

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/240

TITLE: Caroma Industries Limited, Wetherill Park, Enterprise Bargaining Agreement 2002

I.R.C. NO: IRC02/3197

DATE APPROVED/COMMENCEMENT: 18 June 2002

TERM: 27 February 2005

NEW/VARIATION/REPLACEMENT: Replaces EA01/47

GAZETTAL REFERENCE: 9 August 2002

DATE TERMINATED:

NUMBER OF PAGES: 15

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all weekly paid employees of Caroma Industries Limited employed at the Company's operations at 300 Victoria Street, Wetherill Park who fall within the coverage of the Pottery Industry (State) Award, Metal, Engineering and Associated Industries (State) Award and the Storemen and Packers, General (State) Award

PARTIES: Caroma Industries Limited -&- Construction, Forestry, Mining and Energy Union (New South Wales Branch) , National Union of Workers, New South Wales Branch



Enterprise Bargaining Agreement Wetherill Park (2002) Agreement

1. TITLE

This Enterprise Agreement shall be known as the "Caroma Industries Limited, Wetherill Park, Enterprise Bargaining Agreement 2002".

2. ARRANGEMENT

Subject Matter

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3. APPLICATION AND INCIDENCE OF AGREEMENT AND PARTIES BOUND

This Agreement shall apply to and be binding on the following parties:

3.1 Caroma Industries Limited (the "Company");

3.2 The following industrial organisations of employees:

3.2.1 the C.F.M.E.U. – Construction & General Division Clay & Ceramics Industry Division Branch; and

3.2.2 the National Union of Workers, NSW Branch

3.3 Weekly paid employees of the Company who are employed at the Company's operation at 300 Victoria Street, Wetherill Park who are bound by the terms of and perform work within the scope and incidence of the following Awards, whether or not a member of the industrial organisations of employees listed in clause 3.2.

(i) *Pottery Industry(State) Award;*

(ii) *Metal and Engineering Industry (NSW) Award;* and

(iii) *Storemen and Packers General (State) Award.*

3.4 This Agreement does not apply to monthly-paid, "Salaried Staff" whether or not they are a member of an organisation of employees listed in clause 3.2.

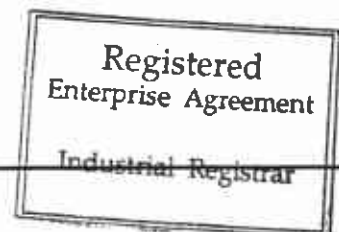
3.5 The parties bound by this Agreement have entered into the Agreement in the spirit of consultation and without duress.

4. DATE AND PERIOD OF OPERATION

This Agreement shall operate from the date it is approved by the Industrial Relations Commission of NSW and shall remain in force until 27 February 2005.

5. RELATIONSHIP TO PARENT AWARD

5.1. This Agreement shall be read and interpreted wholly in conjunction with the *Pottery Industry (State) Award*, the *Metal and Engineering Industry (NSW) Award*, and the *Storemen and Packers General (State) Award*, provided where there is any inconsistency between those Awards and this Agreement, this Agreement shall take precedence to the extent of the inconsistency.



5.2. This Agreement replaces and rescinds the "Caroma Industries Ltd, Wetherill Park, Enterprise Bargaining Agreement 2000" (IRC 3599 of 2000; EA No. 01/47).

5.3. The Special Purpose Agreements made during the period of the "Caroma Industries Ltd, Wetherill Park, Enterprise Bargaining Agreement 2000" no longer have any effect.

6. SINGLE BARGAINING UNIT

For the purpose of negotiating this Agreement a "Single Bargaining Unit" has been established. The parties involved in this Single Bargaining Unit include representatives from each of the industrial organisations of the employees that are a party to this Agreement.

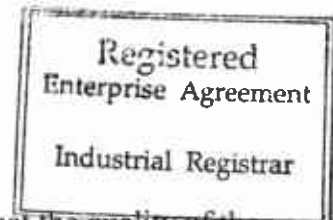
7. WETHERILL PARK PLANT – OUTLOOK GOALS

The parties to this Agreement are committed to:

- research & development
- quality
- safety & hygiene
- training
- stable & reliable workforce
- continuous productivity improvements
- employment processes – that procure skills and knowledge
- customer service

For this to be possible, each employee must:

- commit themselves to behaviour and values that are commensurate with achieving these goals;
- treat each other with mutual respect in a non-discriminatory environment that is safe and friendly;
- be hard working;
- share the work load; and
- have a commitment to the customer that ensures that the quality of the product meets or surpasses the standards at each stage in the manufacturing process.



8. QUALITY

The parties are committed to achieving a productive, highly skilled, flexible workforce able to produce and distribute quality products at competitive cost.

All departments will encourage and strive for "Quality at the Source" whereby individuals have the responsibility for quality and are given the necessary tools to ensure their part of the process is done correctly first time. With respect to the casting operation, casters are required to prepare their ware suitable for glazing, without the intervention of any other employee.

Education sessions between departments will be conducted regularly to encourage a greater understanding of the whole manufacturing process and the consequence of poor work practices, and thereby improve quality and efficiency.

9. WORK ANALYSIS & JOB DESIGN

9.1 The parties agree to continue to analyse work activities with the aim of identifying barriers to continuous improvements and to propose solutions. As barriers are identified and possible solutions are suggested they will be referred to the appropriate committee or person for prompt action.

The issues and areas that may be analysed will include but not be limited to:

Productivity	Quality	Health & Safety
Efficiency	Waste Minimisation	

9.2 The parties agree to maximise the advantages of multi-skilling, new technology and improved flexibility as required by the business. Through consultation and participation the objective of the parties shall be to broaden and enhance job content through the use of a range of job tasks, knowledge and skills. Where job re-design and new technology is implemented the purpose shall be to improve the quality of work life for employees and to improve organisational efficiency and productivity.

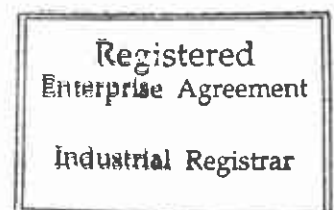
10. INDUCTION

New permanent employees shall be employed on the basis of a three (3) month probationary period.

New permanent employees will attend an induction session prior to commencing work, and will receive a copy of the Caroma Employment & Procedures Manual and the Induction & Safety Handbook.

This induction session will include but not be limited to the following:

- Overall Organisation Structure of Caroma Industries Ltd.
- Letter Of Appointment – Contents Explained
- Health & Safety Policy
- Accidents At Work – The Procedure
- Rehabilitation and Return to Work Program
- Alcohol & Drug Policy
- Car Parking Policy



- Harassment & Discrimination Policy
- Termination Of Employment & Disciplinary Policy

New employees are required to acknowledge compliance by signing the employee statement.

11. ARRANGEMENTS OF HOURS

- 11.1 The ordinary hours of work shall normally be between 6:00am and 6:00pm Monday to Friday inclusive; provided that the spread of ordinary hours may be altered where the Company and the majority of employees in the plant or section agree.

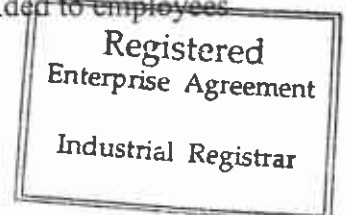
However an ordinary hours starting time earlier than the agreed spread of hours or an ordinary hours finishing time later than the agreed spread of hours may be fixed for an individual employee with that employee's consent or for a group of employees with the consent of the employees concerned.

All parties reaffirmed their commitment that the span of hours may be utilised to meet customer demands and to optimise the use of plant and equipment.

- 11.2 To meet business needs all aspects of flexibility of hours will be continually reviewed. Any changes to working hours will be discussed with employees through the consultative process. The issues will not be limited to, but include such changes as staggered hours, staggered shifts, additional shifts, spread of hours, averaging hours of work and working of longer ordinary hours.
- 11.3 Employees are required to be at their designated work stations at the stipulated start and finish time. This is referred to as bell to bell manufacturing, whereby operators should be at their work station at the start of the shift before the bell sounds. They are not to leave their work station for either the 10 minute rest period or 30 minutes lunch period prior to the sound of the bell. Return to work from break should commence immediately the bell sounds.
- 11.4 Hours of work may be varied on seven days notice or by a shorter period of notice as agreed with employees.
- 11.5 The parties agree that personal wash-up time is not provided to employees during working time.

12. SPECIAL PURPOSE AGREEMENT

Occasionally the Company may require operating flexibility that is not covered by the applicable Awards (Refer to Clause 3) or this Agreement. The reasons for this may



include but not be limited to:

- Production peaks due to large export or domestic orders
- Divisional rationalisation

To facilitate these requirements the Company may recommend a Special Purpose Agreement that takes precedence over both the Awards and this Agreement.

This type of agreement may cover but not be limited to:

- Extension To Labour Hire Requirements
- Hours Of Work
- Scope Of Work
- Shifts

A meeting will be held between the parties (The Consultative Committee, Union Delegate/Organiser & Management) to discuss the issues.

Approval for any Special Purpose Agreement will be based on a majority vote (in favour) of 65% or more of the shop floor employees.

13. LABOUR HIRE PERSONNEL

The following clause applies to the hiring of labour hire personnel for production work only.

It is the Company's intention to use permanent employees in preference to labour hire personnel. However, in the event the Company engages labour hire personnel, it will be based on the following procedure.

It is agreed that labour hire personnel may be utilised as necessary to satisfy business needs. The Consultative Committee will monitor the use of labour hire personnel to ensure that it is consistent with the productivity goals of the Company, but shall be no more than 20% of the Permanent Production workforce or a maximum of 40 labour hire personnel, whichever is the lower. However, in certain circumstances (Refer to Special Purpose Agreement clause) the limit may be increased.

Where a labour hire person's engagement extends to a period of six (6) months, that person may be considered for appointment to a permanent position.

Appointment to a permanent position will be subject to a satisfactory medical examination and previous employment reference check.

If a labour hire person is made permanent after 6 months then the 3 months probationary period for new permanent employees will not apply. However for Labour Hire personnel with less than 3 months service the 3 months probationary period will apply. For 4 months a 2 month probation will apply and for 5 months a 1 month probation will apply.



The use of labour hire personnel will be determined by management and in response to an identified business need. Where this need has been identified, affected employees will be notified and consultation will take place.

No permanent employee shall be transferred to casual status.

NOTE:

- Where labour hire personnel are engaged the Company will advise the Contractor of our shop floor rate of pay and ensure this is the basis for payment of labour hire personnel wages. The hourly rate for labour hire person will be calculated by dividing the appropriate weekly ordinary time rate by 37.5 plus a 15% loading to cover sick leave, public holidays etc. plus a 1/12 payment for annual leave.

14. PROCEDURE FOR CHANGES IN RATES OF PAY

This clause applies when an employee's rate of pay is to change, for example, when an employee is promoted or moves from one position to another within the Wetherill Park Wage Structure and that change results in a change in rate of pay. This clause has no application in relation to the wage increases set out in Clause 28.

14.1 Supervisor will recommend pay increases based on, but not limited to, the following:

(a) Quality, Skill level and number of pieces processed

The performance indicators are:

- Clay Loss
- Firing Performance
- Overall Yield
- Number Of Pieces Processed
- Information From Faults Analysis Reports

(b) Personal Performance

- Timekeeping
- Housekeeping
- Safety Awareness – including wearing Personal Protective Equipment

14.2 The supervisor will raise the appropriate Personnel Authority Form and forward to the Manufacturing Manager for approval.

14.3 The Manufacturing Manager on receiving the form will investigate general performance and absenteeism levels.

- 14.4 If satisfied the Manufacturing Manager will forward the form to the NSW V.C. Manager for final approval
- 14.5 If approved the Manufacturing Manager will forward the form to the pay office for processing
- 14.6 If the application for pay rise is rejected the Manufacturing Manager will discuss the reason for rejection with the operator concerned and inform them of areas of improvement.
- This process will take no longer than 2 weeks.
 - Where approval of the pay rise is received the pay increase will be backdated to the date of origin (That is the date the supervisor raised the form)
 - If the process takes longer than 2 weeks the Manufacturing Manager will explain the reason to the operator concerned.

15. SMOKE FREE WORKPLACE

The **NO SMOKING WORKPLACE POLICY** has been in place at Wetherill Park since August 1992.

Employees found to be smoking within the enclosed area or under any roofline of the factory or associated buildings or at times other than the authorised rest periods, will be counselled and officially warned (see disciplinary system).

The change/locker room & toilets are part of the building and smoking is prohibited in those areas at all times.

The Company undertakes to hold QUIT courses to help smokers who genuinely want to give up the smoking habit.

16. HOUSEKEEPING

Good Housekeeping is the essential basis of a safe working environment.

All employees agree to maintain a high standard of housekeeping at the Wetherill Park site as per company requirements.

- Each individual agrees to keep their respective work area tidy.
- Each department agrees to maintain a high standard of housekeeping.

Where necessary a Housekeeping Committee will be formed to investigate problem areas and make recommendations for improvement.

Therefore:

- If you drop it pick it up immediately
- If you sweep it pick it up immediately
- If you see it pick it up immediately

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This includes lunch wrappers, food scraps and all work related materials.

17. TRAINING ALLOWANCE

Note: A copy of the document setting out the Wetherill Park Wage Structure is held in the Pay Office. In reference to the Wetherill Park Wage Structure, "Top Money" by classification for all departments, includes the responsibility of training (if required).

NOTE: Where practical, supervisors will firstly allocate trainees to employees on "Top Money" by classification by department.

Casting – (Refer to Battery Casting, Open Pan & Manual Casting, Wetherill Park Wage Structure)

17.1 For casters who are on a lower wage classification (other than "top money") and are required to train other personnel, the following will apply:

- (a) Their wage will be increased to the next wage classification for the duration of the training assignment.
- (b) The duration of the training assignment will be specified by the supervisor.
- (c) Once the training assignment has been completed the pay office will ensure the caster's wages are returned to the prior classification.

18. SECURITY PROCEDURE

In respect to security procedures at Wetherill Park, refer to the document entitled "Security Procedure – Caroma Industries Limited - Wetherill Park".

19. PAYROLL DEDUCTION OF UNION FEES

- For union members, the Company will, with the signed authority of the employee, make payroll deduction facilities for union contributions.
- The amounts deducted will be forwarded to the appropriate union monthly, together with the information (regarding deductions) required to enable the Union to satisfy its obligations under the NSW Industrial Relations Act 1996.

20. OCCUPATIONAL HEALTH & SAFETY

Management hold in high regard the Health & Safety and welfare of its employees.

The need to achieve complete safety in all its operations is a major management objective and towards this end shall:



- Maintain an Occupational Health & Safety Management System based on the Victorian Occupational Health & Safety Map System.
- Review the Occupational Health & Safety Management System as part of a continuous improvement process and move towards best practice.
- All employees agree to participate in and support the programme during the duration of this agreement.

The parties agree to participate in:

- training;
- timely reporting of injuries;
- identification of hazards; and
- providing improvement suggestions.

21. PERFORMANCE INDICATORS

The parties to this Agreement are committed to the use of Performance Indicators as a means to track productivity and efficiency improvements within all areas including but not restricted to manufacturing, warehouse distribution and maintenance over the term of this Agreement.

- This process commenced in October 1996.
- Performance based indicators are in place.
- The Consultative Committee will monitor KPI's.
- The Consultative Committee's scope will include:
 - recommending relevant shop floor training;
 - measurement method;
 - target setting; and
 - establishment of base performance measures.

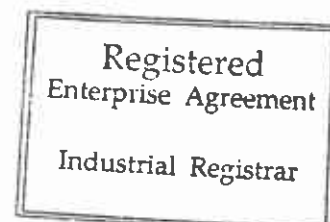
22. NATIONAL STANDARDS

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

23. COMMUNICATION

In addition to existing methods such as through the Site Consultative Committee, and the Occupational Health & Safety Committee, the Company agrees to regularly provide information to employees on:

- Health & Safety Performance
- Departmental Performance
- Production Problems



- Quality
- Warranty (After Sales & Service Costs)

24. REDUNDANCY

24.1. Notice of Termination

As per the relevant Award's requirements or payment in lieu thereof.

24.2. Redundancy Criteria

The Company undertakes to ask for volunteers for redundancy, but reserves the right to determine the selection of employees for redundancy in order to retain essential skills, maintain operational requirements and to minimise the economic effect of redundancy on the Company.

Volunteers for redundancy will not automatically be granted redundancy. Where the number of volunteers fall short of the number of positions to be made redundant then the criteria for selection will be based upon the nature of the work skills required to meet the job and other skills held and the performance of individual employees.

Redundancy will be paid according to the Severance Pay Schedule (Clause 24.3).

24.3. Severance Payment

Payment will be made in accordance with the following table:-

YEARS OF SERVICE	ENTITLEMENT IN WEEKS	
	UNDER 45	OVER 45
Less than (1) year	0	0
(1) year but less than (2)	4	5
(2) years but less than (3)	7	8.75
(3) years but less than (4)	10	12.5
(4) years but less than (5)	12	15
(5) years but less than (6)	14	17.5
(6) years but less than (7)	16	20
(7) years and more	16	20
	Plus 3 weeks for every completed year of service in excess of 6 years including pro rata for each month of service.	

24.4. For the purpose of the above Table "Weeks Pay" means the employee's ordinary rate of pay, at the time of redundancy .

24.5. Payments will be capped at 78 weeks pay irrespective of years of service.

- 24.6. All untaken sick leave "credit" will be paid out in full.
- 24.7. All outstanding entitlement to annual leave, including leave loading, will be paid in full.
- 24.8. Payment of pro rata long service leave will be made where continuous service exceeds five (5) years.

25. AVOIDANCE OF INDUSTRIAL DISPUTES

The objectives of this procedure shall be to promote the resolution of disputes by measures based on consultation, cooperation and discussion; to reduce the level of industrial confrontation; and to avoid interruption to customer service, performance of work and consequential loss of production and wages. While this procedure is being followed, work shall continue normally.

- a) Employees with a grievance should, in the first instance, discuss the matter with their immediate Supervisor. If the matter is not satisfactorily resolved at that level then the employee should approach successive levels of Management. Employees may be represented by the delegate if the person wishes.
- b) If the matter remains unresolved or the employee is not satisfied with the outcome, a union organiser can be invited to discuss the matter with the Company.
- c) If the matter remains unresolved the parties may seek the assistance of the NSW Industrial Relations Commission.
- d) Sensible time limits shall be allowed for the completion of the various stages of the discussion. At least twenty four hours should be allowed for discussions to commence.
- e) Management shall ensure that all practices applied during the operation of this procedure are in accordance with safe working practices and consistent with established custom and practice on the site.

If a dispute fails to be resolved and industrial action takes place in the form of a strike and withdrawal of labour, the parties agree that the plant shall be left in a safe condition before the withdrawal of labour, so as to minimise product(ware) losses from any part of the plant's operations.

26. NOT TO BE USED AS A PRECEDENT

This Agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits of this site in any other plant or enterprise.

27. REVIEW OF AGREEMENT



Parties to this Agreement will continuously monitor its application in the workplace to ensure effective implementation through the established Site Consultative Committee. The review of the agreement will take place every 2nd meeting. This will be a mandatory agenda item for discussion.

Where required, corrective action will be developed utilising a planned approach, teamwork and consultation. A third party may be invited by the Consultative Committee to assist with the process.

28. WAGE INCREASES

28.1 The wage increases prescribed by this clause shall be applied to an employee's ordinary pay rate. "Ordinary pay" shall mean the employee's award rate plus over award payment (ie base rate pay for an ordinary working week). The ordinary pay rate for each employee prior to the commencement of this Agreement is recorded in a written form in the wages records of the Company, which will be maintained at the Company's office.

28.2 The wage increases during this Agreement will be as follows:

- 4.5% increase on the 1st pay period to commence on or after 27/2/02;
- a further 4.0% increase on the 1st pay period to commence on or after 27/2/03; and
- a further 4.0% increase on the 1st pay period to commence on or after 27/2/04.

28.3 The parties bound by this Agreement will seek no additional wage increases other than those referred to above during the term of the Agreement, except where consistent with State wage fixing principles of the NSW Industrial Relations Commission and this Agreement.

This does not include wage adjustments due to promotion or re-classification which will be in accordance with established site pay rates.

28.4 The parties agree as from 1/7/02 there will be a change in the way that shift allowances are paid. This change will be implemented over the period of this Agreement.

Shift allowances will be paid according to the following table:

Date	Afternoon Shift Allowance	Night Shift Allowance
from 1/7/02	9%	18%
from 1/7/03	12%	24%
from 1/7/04	15%	30%

28.5 Pay Rate – Casters in Pan Shop – Plaster casting only.

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- a) The pan casting operation, equating to approximately 35 casts per man/per day shall be done in 'normal' time i.e. 7.5 hours.
- b) Pan casters shall have access to a higher hourly rate than is currently awarded as Group 26. Refer to the Record of Wages (held in pay office).
- c) The new rate, Group 30, will be \$20.30 per hour which includes the 27/2/02 increase awarded in Clause 28.2 of this Agreement. Further increases to Group 30 will be in accordance with Clause 28.2.
- d) The parties further agree that during the period up to 1/11/02, examination and implementation of a new wage structure for casters will occur.

The parameters for this wage structure will be formulated by a work group comprising Managers, Supervisors and casting employees.

The basis of the structure will be according to, but not limited to the following requirements:

- a) Work shall be completed in 7.5 hours.
- b) Performance will be based on approximately 35 piece/man/day.
- c) Performance will be evaluated over the mould life which is currently 80 casts.
- d) Increases will be determined by caster best performance, operational ability (no errors), and OH&S compliance.
- e) Reductions will occur when less than 35 pieces/man/day are cast and/or 'caster best' performance falls below that required for that hourly rate to be paid. Operational ability and OH&S compliance performance will also be evaluated.

28.6 With the exception of employees undergoing training or a return to work program, employees will only be paid a wage rate applicable to the job they are currently performing.

In the event of a transfer to a lower paid job caused by, but not limited to, the employees' skills becoming redundant (e.g. technological change), or lack of competence in that job, employees will be paid at the applicable rate for the new job after a period of four weeks.

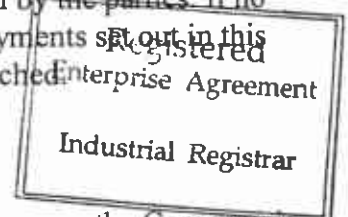
For employees currently effected by this clause the effective operating date will be on or after the first pay period following approval of this Agreement by the NSW Industrial Relations Commission.

29. RENEWAL OF AGREEMENT

The parties agree to commence discussions on the replacement of this Agreement at least 90 days prior to its expiration or at any other time as agreed by the parties. If no agreement is reached by the date of expiry, the measures and payments set out in this Agreement will continue until a new enterprise agreement is reached.

30. SUPERANNUATION

In relation to superannuation contributions to be paid by the Company, the Company is committed to meeting its obligations under the Superannuation Guarantee Charge Act (SGC). During the life of this Agreement the Company will make superannuation



contributions on behalf of employees.

As per the current legislation, Caroma Industries Limited is obliged to pay a minimum superannuation of 8%. This will increase to 9% on 1st July, 2002.

The exception to this are those Ex James Hardie Ltd. employees who will continue to receive superannuation contributions at a rate not above 8.82% of ordinary earnings until the 9% rate is required by legislation, that is 1st July, 2002.

The Company (Wetherill Park Site) will offer a choice of Superannuation Funds to all employees. They will be offered membership of the Australian Public Superannuation Fund or a fund of their informed choice. e.g. CBUS

The undersigned parties approve the terms contained in this Agreement and agree that it gives effect to the agreement reached between them.

I am the Manager - N.S.W. Vitreous China Division, of Caroma Industries Limited, Wetherill Park, and am authorised to approve the terms contained within this Enterprise Agreement on its behalf and have approved those terms on its behalf.

 dated..... 31/5/02

For Caroma Industries Limited

I am an officer of the Construction & General Division Clay & Ceramics Industry Divisional Branch and am authorised by the Committee of Management of the Organisation to approve the terms contained within this Enterprise Agreement on its behalf and have approved those terms on its behalf.

 dated..... 4.6.02

For the C.F.M.E.U – Construction & General Division
Clay & Ceramics Industry Divisional Branch

I am an officer of the National Union of Workers, New South Wales Branch and am authorised by the Committee of Management of the Organisation to approve the terms contained within this Enterprise Agreement on its behalf and have approved those terms on its behalf.

...dated...  3-6-2002

For the National Union of Workers - New South Wales Branch

