduct reviews;
- Raw Materials Specification - training in raw material specifications, raw material moisture and sieve analysis.

3. Undertake and complete store training:

Employees are required to undertake an in - house training program in all receipting and despatching documentation, order picking, batch recording, pallet control and addressing transport queries. This is to be done in conjunction with procedures PM-OP-04, PM-OP-05, PM-OP-06, PM-OP-08, and PM-OP-09.

4. Undertake supervisors course:

Employees are required to undertake a "Supervisor in the Food Plant" course run by an appropriate training body.

5. Level 3 procedure awareness training:

Level 3 procedure training consist of two major areas. Firstly, the employee is to have a basic understanding of the Quality Assurance Procedures QAM-OP-01 through to QAM-OP-09. Employee trained in this procedure during QA 4 week training session.

Secondly, the employee should be able to adhere to the following procedures and related work instructions:

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1. **PM-OP-04** Pallet Stacking, Wrapping and Storage. *This is to be reviewed by the supervisor constantly through the period the employee is at Level 3.*
2. **PM-OP-05** Dispatching Finished Product. *Employee trained in this procedure on becoming a Level 3 and reviewed continuously.*
3. **PM-OP-06** Receiving Raw Materials. *Employee trained in this procedure on becoming a Level 3 and reviewed continuously.*
4. **PM-OP-08** Control of Bulka Bags. *Employee trained in this procedure on becoming a Level 3 and reviewed continuously.*
5. **PM-OP-09** Control of the Batch Number through Production. *Employee trained in this procedure on becoming a Level 3 and reviewed continuously.*



**AN EMPLOYEE CANNOT PROGRESS TO LEVEL 2 WITHOUT SUCCESSFULLY
COMPLETING ALL OF THE ABOVE REQUIREMENTS!**



SERROL INGREDIENTS
PRODUCTION EMPLOYEE TRAINING SCHEDULE
LEVEL 2

COLLEAGUE NAME:

TEAM LEADER'S NAME:

Starting Date at Level 2:

Finishing Date at Level 2:

*Leaders
Initial*

Date

Undertake in house computer training for the Inventory System:

Undertake advanced warehousing and distribution training:

Undertake Advanced Supervision Course:

Undertake Production Planning course and on site training:

OH & S training course as provided by WorkCover

Level 2 Procedure Awareness Training:

PM-WI-04

PM-WI-09

PM-WI-12

PM-WI-17

PM-WI-19

LEVEL 2 COMPLETION SIGN OFF

Colleague:

Team Leader:



PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 2 - Explanatory Notes

Minimum time required to be spent at this stage - 12 months.

1. Undertake in house computer training for the Inventory System:

This area of training will consist of two separate half day sessions based on use of the mainframe computer and accessing inventory data. The training will cover the following areas:

- ◆ Introduction to the mainframe and Fact software;
- ◆ Inventory system menus identifying what information is available;
- ◆ Inventory reporting available;
- ◆ Inventory movements covering ability to monitor current and present stock levels;
- ◆ Inventory analysis.

These two half day training sessions will be followed up by hands on operation together with the IT Manager.

2. Undertake advanced warehousing and distribution training:

The objective of this training is to enhance the store function beyond simply receipting and despatching stock, by increasing the employees skill in areas of stock rotation and store organisation. This objective will be met through completion of a "Warehouse Materials Handling Course" run by TAFE for a period of 6 weeks, followed by a review over a period of 8 weeks following completion of the course in the performance of the employee. This review may only be conducted by a Level 1 employee or the Production Supervisor.

3. Undertake Advanced Supervision course:

The employee will be required to undertake a "Supervisors - Management Skills for Supervisors" training seminar run by Food Industry Training or an equivalent training body. Following this, the employee will be reviewed in four brackets of 2 week sessions operating as a Shift Leader.

4. Undertake Production Planning course and on site training:

The employee will be required to undertake a "Production Planning" course run by the AIM or an equivalent training body. On completion of the training, the employee will be required to spend four brackets of four weeks at a time completing the production planning in conjunction with a Level 1 employee or the Production Supervisor.

5. OH & S training course as provided by WorkCover:

The objective here is that in order to be an effective Leader, the employee should have a strong understanding of OH & S requirements in the plant. Accordingly, the employee is required to attend a four day course on OH & S as specified by WorkCover. This would also give the employee the opportunity to participate on the OH & S Committee.

6. Level 2 Procedure Awareness training:

The employee at this level is not only required to demonstrate a strong knowledge of procedures but also have the ability to participate in writing Operational Procedures and initiate changes to existing procedures.

Furthermore, the Level 2 employee is required to supervise other staff to ensure all procedures are correctly adhered to.

In addition to procedures and work instructions already covered, the employee will be required to demonstrate a strong knowledge of, and ability to adhere to, the following work instructions:

1. *PM-WI-04 Production Pre Start Safety Checks. The employee is to be shown this work instruction upon becoming a Level 2 and will be constantly reviewed.*
2. *PM-WI-12 Operation of Closed Bag Metal Detector. The employee is to be shown this work instruction upon becoming a Level 2 and will be constantly reviewed.*
3. *PM-WI-17 Operation of Automatic In - Line Metal Detectors. The employee is to be shown this work instruction upon becoming a Level 2 and will be constantly reviewed.*
4. *PM-WI-19 Changing the Flo - veyer Cable. The employee is to be shown this work instruction upon becoming a Level 2 and will be constantly reviewed.*

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**AN EMPLOYEE CANNOT PROGRESS TO LEVEL 1 WITHOUT SUCCESSFULLY
COMPLETING ALL OF THE ABOVE REQUIREMENTS!**

**SERROL INGREDIENTS
PRODUCTION EMPLOYEE TRAINING SCHEDULE
LEVEL 1**

COLLEAGUE NAME: _____

TEAM LEADER'S NAME: _____

Starting Date at Level 1: _____

Finishing Date at Level 1: _____

*Leaders
Initial*

Date

Undertake training in advanced computer literacy - spreadsheet:

Undertake Advanced Production planning and scheduling training on site:

Ability to interface with management and participate in management meetings:

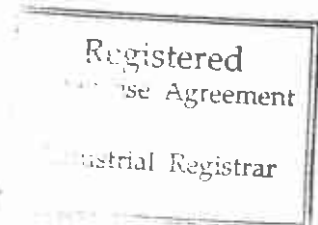
Level 1 Procedure Awareness Training: QAM-OP-10 - QAM-OP-14

Continue Revision

LEVEL 1 COMPLETION SIGN OFF

Colleague: _____

Team Leader: _____



PRODUCTION EMPLOYEE TRAINING SCHEDULE

LEVEL 1 - Explanatory Notes

1. Undertake training in advance computer literacy:

The objective of this training is to give the employee computer literacy skills in basic spreadsheeting and word processing to assist the employee in workflow ability as well as generating useful information in a standard format.

2. Undertake advanced production planning and scheduling training on site:

The training for this session involves the employee being given complete responsibility for the production planning process. This will require the employee not only to schedule production but also interface with Logistics staff as to materials requirement. Training for advanced production planning will be conducted and reviewed by the Production Supervisor, however the essence of this area is more autonomy with the trainer only giving guidance as and when required.

3. Ability to interface with management and attend management meetings:

The Level 1 employees will be invited to attend meetings to give their input into the site decision making process and familiarise themselves with the organisational direction and goals.

4. Level 1 Procedure Awareness training:

The employee will be required to revise all Operational Procedures and Work Instructions on a regular basis and to initiate any alterations required. In addition, the employee would be expected to advise the Production Manager when new procedures or work instructions are required.

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10. CONDITIONS OF EMPLOYMENT

Unless otherwise determined by agreement in accordance with Clause 8, Workplace Consultation, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991

A. ENGAGEMENT

i) Subject to the following conditions the engagement of all employees under this Agreement shall be on the basis of either weekly employment (which includes part-time employees) or casual employment. Employees shall be notified prior to engagement under which category they are employed.

i) When there is a job vacancy in the factory, the position will be advertised in the factory area as well as in an external add. If there is a suitable qualified person already on site who applies for the position, the existing employee will be given preference when selecting the new employee to fill the position. The final selection will recognise the need for the Company to employ the best person for the job.

iii) Where an external appointment is made, the Company shall be entitled to employ a person with a higher level of skill than a Level 6 employee to fill the vacant position. It is agreed between the parties that this arrangement is necessary to enable the continuation of a competent and highly skilled workforce.

iv) It is at the discretion of the Company to decide if a terminating employee will be replaced with an employee of the same or a different level of skill.

v) As there are employees working in areas not covered by the details in the 6 levels, the following positions will still have an opportunity to move up to their next level.

- The storeman and receiving operator need to work in levels 4 or 3. It is considered necessary that they have an acceptable level of understanding for the receipt of raw materials and dispatch of Serrol products.
- The general hand would work in the levels of 6, 5 or 4.

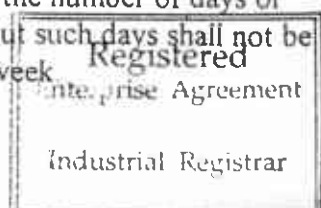
The supervisor of the above positions would monitor their work input and after the designated period of time, as stated for the machine operators, could be considered for promotion.

(a) Weekly Employees (Including Part-time Employees)

(i) Probationary Period of Employment

All new weekly employees (which includes part-time employees) shall be employed under a probationary period of three months commencing from the date of engagement. During this period a new employee will be properly instructed on the tasks and requirements of the position to be filled. During the probationary period employment shall be on a day to day basis and the employee's employment may be terminated by either the Company or the employee at the end of any day or shift without notice.

- (ii) A "part-time employee" shall mean an employee who is employed on a weekly basis to work regular days and regular hours, either of which are less than the number of days or hours worked by full-time weekly employees employed at a site, but such days shall not be less than 2 per week and such hours shall not be less than 16 per week.



- (iii) The number of part-time employees that may be employed at a site shall not exceed the proportion of one part-time employee to every four or portion of four full-time weekly employees employed under this Agreement.
- (iv) A part-time employee shall be paid per hour one thirty-eighth of the weekly rate prescribed for full-time employees for the classification in which he or she is employed.
- (v) The spread of ordinary hours of part-time employees shall be the same as that applicable to full-time weekly employees in the section of the establishment in which they are employed. The number of ordinary hours worked shall not on any day exceed the number of ordinary hours of weekly employees in the section in which the employee is employed and shall not in any week exceed the number of hours of weekly employees in the section without the payment of overtime.
- (vi) Subject to the provisions set out in this subclause, all of the provisions of this Agreement shall apply to a part-time employee.

(b) Casual Employees

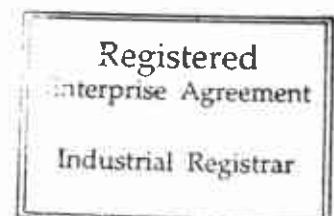
- (i) The rate of pay for casual employees shall be the Level 6 rate plus 20 per cent. Where a casual employee works on any day Monday to Friday in excess of the number of ordinary hours worked by weekly employees in the establishment the rate of pay for working such excess hours shall be time and a half for the first two hours and double time thereafter and such rate shall not include the casual loading.
 - (ii) The rate of pay for work performed by casual employees on Saturdays, Sundays and Public Holidays shall be the Level 6 rate plus 20 per cent. Weekend penalty rates for casual employees will only apply once they have worked in excess of 38 ordinary hours during a normal pay week.
- (c) Except as provided by Clause 19, Sick Leave, employees shall not be entitled to be paid full weekly wages unless they are ready, willing and available to work during the ordinary hours of the week prescribed by this Agreement.

B. TERMINATION

(a) Weekly Employees (Including Part-time Employees)

Employment shall be terminated by the Company or the employee giving the notice period set out below at any time during the week or by the payment or forfeiture of wages instead of such notice as the case may be.

Employee's Period of Continuous Service With the Company	Period of Notice
Not more than 1 year	1 week
More than 1 year but not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks



The period of notice to be given by the Company shall be increased by one week if the employee is over 45 years old and has completed at least 2 years continuous service with the Company.

Notice shall not be given to an employee at the time of commencing his/her annual holidays or long service leave or during the currency of such holidays or leave.

b) Casual Employees

Employment shall be terminated by one hour's notice on either side given at any time during the week or by payment or forfeiture of one hour's ordinary pay as the case may be.

(c) Instant Dismissal

These provisions shall not affect the right of the Company to dismiss any employee without notice for serious and wilful misconduct, and in such cases, the wages shall be paid up to the time of dismissal only.

11. HOURS OF DUTY

Unless otherwise determined by agreement in accordance with Clause 8, Workplace Consultation, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991.

(a) Ordinary Hours of Work - Day Work

(i) Except as provided elsewhere in this clause, ordinary working hours for day workers shall not exceed an average of 38 per week to be worked between 6.00 am and 6.00 pm, Monday to Friday on one of the following bases:-

- (1) 38 hours within a work cycle of one week
- (2) 76 hours within a work cycle of two weeks
- (3) 114 hours within a work cycle of three weeks
- (4) 152 hours within a work cycle of four weeks

Different methods of implementation of a 38 hour week may apply to various groups or sections of employees in the establishment concerned.

- (ii) In the absence of agreement the ordinary working hours are not to exceed ten on any day to be worked between 6.00 am and 6.00 pm.
- (iii) By agreement between the Company and an individual or between the Company and the majority of employees concerned, the ordinary hours of work can be worked at any time on any day of the week, Saturday and Sunday inclusive.
- (iv) Where the ordinary hours of an employee performed on a Saturday in accordance with section (a) (iii), the employee shall be paid for such hours at the rate of time and one half for the first two hours and double time there after.
- (v) Where the ordinary hours of an employee performed on a Sunday in accordance with section (a) (iii), the employee shall be paid for such hours at the rate of double time.
- (vi) An unpaid meal break shall be allowed for a minimum of half an hour or such other period as may be agreed upon between the Company and an employee or between the Company and the majority of employees concerned. An employee shall not be required to work for more than five ordinary hours without a meal break unless otherwise agreed, provided that the time of taking a meal break for a particular day may be varied to meet the needs of the establishment. If a meal break is not given within six hours an employee shall be paid at time and one half rates until a meal break is allowed.

(vii) When employees are required to work on a scheduled Rostered Day Off (RDO), they will be paid for the RDO already worked and they will be offered the choice of either:

a) Take another day off that is agreed to by the employee and the employer

OR

b) Be paid at normal overtime rates - see 12. (a) (i).

(b) Ordinary Hours of Work - Shift Work:

It is accepted by the employees that in circumstances where market demand for the Company's products warrant the establishment of a shiftwork system to achieve increased production the Company is entitled to introduce shiftwork.

The Terms and conditions to apply to shiftwork employees shall be determined by agreement in accordance with the consultative processes prescribed by Clause 8, Workplace Consultation.

In any such agreement it is recognised that the ordinary hours of work for shift workers shall not exceed an average of 38 ordinary hours per week in a 52 week period.

The employees and/or the Union may not unreasonably withhold consent to the introduction of shiftwork.

Employees will maintain current flexibility for shift rotation.

Should the parties be unable to resolve any issues associated with the introduction of shiftwork, the matter shall be dealt with in accordance with Clause 23, Grievance and Disputes Procedure, of this Agreement.

12. OVERTIME

Unless otherwise determined by agreement in accordance with Clause 8, Workplace Consultation, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991.

- (a) (i) All work done by weekly employees outside the ordinary hours of work shall be overtime and shall be paid for at the rate of time and one half for the first 2 hours and double time thereafter. Provided that in respect of overtime worked on a Saturday payment shall be made at the appropriate overtime rate as for a minimum of 3 hours worked. In the computation of overtime each day shall stand alone.
- (ii) A weekly employee shall not be paid overtime for work on any day until the employee has worked the equivalent of his/her ordinary hours for the day. This provision is intended to apply in circumstances where employees are late for work or are unlawfully absent during the day.
- (b) Where, after having left his/her place of employment, a weekly employee is recalled to work from home, the employee shall be paid for at least three hours work at the appropriate rate, except where such recall occurs within two hours of the employees normal commencement time. In such a case employees shall be paid overtime rates until the normal commencement time and then ordinary rates shall be payable.



- (c) A weekly employee who works so much overtime between the termination of the ordinary hours of work on one day or shift and the commencement of the ordinary hours of work on the next day or shift that he/she has not had at least ten consecutive hours off duty between those times shall, subject to this sub-clause, be released after completion of such overtime until he/she has had ten consecutive hours off duty without loss of pay for ordinary working time occurring during such absence. If on the instructions of the Company such an employee resumes or continues work without having had such ten consecutive hours off duty, he/she shall be paid at double ordinary rates until he/she is released from duty for such period, and he/she shall then be entitled to be absent until he/she has had ten consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.

The provisions of this sub-clause shall apply as if 8 hours were substituted for 10 hours when overtime is worked due to a breakdown in machinery/equipment.

- (d) Overtime will be offered to permanent employees in preference to casual employees.

(e) Standing By

An employee required by the Company to hold him/herself in readiness for call back to work shall be paid "stand by" time at single ordinary rates of pay from the time the employee is required to so hold him/herself in readiness until released by the Company from the requirement to "stand by".

(f) Reasonable Overtime

The Company may require an employee to work reasonable overtime at overtime rates and such employee shall work overtime in accordance with such requirement.

(g) Time Off in lieu of Overtime, Call Back, Sunday and Holiday Work

Time off in lieu of payment of overtime, call back, Sunday and holiday work may be taken by an employee. The amount of time off shall be calculated on the basis of the appropriate penalty rate. This alternative to the payment of penalty rates shall only apply by agreement between the Company and the employee concerned.

(h) Crib Times and Meal Allowances

- (i) An employee required to work more than two hours overtime immediately before or immediately after his/her ordinary hours of work on any day or shift shall be allowed a crib time of twenty minutes, payable at ordinary rates, upon completion of two hours overtime; an employee required to continue to work overtime after his/her first crib time shall be allowed a further crib time of twenty minutes, payable at overtime rates, at the end of each further four hours of overtime worked, provided that an employee shall not be entitled to any particular crib time prescribed unless the employee is required to continue to work overtime after any such crib time.

- (ii) An employee required to return to the site to work overtime shall be allowed a crib time of twenty minutes upon completion of each four hours overtime worked which shall be paid for at overtime rates; provided further an employee shall not be entitled to any particular crib time prescribed unless the employee is required to continue to work overtime after any such crib time.

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- (iii) The Company and an employee may agree to any variation of the above crib time provisions to meet the circumstances of the work in hand which is not less favourable to the employee and which will not require the Company to pay in excess of twenty minutes at the appropriate rate for the prescribed crib time.
- (iv) In addition to the crib times allowed in accordance with this sub-clause the employee shall be paid a meal allowance of \$7 84 for each crib.
- (i) "Ordinary Rates"
The expression "ordinary rates" means the single time rate of wage payable to an employee during ordinary hours of work

13. SUNDAY AND HOLIDAY RATES

(a) Work on a Holiday

A weekly employee shall be paid for work on a holiday at the rate of double time and one half.

(b) Work on a Sunday

A weekly employee required to work outside his/her ordinary hours of work on a Sunday shall be paid for such work on a Sunday at the rate of double time.

(c) Weekly employees required to work on Sunday or holidays shall be paid for a minimum of three hours' work. This sub-clause shall not apply to ordinary hours of work performed on a Sunday or Holiday.

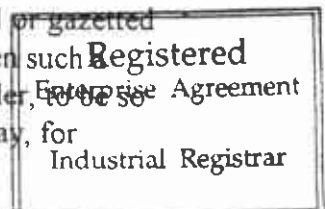
(d) An employee working on a Sunday or a Public Holiday shall be allowed a crib time of twenty minutes without deduction of pay after each four hours of work, if the employee continues to work after such crib time. Provided further that the employer and the employee may agree to any variation of the above crib time provisions to meet the circumstances of the work in hand which is not less favourable to the employee and which will not require the employer to pay in excess of twenty minutes at the appropriate rate for the prescribed crib time.

(e) Clause (d) shall not apply to ordinary hours of work performed on a Sunday or Holiday.

14. PUBLIC HOLIDAYS

(a) (i) Weekly employees shall be entitled to the following holidays without deduction of pay, provided that if any other day be by a State Act of Parliament or a State Proclamation substituted for any of the said holidays the day so substituted shall be observed in lieu thereof: New Year's Day; Australia Day; Good Friday; Easter Saturday; Easter Monday; Anzac Day; Queen's Birthday; Eight Hour Day or Labour Day; Christmas Day and Boxing Day.

(ii) Where an additional holiday is proclaimed or gazetted by the authority of the Commonwealth Government or the State Government and such proclaimed or gazetted holiday is to be observed generally by persons throughout the State, or when such proclaimed or gazetted day is, by any required judicial or administrative order, to be observed throughout the State, then such day shall be deemed to be a holiday, for employees covered by this Agreement.



- (b) The Company and the majority of employees or the Company and an individual employee may substitute another day for the above mentioned holidays and work on the prescribed public holiday will then be at single ordinary rates.
- (c) Any work performed on such a holiday shall be paid for pursuant to Clause 14, Sunday and Holiday Rates, of this Agreement.
- (d) Provided that each such holiday shall be of 24 hours and shall commence on the day of the holiday at 7 am. or whatever is the normal time of starting the day work and shall end at the same time on the following day. Time worked between midnight and such normal starting time on the day of the holiday shall not be paid at holiday penalty rates.
- (e) In the case of any employee who, through no fault of his/her own, is discharged within two weeks before any public holiday or holidays and re-engaged within one week after such holiday or holidays, or is discharged within one week before any holiday or holidays and re-engaged within two weeks after such holiday or holidays, such employee shall be entitled to payment for such holiday or holidays.
- (f) Where an employee is absent from his/her employment on the working day before or the working day after a holiday without reasonable excuse or without a medical certificate in the case of sickness or without the consent of the Company, the employee shall not be entitled to payment for such holiday.

15. PAYMENT OF WAGES

Unless otherwise determined by agreement in accordance with Clause 8, Workplace Consultation, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991.

- (a) (i) Employee who actually works 38 ordinary hours each week

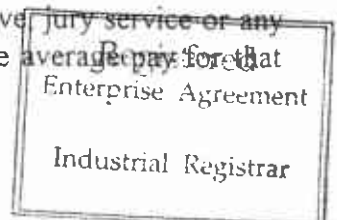
In the case of an employee whose ordinary hours of work are arranged so the he/she works 38 ordinary hours each week, wages shall be calculated according to the actual ordinary hours worked each week.

- (ii) Employee who works an average of 38 ordinary hours each week

In the case of an employee whose ordinary hours of work are arranged so that he/she works an average of 38 ordinary hours each week during a particular work cycle, wages shall be calculated according to a weekly average of ordinary hours worked even though more or less than 38 ordinary hours may be worked in any particular week of the work cycle.

- (b) Absences from duty

- (i) An employee who works an average of 38 ordinary hours each week and is absent from duty (other than for public holidays, paid sick leave, bereavement leave, jury service or any other form of paid leave) shall, for each day he/she is so absent, lose average pay for that day calculated by dividing the average weekly wage rate by 5.



- (ii) When an employee is absent from duty for a whole day (other than for public holidays, paid sick leave, bereavement leave or jury service leave or any other form of paid leave) the employee will not accrue a 'credit' because the employee would not have worked ordinary hours that day in excess of 7 hours 36 minutes for which he/she would otherwise have been paid. Consequently, during the week of the work cycle in which the employee is to work less than 38 ordinary hours the employee will not be entitled to average pay for that week. In that week, the average pay will be reduced by the amount of the 'credit' the employee does not accrue for each whole day during the work cycle the employee is absent.

The amount by which an employee's average weekly pay will be reduced when the employee is absent from duty (other than on public holidays, paid sick leave, bereavement leave, jury service or any other form of paid leave) is to be calculated as follows:

$$\frac{\text{Total of 'credits' not accrued during cycle} \times \text{average weekly pay}}{38}$$

(c) Timing of Payment

Wages shall be paid on a weekly basis.

(d) Method of Payment - Payment by Electronic Funds Transfer

Employees will be paid wages by direct transfer into a bank (or other recognised financial institution) account.

New employees will be advised that payment of wages by direct transfer will apply from the commencement of employment and an authority to do so will be obtained from the employee at the time of commencing employment.

(e) Termination of Employment

Upon termination of the employment wages due to an employee shall be paid by direct transfer at the end of the final shift and upon return of all company clothing.

16. JURY SERVICE

An employee required to attend for jury service during his/her ordinary working hours shall be reimbursed by the Company an amount equal to the difference between the amount paid in respect of his/her attendance for such jury service and the amount of wage the employee would have received in respect of the ordinary time that would have been worked had the employee not been on jury service.

An employee shall notify the Company, as soon as possible, of the date upon which he/she is required to attend for jury service. Further, the employee shall give the Company proof of his/her attendance, the duration of such attendance and the amount received in respect of such jury service.

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17. AMENITIES

The amenities provided by the Company to the employees shall be as agreed by the WCC and this Agreement will ensure the provision of boiling water at meal times; wholesome, cool drinking water; adequate showers, washing and sanitary conveniences; suitable locker facilities; dining room accommodation with a food heating appliance and a refrigerator.

18. ANNUAL LEAVE

- (a) See Annual Holidays Act (NSW).
- (b) (i) During a period of annual leave an employee shall receive an annual leave loading calculated on the rate of wage prescribed by Clause 9 of this Agreement;
- (ii) The loading shall be 17½ per cent for an employee who would have worked on day work had he not been on leave.
- (iii) The loading shall not apply to pro-rata leave payments on termination.

19. SICK LEAVE

Unless otherwise determined by agreement in accordance with Clause 8, Workplace Consultation, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991.

- (a) An employee who is absent from work by reason of personal illness or injury, not being illness or injury arising from the employee's misconduct or default or from an injury arising out of or in the course of employment, shall be entitled to leave of absence, without deduction of pay, subject to the following conditions and limitations:
- (i) An employee shall not be entitled to paid leave of absence unless he/she has been in the service of the Company for at least three months immediately prior to such absence.
- (ii) An employee shall not be entitled to paid leave of absence for any period in respect of which the employee is entitled to Workers' Compensation.
- (iii) An employee shall notify the Company as early as possible of his inability to attend for duty. Where practicable this shall be done within two hours of the commencement of work and in any event such notification shall be made within eight hours of the commencement of the absence.
- (iv) An employee shall furnish to the Company a full medical certificate stating that he/she was unable by reason of illness or injury, to attend for duty on the day or days for which sick leave is claimed.
- (v) An employee shall not be entitled during the first year of service to leave in excess of 38 hours of ordinary working time and not more than 76 hours in respect of subsequent years of service.

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- vi) During the first six months of employment the Company shall not be liable to pay the employee for more than three and one third hours absence owing to ill health or accident in respect of each completed month of employment.
 - vii) Notwithstanding the above, a weekly employee will be entitled to not less than one (1) weeks sick leave on full pay for each year of service.
- (b) The rights under this clause shall accumulate from year to year so long as the employment continues with the Company so that any part of sick leave which has not been allowed in any one year may be claimed by the employee and shall be allowed by the Company, subject to the conditions prescribed by this clause, in subsequent year of continued employment. Any rights which accumulate, pursuant to this sub-clause, shall be available to the employee for a period of twelve years, but for no longer, from the end of the year in which they accrued.
- (c) For the purposes of this clause continuous service shall be deemed not to have been broken by:
- (i) any absence from work on leave granted by the Company; or
 - (ii) any absence from work by reason of personal illness, injury or other reasonable cause, proof whereof shall in each case be upon the employee.
- (d) Service before the date of coming into force of this clause shall be counted as service for the purpose of assessing the sick leave entitlement in any year under paragraph (e) of sub-clause (i) of this clause, but shall not be taken into consideration in arriving at the period of accumulated leave.
- (e) Accumulated sick leave at the credit of an employee at the commencement of this Agreement shall not be affected nor reduced by the operation of this clause.

20. BEREAVEMENT LEAVE

(a) Death within Australia

A weekly employee shall on the death within Australia of a wife, husband, father, mother, brother, sister, child or step-child be entitled on notice to leave up to and including the day of the funeral/service of such relative, and such leave shall be without the deduction of pay for a period not exceeding the number of hours worked by the employee in three ordinary days work. A weekly employee shall on the death within Australia of an employee's mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchild, grandmother or grandfather, be entitled to leave without deduction of pay for a period not exceeding the number of hours worked by the employee in one ordinary day's work.

Evidence of such death shall be furnished by the employee to the satisfaction of the employer.

For the purpose of this clause "wife" and "husband" shall not include the wife or husband from whom the employee is separated, but shall include a person who lives with the employee as a de facto wife or husband.

(b) Death outside Australia - Funeral/service overseas

The provisions of subclause (a) shall apply upon the death outside Australia of any of the nominated relatives upon the production of satisfactory evidence of the death and evidence of the employee's travel outside of Australia to attend the deceased's funeral/service.

(c) Death outside Australia - service locally

Where any of the relatives nominated in subclause (a) dies outside Australia and a weekly employee does not travel outside Australia to attend the funeral/service, such employee shall be entitled to leave not exceeding the number of hours worked by him on one ordinary day's work for the purpose of attending a local service for the deceased. Evidence of the death and evidence of attendance at the service shall be furnished by the employee to the satisfaction of the employer.

(d) This clause shall have no operation where an entitlement to bereavement leave coincides with any other period of paid absence.

21. ANNUAL PICNIC DAY

Each employee shall be entitled to one day of leave with pay, between the 1st of October and the 31st December each year for the annual Picnic Day. The day taken, by only one employee per shift, shall be mutually agreeable to the employee and the Company.

22. REDUNDANCY**(a) Definition Of Redundancy**

An employee's position is redundant where the Company has made a definite decision that it no longer wishes the job an employee has been doing to be done by anyone at the Wetherill Park site (and this is not due to the ordinary and customary turnover of labour) and that decision leads to termination of employees employment.

(b) Redundancy Payments

A weekly employee employed by the company for more than three months whose employment is terminated by the Company and who is made redundant shall receive at the time of his or her termination payments calculated in accordance with the following:-

1. Severance Payment

A severance payment of 4 weeks ordinary pay.

The amount of severance payment will be increased by one week if the employee is over 45 years old and has completed at least 2 years continuous service with the Company.

2. Redundancy Payment

Employees shall receive redundancy pay of 4 weeks ordinary pay for each completed year of service and pro-rata for partially completed years of service.

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3. Accrued Sick Payment

Employees shall receive payment for any accrued untaken sick leave at the date of the redundancy.

4. Maximum Payment

The maximum payment to be made to an employee as a consequence of the prescribed severance payment and redundancy payment shall be 75 weeks ordinary pay.

5. Ordinary Pay

"Ordinary Pay" shall mean an employees ordinary time rate of pay which is the sum of the employees award rate plus individual overaward payment payable in respect of the employees ordinary hours of work in a week plus any Enterprise Agreement increases paid.

6. Superannuation Payment

Superannuation entitlement will be calculated in accordance with the Goodman Fielder Superannuation Fund trust deed in operation at the time of redundancy.

(c) Other Benefits

Other benefits to be made available to employees who are to be made redundant shall be:-

Pro-rata long service leave payments shall be made to a weekly employee with 5 or more completed years of service with the Company.

An Annual Leave Loading of 17.5% shall be paid in relation to any unused period of annual leave due and in relation to pro-rata leave payments.

A redundant employee shall receive a written statement of service.

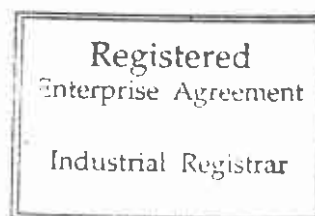
(d) Conditions of Agreement

The operation of this redundancy clause is subject to the following conditions being observed:

It is agreed between the parties that the severance payments and redundancy payments prescribed by this clause are in complete substitution for the provisions prescribed by any relevant Award or right under any relevant statute in relation to periods of notice of termination (or payment in lieu of such notice periods), severance payments and/or redundancy entitlements or payments.

The calculation of all other conditions of employment benefits not specifically dealt with by this clause will be made in accordance with the terms of the relevant award or Enterprise Agreement.

The parties recognise that casual employees do not have an entitlement to benefits prescribed by this clause.



(e) Selection Criteria**Principle of Selection Criteria**

It is agreed between the parties that there is a need to retain the most competent and highly skilled employees so as to maintain and enhance the Company's productivity, efficiency and profitability. The selection criteria set out below will be applied in recognition of this principle.

Application of the Principle of Selection Criteria.

The Company will identify the positions that are redundant within a section or department and the associated skill level. The employees within this identified group shall be known as the "affected employees". The Company will also identify the number of employees that are no longer required.

Employees employed in identified positions at the relevant skill level shall be entitled to volunteer for redundancy.

In circumstances where the correct number of affected employees volunteer, those employees shall be made redundant.

In circumstances where less than the correct number of affected employees volunteer, the volunteers shall be made redundant and the remaining number of employees to be made redundant shall be selected from among the remaining affected employees in accordance with the paragraph below so as to ensure the Company retains the most competent and highly skilled employees.

Where there are no volunteers from among the affected employees or where there are more volunteers from among the affected employees than are required then discussion will take place within the Consultative Committee to recommend the employees to be made redundant. Management will make the final decision to ensure that the most competent and skilled employees are retained.

23 LONG SERVICE LEAVE

See the Long Service Leave Act (NSW).

24. NOT TO BE USED AS A PRECEDENT

The Agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other plant, enterprise, business or company.

25. GRIEVANCE AND DISPUTES PROCEDURE

The parties to the Agreement shall observe the following Grievance and Disputes Procedure:

The aim of this procedure is to ensure that during the life of the Agreement, industrial grievances or disputes are prevented or resolved as quickly as possible at the level they occur in the workplace.

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When a dispute or grievance arises the following steps are to be followed:

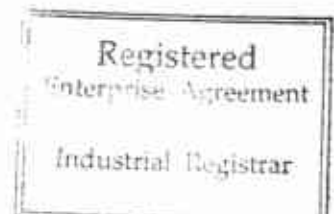
- Step 1.** The matter is discussed between the employee(s) and the supervisor involved. If the matter remains unresolved follow Step 2.
- Step 2.** The matter is discussed between the employee(s) (and the Union delegate if requested by either party) and the supervisor involved. If the matter remains unresolved follow Step 3.
- Step 3.** The matter is discussed between the employee(s), the Union delegate, the supervisor and the appropriate Department Manager. If the matter remains unresolved follow Step 4.
- Step 4.** The matter is discussed between the employee(s), the Union Delegate, the Department Manager and the Site Manager. If the matter remains unresolved follow Step 5.
- Step 5.** The matter is discussed between the Department Manager, the Site Manger, Union delegate and Union official. If the matter remains unresolved follow Step 6.

Where it is agreed by the parties, Steps 1-5 above may be conducted concurrently.

- Step 6.** Emphasis shall be placed on a negotiated settlement. However, if the negotiation process is exhausted without the dispute being resolved, the parties may either jointly or individually refer the matter to the Industrial Relations Commission of NSW (IRC) for assistance in resolving the dispute. The IRC will attempt to resolve the differences between the parties by means of conciliation. If, however, the conciliation process fails the IRC shall determine the matter by arbitration and the parties shall accept the IRC's decision, subject to their rights of appeal under the Act.

At any stage in the procedures after consultation between the parties has taken place in accordance with the procedures, either party may ask for and be entitled to receive a response to their representations within a reasonable time. If there is undue delay on the part of the other party in responding to representations, the party complaining of delay may, after giving notice of their intention to do so, take the matter to a higher level in the procedures on their side.

Except where a bona fide safety issue is involved, work shall continue while matters in dispute between them are being negotiated in good faith. Where a bona fide safety issue is involved, the employer and the appropriate Safety Authority must be notified concurrently or at least a bona fide attempt made to so notify that authority.



26. DISCIPLINARY PROCEDURE

The parties agree to observe the following means arrangements so as to ensure that disciplined employees are dealt with in a procedurally fair way:-

(a) Disciplinary Procedure - Relating to Poor Work Performance or Unsatisfactory Conduct

Without limiting the scope of application of this procedure "poor work performance or unsatisfactory conduct" shall include the following:-

- * Unacceptable work quality
- * Unsafe work practices
- * Wilfully failing to abide by reasonable and lawful directions
- * Excessive absenteeism
- * Abuse of sick leave entitlements

Where it is alleged an employee's work performance or conduct is of a poor or unsatisfactory standard the following procedure shall be adopted:-

(1) Interview Process and Discipline

An interview of the employees should be conducted by the Company's representative. It is appropriate for another member of management to be present as well as the Union delegate (if requested by the employee or the Company) or another nominated or responsible employee acceptable to the employee being disciplined.

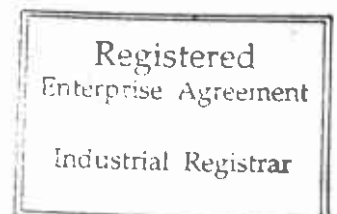
The employee shall be informed of the nature of the problem and shall be given a reasonable opportunity to defend himself/herself against the allegations and to explain his/her actions.

If the problem is not work related, efforts should be made to provide appropriate professional counselling or other outside assistance, where available.

If the problem is work related, certain details of the interview should be recorded, such as:-

1. Nature of the poor work performance or unsatisfactory conduct and the specific details.
2. Date/s of poor work performance or unsatisfactory conduct (if available).
3. Clarification of the improvements required of the employee to correct the problem and when the improvements are expected.
4. A warning which makes clear the consequences if the employee does not correct the the possible or definite termination of employment. The length of time that the warning will remain active will depend on severity of problem and shall be discussed and agreed to by all present.
5. A date to meet and review the employee's standard of performance.
6. Date and time of the interview.

A copy of this record should be supplied to the employee concerned.



(2) Further Disciplinary Action

If the warning resulting from the initial interview is unsuccessful a further interview similarly constituted should then take place.

At the time the parties should review the outcome of the first disciplinary interview and management should produce further evidence of the continued poor work performance or unsatisfactory conduct and the employee should be given a reasonable opportunity to explain his/her continued poor work performance or unsatisfactory conduct.

If the explanation is deemed unsatisfactory management may take disciplinary steps in relation to the employee.

Such disciplinary action may result in dismissal, however in some circumstances it may be appropriate that a further and final warning be given.

However in some less serious situations appropriate disciplinary measures may include:-

- * Relocation in the work place;
- * Restriction of Privileges;
- * Admonishments recorded on the employee's personal file

These forms of disciplinary measures may be either permanent or of a temporary nature, in which case previous entitlements may then be restored provided the employee's work performance or conduct has improved in the intervening period.

The employee may nonetheless be dismissed if any of these alternative disciplinary measures are found not to be a satisfactory solution

(b) Dismissal(1) Dismissal Following Disciplinary Procedure

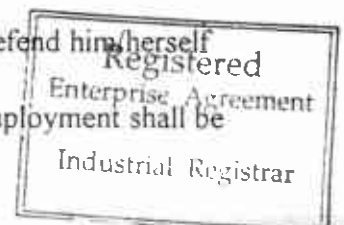
Where the Company makes the decision to dismiss an employee who has been the subject of this disciplinary procedure the employee shall be notified in writing of the dismissal and the reasons for it. The site Union delegate should be notified as soon as practicable if this course of action is to be taken.

(2) Dismissal for Serious Misconduct

The above procedures dealing with poor work performance or unsatisfactory conduct are not intended to interfere with the right of the Company to dismiss any employee without notice for serious misconduct that justifies instant dismissal.

In such circumstances the following procedure should be followed:-

1. An investigation should be conducted to establish the facts.
2. The employee shall be interviewed in the presence of another member of Management and be informed of the alleged misconduct.
3. The employee shall be given a reasonable opportunity to defend him/herself and to explain or refute the alleged misconduct.
4. If no reasonable explanation is presented the employees employment shall be terminated forthwith.



(c) Right of Representation

The Company accepts the right of employees, should they so desire, to be represented by the site Union delegate at each stage of the disciplinary procedure. An employee who does not belong to the Union may be accompanied by a colleague from the same section.

(d) Disciplinary Records

A formal written record of all disciplinary action will be retained in the employee's personal history record.

27. MONITORING AND RENEWAL OF AGREEMENT

The Workplace Consultative Committee shall continuously monitor the application of the Agreement to ensure its effective implementation and the achievement of the Agreed Objectives set out in Clause 6.

The parties agree that negotiations to review the Agreement will commence two months prior to the expiree date of the Agreement.

28. NO EXTRA CLAIMS

It is a term of this Agreement that the employees and the Union undertake for the duration of the Agreement, that they will not pursue any extra claims in wages or improved conditions of employment, except when consistent with the terms of the Agreement.

29. ENDORSEMENT OF AGREEMENT

The signatories below accept the terms of the Serrol Ingredients Enterprise Agreement on behalf of their organisations and endorse its terms and in so doing declare that the Agreement has not been entered into under duress by any party to it :-

Signed on the 14 day of JUNE 1998,

For and on behalf of **Serrol Ingredients, A Division Of Quality Bakers Australia Ltd:**

B E Smith

Signed on the 27TH day of MAY 1998,

For and on behalf of the **National Union Of Workers:**

R. Deaton

