

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA01/320

TITLE: Hawker Pacific Bankstown Airport Warehousing Enterprise Agreement 2001

I.R.C. NO: 2001/6971

DATE APPROVED/COMMENCEMENT: 5 November 2001/21 November 2001

TERM: 24 months

**NEW AGREEMENT OR
VARIATION: New. Replaces EA98/198.**

GAZETTAL REFERENCE: 30 November 2001.

DATE TERMINATED:

NUMBER OF PAGES: 14

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees of the Company employed as Storemen at its Warehouse operations at 112 Airport Avenue, Bankstown Airport, NSW

PARTIES: Hawker Pacific Pty Ltd -&- National Union of Workers, New South Wales Branch

ENTERPRISE AGREEMENT

1. TITLE

This Agreement will be known as the Hawker Pacific Bankstown Airport Warehousing Enterprise Agreement, 2001.

2. PARTIES

This Agreement is binding upon Hawker Pacific Pty Ltd, employees of the Company employed as Storeman at its Warehouse operations at 112 Airport Avenue, Bankstown Airport, NSW and the National Union of Workers', New South Wales Branch.

3. TERM OF AGREEMENT

This Agreement will operate from 21 November 2001 and will remain in force for a period of 24 months.

4. APPLICATION OF AWARD

Except as varied by this Agreement, the provisions of the Storemen & Packers' General (State) Award will apply.

5. ENTERPRISE OBJECTIVES

The parties to this Agreement are committed to contributing to continuous improvement in the performance of the Company's basic operational objectives for its warehousing operations. These are:

- (a) Minimising the impact of warehousing on product net cost.
- (b) Meeting all customer delivery and supply requirements.
- (c) Meeting internal distribution needs.
- (d) Maintaining optimal product and service quality.
- (e) Enhancing operational flexibility.
- (f) Working safely, and
- (g) Maintaining inventory security and accuracy.

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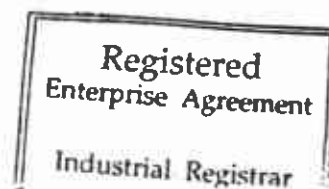
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6. SPECIFIC INITIATIVES

(A) QUALITY

The parties are committed to the implementation of the Company's Quality Management ("Right First Time") process. An overview of Company QM program is set out in attachment A. The program elements that operate in the warehousing operation include:

- (i) Quality Management training for all employees.
- (ii) Formation of a Business Improvement Team (BIT) to oversee the process of quality improvement.
- (iii) Employee participation in a Non-Conformance Review Advice (NCRA) system wherein they can raise systemic problems which prevent them from efficiently performing their job functions.
- (iv) Employee participation in a Corrective Action Team (CAT) formed by the QIT to address problems raised through NCRA documentation.



(B) CLASSIFICATION STRUCTURE

Employees under this Agreement are employed under a classification structure designed to enhance flexibility, promote skills acquisition and offer a career path within the warehousing operation. Employees are classified as follows: (Definitions set out in attachment B)

- Storeman & Packer Grade 1
- Storeman & Packer Grade 2
- Storeman & Packer Grade 3
- Storeman & Packer Grade 4
- Storeman & Packer Grade 5

(C) FLEXIBILITY PROVISIONS

Consistent with the objectives set out in Clause 5 of this Agreement, the parties have agreed to implement the following measures designed to enhance the flexibility, productivity and efficiency of the warehousing operations:

i) Rostered Days Off

The existing RDO working arrangements will remain except that:

- a) RDO's will not be taken on a rostered monthly basis.
- b) Employees may elect to take RDO's at mutually agreed times consistent with productive functioning of the Warehouse.
- c) Employees may elect to not take RDO's and those RDO's not taken will accumulate.
- d) Accumulated RDO's will be paid out at ordinary time rates in the first pay period to commence on or after 1 December annually.

ii) Sick Leave

For the purpose of taking sick leave an employee will be entitled to payment for three days (three single days or two consecutive days and one single day) without production of a medical certificate in the sick leave year.

iii) Spread of Hours

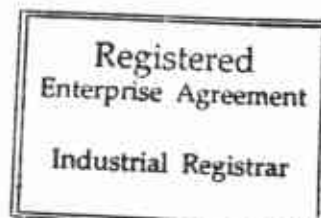
Staggered ordinary hours will be worked to accommodate warehouse serviceability between 0700 and 1800 hours. This may include producing shipping documentation/packing slips and making special after hours freight arrangements.

iv) Long Service Leave

The parties acknowledge that the current Company policy concerning long service leave, that is, employees receive 13 weeks leave for 10 years of service (service prior to 1 January 1979 accrues at 13 weeks for 15 years service), applies to employees who are covered by this Agreement.

v) Safety Equipment

It is a term of this Agreement that all safety equipment provided by the Company will be utilised by employees. This includes the wearing of protective clothing, ear and eye protective equipment and footwear.



vi) Flexibility Provisions

- a) To receipt, pick, pack and despatch items in the most expeditious manner whilst maintaining tracability and liaising with sales staff concerning shipping requirements and delivery details.
- b) To strictly control stock movements and maintain proper warehouse security measures
- c) Integration of Company computer system with employee functions at all levels.
- d) Enter GRN numbers on packing slips.
- e) Enter shipping information.
- f) Move items between sub-inventories.
- g) Receive/return items on customer returns for credit.
- h) Maintain item serial number information.
- i) Subject to appropriate consultation undertake other system duties related to the warehouse function which may be required in the future. This may include the use of technology based enhancements such as hand-held RF terminals.
- j) Maintain the accuracy, quality and integrity of stock quantities and locations.
- k) Maintain clean, functional and safe work areas at all times.

(vii) Casual Employees.

Casual employees will be paid in accordance with the provisions of the Storeman & Packers General (State) award at the appropriate rate noted in 7(a) and (b).

The company agrees to instruct employment agencies to pay casuals the same wage as casuals directly employed by the company. Agency casuals will be engaged only for short-term assignments.

Casual employees will only be made permanent if the company has clear visibility of future employment prospects due to increased sustainable business activity. Casuals employed for special project type activity will have their employment terminated at the end of that engagement.

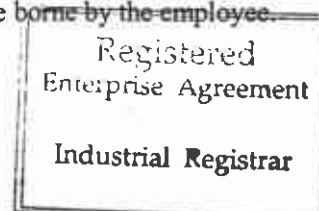
viii) Callout Arrangements.

In order to provide appropriate customer service, on a 'ring around' voluntary basis, warehouse employees will undertake call outs for AOG spares delivery purposes. When undertaking callouts the following will apply:

- (a) For callouts up to two hours in duration a payment of \$80.00 will apply on each occasion.
- (b) Payment of double time will apply for time worked beyond the two hours noted in (a) above on each occasion.

ix) Novated motor vehicle leases:

It is agreed that employees may salary sacrifice part of their wage detailed in clause 7) rates of pay, of this agreement for the purpose of entering into a novated motor vehicle lease, the terms of which are contained in the Hawker Pacific Motor Vehicle Novated Lease Policy and Company Administrative documents related to novated motor vehicle leases. It is strongly recommended that employees contemplating entering into novated motor vehicle lease should obtain personal financial/taxation advice. Cost of such advice will be borne by the employee.



x) **Salary sacrifice into superannuation:**

The parties agree that the choice of fund to which superannuation contributions will be paid shall be either The Aviation Industry Superannuation Trust (TAIST), or the Hawker Pacific Superannuation Plan which are complying superannuation funds approved under the Superannuation Industry Supervision Act 1992 (Commonwealth) for receipt of such contributions.

The parties agree that where an employee elects to salary sacrifice part of their wage for provision of retirement benefits to superannuation, this part will be deemed to be part of their wage detailed in Clause 7) Rates of Pay, of this Agreement. This provision will not in any way alter the contribution required by the Company which will be made under the provisions required by the Superannuation Guarantee Act Legislation 1992 (Commonwealth) and will not operate so as to cause an employee to suffer a reduction in superannuation entitlements.

The following provisions apply regarding this salary sacrifice arrangement.

- (a) The amount of salary sacrificed for superannuation contributions can be varied at 1st January and 1st July each year.
- (b) It is strongly recommended that employees contemplating salary sacrificing a major part of salary should obtain personal financial/taxation advice. Cost of such advice will be borne by the employee.
- (c) A notional salary will be retained on which all other benefits will be based including future salary increases, overtime and superannuation contributions and benefits. For example, if an employee's current salary (the going rate made up of wages plus allowances payable for all purposes) is \$600.00 per week and the employee decides to salary sacrifice \$100.00 per week the notional salary remains \$600.00 per week while the taxable salary reduces to \$500.00 per week.
- (d) Members of the Hawker Pacific Superannuation Plan making 4% employee contribution (former HSAGSF Defined Benefit Members) may make the 4% contributions by way of salary sacrifice.
- (e) Any salary sacrificed contributions plus the interest earned on them must be "preserved" i.e., they only become available in cash on permanent retirement from the workforce after age 55 (age 60 for people born after 01.07.1964) or death or permanent disablement. If an employee leaves the Company, they can be rolled-over with the employee's other superannuation benefits.

7. WAGE RATES

7.1 Wage Rates

In consideration for the implementation of the measures and commitments set out in the Agreement, the wage rates set out below will be payable as noted:

- (a) The following rates of pay will apply to the classifications listed hereunder from the first pay period to commence on or after 21 November 2001.



CLASSIFICATION	WEEKLY RATE
Storeman & Packer Grade 1	588.80
Storeman & Packer Grade 2	612.70
Storeman & Packer Grade 3	621.80
Storeman & Packer Grade 4	651.90
Storeman & Packer Grade 5	673.30

(b) The following rates of pay will apply to the classifications listed hereunder from the first pay period to commence on or after 21 November 2002.

CLASSIFICATION	WEEKLY RATE
Storeman & Packer Grade 1	609.40
Storeman & Packer Grade 2	634.10
Storeman & Packer Grade 3	643.50
Storeman & Packer Grade 4	674.70
Storeman & Packer Grade 5	696.90

7.2 Allowances

Except as noted below all award allowances will be increased by:

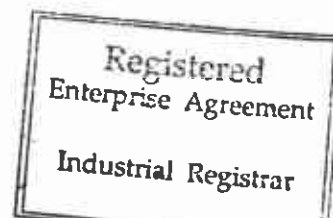
- i) 4.5% from the first pay to commence on or after 21 November 2001.
- ii) 3.5% from the first pay period to commence on or after 21 November 2002.

8. NO EXTRA CLAIMS

It is a term of this Agreement that the parties bound by this Agreement will not pursue any extra claims, award or over award, for the life of this Agreement including increases arising from Award variations or decisions of the Commission.

9. GRIEVANCE AND DISPUTE PROCEDURE

Disputes between the parties to this Agreement or grievances of individual employees employed under this Agreement will be dealt with in accordance with the procedures set out in, or applying to, the Storemen & Packers' General (State) Award.



10. DECLARATION

The parties to this Agreement declare that they have not entered into this Agreement under duress.

11. RENEWAL OF AGREEMENT

Discussions will take place no later than three months prior to the expiry of this Agreement to discuss the nature of changes, if any, for any future Agreement.



Hawker Pacific Pty Ltd
Total Quality Management in Hawker Pacific

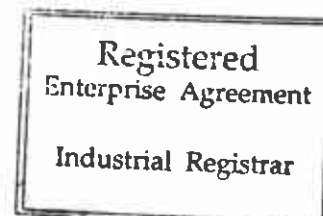
After surveying the worldwide trends in quality management with particular reference to the Australian scene, Hawker Pacific introduced a Right First Time process into our Australian operations early in 1989. The services of Crosby Associates were used, because of their orientation to the service sector; and because their philosophy was seen to be very down-to-earth regarding the economic cost to the Company of poor management causing employees to perform below their capacity.

Prior to launching this initiative it was necessary to educate all employees on modern attitudes to quality. This was done by sending all senior managers to a course at Crosby Associates. Thereafter the Company trained in-house instructors, and every employee undertook a course on quality management during working hours.

The process works by means of a series of Business Improvement Teams (BIT) operating as committees in each of the Company's Branches to oversee the quality improvement process. All employees have access to pads of Non-Conformance/Review Advice (NCRA) forms. These enable any employee to raise complaints about the System of the Company which prevents them from doing their job properly, whether in office or workshop, and to provide suggestions on how the system could be improved. The complaints are to be about the system, not people.

The completed NCRA is normally presented to the local BIT which then appoints a Corrective Action Team (CAT) of 3-5 people whose task it is to solve the problem. The CAT can comprise anyone who could contribute to the task, but by definition it usually involves people who actually carry out the job day-by-day. The solution is then presented to the local management for implementation and any necessary funding. The real purpose is to tap the knowledge and experience of all the workforce, on the basis that most people prefer the satisfaction of doing a job properly rather than the more common frustrations of industry where the Company system cannot cope with reality.

Since 1989 over 1300 NCRA's have been raised with over ninety seven per cent solved to date. The process can thus be seen to be working, particularly since the flow of new NCRA's continues unabated.



Storeman and Packer Grade 1

For the purposes of this Agreement, a Storeman and Packer Grade 1 will mean an employee who performs work to the level of their training and:

1. Is responsible for the quality of their own work (subject to instructions and direction).
2. Works in a team environment and/or under routine supervision.
3. Undertakes duties in a safe and responsible manner.
4. Exercises discretion within their level of skills and training.
5. Possesses good interpersonal and communication skills.

Indicative of the tasks which an employee at this level may be required to perform include the following:

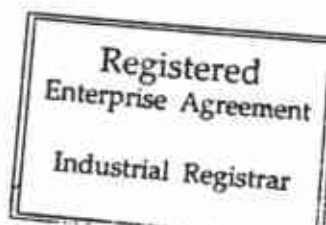
- General labouring and cleaning duties.
- Order assembling including picking stock.
- Loading/unloading.
- Receiving, checking, dispatching and sorting of products.
- Satisfying internal and external customer needs.
- Operation of a keyboard to carry out stores work.
- Documenting and recording of goods, materials and components.
- Basic inventory control.
- Use of hand trolleys and pallet trucks.



Storeman and Packer Grade 2

For the purposes of this Agreement, a Storeman and Packer Grade 2 will mean an employee, who in addition to performing the duties of a Grade 1 Storeman and Packer:

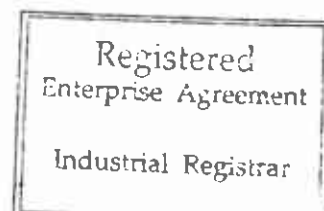
1. Has performed 12 months service as a Storeman and Packer Grade 1 and has satisfactorily acquired the skills relevant to the enterprise at this level;
2. May be required to use, for training purposes, materials handling equipment which requires licensing/certification; and
3. May be required to assist in the development of Grade 1 Storeman and Packer.



Storeman and Packer Grade 3

For the purpose of this Agreement, a Storeman and Packer Grade 3 will mean an employee who has undertaken sufficient training so as to enable him/her to perform work within the scope of this level in addition to the work of lower grades and who has been appointed by the employer to perform such work on a continuous basis. An employee at this level performs work to the level of their training and is:

1. Able to work from complex instructions and procedures.
2. Able to co-ordinate work in a team environment under general supervision.
3. Responsible for assuring the quality of their own work.
4. Possesses sound interpersonal and communication skills.
5. Licensed and/or certified to operate all appropriate materials handling equipment, e.g. forklift, mobile crane, carousal, etc.
6. May be required to perform the following tasks/duties:
 - Inventory and stores control
 - Input data using intermediate keyboard skills to carry out stores work.
 - Use of other electronic equipment e.g. scanner, portable terminal etc. to carry out stores work.
 - Routine maintenance of stores equipment and machinery.



Storeman and Packer Grade 4

For the purposes of this Agreement, a Storeman and Packer Grade 4 will mean an employee who has undertaken sufficient training so as to enable him/her to perform work within the scope of this level in addition to the work of lower grades and who has been appointed by the employer as either a single storeworker in charge of a store or as an operator of computer technology used for high level inventory and stock control.

An employee appointed in this capacity performs work to the level of their training and:

1. Understands and is responsible for their own quality control.
2. Possesses a sound level of interpersonal and communication skills.
3. Sound working knowledge of all stores duties performed at levels below this grade, exercises discretion within scope of this grade, and has a good knowledge of the employer's product.
4. Where appropriate, accredited by the employer as competent in the understanding of Regulations relating to handling, storage and loading/unloading of specific product e.g. chemicals, solvents and explosives.
5. May perform duties related to inspection, measuring, marking out, cutting and guillotining of steel and aluminium sheet, tubular and solid stock materials.
6. May perform work requiring minimal supervision, either individually or in a team environment.
7. Must be competent to perform the following tasks/duties:
 - Licensed to operate appropriate materials handling equipment, e.g. fork lifts, mobile crane, carousal, etc.
 - Routine maintenance of stores equipment or machinery.
8. In addition, may be responsible for the proper application and maintenance of appropriate occupational health and safety standards (optional).
9. May also be responsible for quality control of the work of other Storemen and Packers without being responsible for their direction (optional).



Storeman and Packer Grade 5

For the purpose of this Agreement, Storeman and Packer Grade 5 will mean an employee who undertakes stores work of all lower grades and who has, at the request of the employer, completed the Company nominated supervisory course. An employee who is appointed by the employer to this level may be required to perform the following in addition to the work performed by other grades:

1. Implement quality control techniques and procedures.
2. Utilise highly developed level of interpersonal and communication skills.
3. Assisting in the provision of on-the-job training and standards.
4. In addition, may be responsible for the proper application and maintenance of appropriate occupational health and safety standards.
5. This position is accountable for performing some of the following tasks, or a combination thereof:
 - Performing multiple stores activities.
 - Managing the information flow within the store.
 - Understands and applies computer techniques as they relate to the stores operation.
 - Has a sound knowledge of the employer's operation and product.

Leading Hand Definition

A leading Hand is an employee appointed by the Company and who undertakes stores work of all lower grades and, who has completed, or is willing to complete, at the request of the Company, the Company nominated supervisory course.

A Leading Hand is appointed by the Company to assist in the good order of workflow in an operating area by:

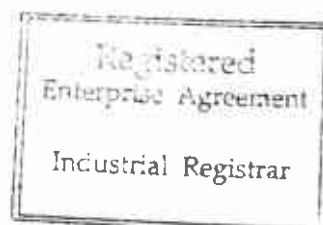
1. Receiving instructions and allocating the work flow to employees.
2. To control the standards of work and work output set by management and other staff.
3. To determine shortages in labour, or material or equipment failures, and to bring any deficiencies to the management staff for consideration.
4. Where a failure in training or behaviour occurs a Leading Hand will disengage from further action and place the matter into the hands of management staff. This does not preclude the Leading Hand from giving training but only on the general instructions of a Manager.

A Leading Hand will not become involved in:

1. Planning - Annual Leave rosters or rostered days off except by consultation with a Manager to ensure an orderly overview of work cover, nor in discipline for behaviour, absenteeism or performance.
2. However, a Leading Hand will give advice to the Manager or other staff to assist with each of the above but only to the extent of ensuring good order and work flow.

A Leading Hand is appointed on merit and skill taking into account the following factors:

1. Supervisory skills
2. Clerical aptitude
3. Work performance - experience
4. Warehouse systems knowledge
5. Attendance
6. Attention to detail
7. General attitude to Company standards
8. Training and education



On behalf of

The National Union of Workers', New South Wales Branch




A. Hughes


Witness

Date 18/10/01

On behalf of

Hawker Pacific Pty Ltd





Witness

15 October 2001

Date

Approved
W. Shanks J.
5 November 2001.

