

REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA04/286

**TITLE: Nestle Australia Ltd Northern Distribution Centre (NUW)
Agreement 2004-2007**

I.R.C. NO: IRC4/5092

DATE APPROVED/COMMENCEMENT: 1 September 2004 / 13 May 2004

TERM: 36

**NEW AGREEMENT OR
VARIATION:** Replaces EA02/73

GAZETTAL REFERENCE: 5 November 2004

DATE TERMINATED:

NUMBER OF PAGES: 11

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees employed by Nestle Australia Ltd, located at Homebush Bay Drive, Rhodes NSW, who fall within the coverage of the Storemen, and Packers, General (State) Award

PARTIES: Nestle Australia Limited -&- the National Union of Workers, New South Wales Branch

NESTLE AUSTRALIA LTD - NORTHERN DISTRIBUTION CENTRE (NUW) AGREEMENT 2004 - 2007

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1A. Parties Bound and Scope of the Agreement

This agreement is between Nestle Australia Ltd ("the Company") the National Union of Workers (NUW).

In respect of the Company and all the employees who are bound by the terms of the Storemen And Packers, General (State) Award

This Agreement binds the company; and the unions signatory to this Agreement, their members and persons eligible to be members of the unions.

This agreement shall be read in conjunction with the Storeman and Packers state award and shall prevail to the extent of any inconsistency

2. Disputes Procedure

- (i) If an employee has any problem or concern in relation to an aspect of employment, the employee shall in the first instance discuss the matter with the employee's supervisor who will endeavour to resolve the issue expeditiously. An employee may elect to have a delegate present at all or any stage of this procedure.
- (ii) Any unresolved matter shall then be referred to the Shift Operations Manager where genuine attempts should be made to resolve the problem(s) or concern(s).
- (iii) Should the dispute still remain unresolved, appropriate assistance should be sought, wherever possible within 24 hours, from the Distribution Manager and an official of the Union.

- (iv) In the event of no agreement being reached, the dispute shall be referred to the Industrial Relations Commission of NSW.
- (v) During the discussions the status quo shall remain and work shall proceed normally. "Status quo" shall mean the situation existing immediately prior to the dispute or the matter giving rise to the dispute.

3. Wages

3.1 Increases

The following increases will apply to wages during the term of this Agreement.

- (a) from first pay period commencing 13 May 2004, a 3% increase.
- (b) from first pay period commencing 13 November 2004, a 2% increase.
- (c) from first pay period commencing 13 May 2005, a 3% increase.
- (d) from first pay period commencing 13 November 2005, a 2% increase.
- (e) from first pay period commencing 13 May 2006, a 3% increase.
- (f) from first pay period commencing 13 November 2006, a 2% increase.

3.2 Productivity Requirements

The payment shown above in 3.1 will be paid subject to the following:

Nestle, the site elected Consultative Committee (employee representatives) and the stores employees covered by this agreement, genuinely working together in an endeavour to consolidate and improve aspects of the operation.

Evidence of this will be as follows:

- (a) Agreement by all parties of changes required to improve the business
- (b) Positive movement in the specific Warehouse KPIs (see Schedule 3)
- (c) Adherence to the Disputes Procedure
- (d) Satisfactory performance of the site consultative processes
- (e) Other issues that may be raised by Employees, the Union or the Company.

This evidence shall be considered at the Warehouse 3 months prior to the due date and where progress is unsatisfactory, the reasons for this will be examined and an agreed set of action points put in place to correct any problems.

The parties to this Agreement shall support an agreed set of action points put in place to correct concerns and problems within the Operations of the Warehouse. Evidence used in this clause to measure warehouse performance shall in no way be used against individual employees.

If the employees have not supported the agreed set of action points be put in place to correct concerns and or problems, the Company reserves its right to defer the payment for a period. Where the Union disagrees with the decision it can pursue the issue through the disputes procedure.

Any factors, internally or externally outside the control of the employees will not be taken into consideration.

Meetings between the Consultative Committee and the Company shall occur once monthly or at least regularly.

3.3 Rates of Pay

Employees shall receive the weekly rate of pay as set out in table 1 of schedule 2.

3.4 Payment of Wages

Employees shall be paid weekly by electronic funds transfer (EFT). Where the majority of employees affected by this Agreement agree, the Company may introduce fortnightly pay.

Employees shall receive a payment of \$2.00 per pay period. This payment is in lieu of any award provision relating to the payment of wages by EFT.

Every endeavour will be made to rectify discrepancies on site by way of cash adjustments or through bank deposit within 24 hours, if practicable.

4. Allowances

4.1 The following allowances shall be paid, in accordance with award provisions :-

First Aid	\$9.50
Meal	\$9.35

Where an allowance is higher under the parent award, the higher amount shall be paid.

4A. Sick Leave

Employees who are engaged on shift work, as defined by the Award and who are covered by this agreement shall be paid the appropriate shift loading in addition to their ordinary sick pay entitlement for all instances of paid and authorised sick leave.

The parent Award to this agreement covers all other provisions for sick leave.

4B. Sunday Work

All worked performed on a Sunday shall be paid at a rate of double time and a half.

5. Classification Structure

The classifications in Schedule 1 shall operate for the life of this agreement.

6. Period of Operation

This agreement shall operate from 13 May 2004 until 13 May 2007.

The parties to this agreement commit to commence negotiating a collective agreement by 13 February 2007.

7. 6 and 7 Day Operation

Rosters for weekend shift operation if required by the Company will be drawn up in agreement with the Union.

8. Redundancy

It is agreed that during the life of this Agreement there shall be no forced redundancies as a result of productivity improvements made by employees.

As soon as possible after a definite decision has been made to implement changes likely to cause redundancies, the Company will hold discussions with the employees affected and the Union. These discussions will include the introduction of the changes, the likely effects upon employees and measures to avert or mitigate the adverse effects which have been considered. The Company will give prompt consideration to matters raised by the employees and the Union.

In the event of redundancies being required, the following will apply:

General

- 8.1 It is the Company's intention that as many employees as possible continue in their employment for as long as possible and for whom meaningful work can be found.
- 8.2 This agreement shall apply to those employees for whom meaningful work cannot be found as a result of changes in the Company's operations or market influences.
- 8.3 This clause shall not apply to employees of the company who:
- (i) Are employed as temporary or replacement employees.
 - (ii) Terminate their employment of their own accord prior to receiving formal notice of redundancy.
 - (iii) Are terminated including instant dismissal.

8.4 Transfer - General

Any employee may apply for the opportunity to transfer to any Nestlé Site in Australia subject to vacancies existing and normal selection criteria.

Redundancy Package

8.5 Severance Payment

3 weeks' ordinary payment.

8.6 Service

- (i) Employees with 3 years' service or less - 3 weeks ordinary pay per year of service.
- (ii) Employees with more than 3 years service - 4 weeks' ordinary pay per year of service.

8.7 Age Allowance

An age allowance will be provided as follows:

- (i) 45 years of age to 49 years of age - an additional 2 weeks pay.
- (ii) 50 years of age to 54 years of age - an additional 4 weeks pay.
- (iii) 55 years of age to 59 years of age - an additional 6 weeks pay.
- (iv) 60 years of age and over - an additional 8 weeks pay.

8.8 Annual Leave

Pay-out of all leave plus 17.5% loading including pro rata.

8.9 Sick Leave

Pay-out of all accumulated sick leave with maximum of \$155.45 per day,

8.10 Long Service Leave

Proportional payment of long service leave for employees with more than 3 years service.

Where employees have up to 3 years service they will be paid an amount equivalent to the long service leave they would have accrued up to termination.

8.11 Formal Notice / Selection Criteria

Employees will be given as much notice as practicable of their actual date of redundancy.

Based on the number of redundancies offered, would first be on a voluntary basis and thence through seniority of service.

If there are no volunteers, discussions will be held with the union to determine an appropriate and agreed selection criteria.

8.12 Time off for Interviews

The Company will allow time off with pay for employees to attend interviews for alternate employment. This time off will be subject to prior notice/approval of the employee's manager and verification of attendance at the interview.

8.13 Retention

Employees subject to compulsory redundancy and who stay in the company's employ until their advised termination date or beyond will be paid an additional amount of \$1500 or 4 weeks pay whichever is the greater amount.

Where an employee has been given notice of termination and subsequently resigned of his/her own accord, that employee shall be paid his/her Award and legal entitlements and in addition, the whole of the payments he/she would have received pursuant to Clause 8.4 had he/she not given notice provided that an employee who terminated in the circumstances described above shall not be entitled to the retention bonus.

8.14 Superannuation

As per Trust Deed (full refund of employee and employer contributions plus interest on both).

8.15 Death of Employee

If an employee who has been given formal notice of redundancy dies before the date of termination, all benefits payable to the employee under this agreement shall be paid directly to the employee's estate.

8.16 Method of Payment

All benefits under this clause shall be paid by cheque or EFT.

8.17 Definition

In this clause, "ordinary pay" means that remuneration for the employee's normal weekly number of hours of work calculated at the ordinary time rate of pay applicable at the time of receiving notice, but excluding shift loading.

9. Site Consultative Committee

A site consultative committee comprising representatives from employees and management shall be formed and shall meet on a regular basis. The objectives of this committee will be the enhancement of operations in line with business requirements and welfare of all employees.

Key issues would include, but not be limited to identification of inefficient work practices; improvement in quality of service; reduction in staff turnover; roster systems; work organisation; training requirements and improvements in communication.

It is agreed this committee is not an industrial relations body and while it will need to address issues relevant to IR, it will not be used to bypass the Union's involvement in issues as per the Disputes Procedure.

10. Permanent Employment Review

- (a) It is the Company's intention to maximise the permanent component of the workforce in line with operational requirements.
- (b) The parties recognise the need to use casual employees to cover site requirements however casual employees will not replace, on a permanent basis, full time employees.
- (c) Where a casual has been engaged for a period greater than three months, management and delegates will review the cause and nature of the position which the casual has filled in order to determine the number of permanent positions. Seniority of current casuals will be considered along with performance.

11. Union Recognition Clause

- (a) All employees subject to this agreement shall be given the opportunity to join the NUW.
- (b) All new employees including agency staff shall be introduced to their shift NUW delegate during induction.
- (c) Upon authorisation by the employee, the Company shall deduct union levies from the employee's pay.

12. Hours of Work

Meal and Rest Breaks

Day shift will have a ½ hour unpaid meal break and night and afternoon shift will have a ½ hour paid meal break.

All shifts will have two paid rest breaks of 10 minutes each. The first rest break shall be taken between start of shift and the meal break and the second rest break shall be taken at the end of shift ie employees will finish work 10 minutes before the scheduled end of shift and will be paid to the end of shift.

Example Roster Hours

Night Shift - 11.10pm to 7.10 am including a ½ hour paid meal break.

Day Shift - 7am to 3.30pm including a ½ hour unpaid meal break.

Afternoon Shift - 3.20pm to 11.20pm including a ½ hour paid meal break.

The first shift of the week commences 11.10pm on Sunday night

			Finish Work	Roster
	Commence	10 min. paid		Ends
N	11.10pm	½ hr paid	7.00am	7.10am

D	7.00am	½ hr unpaid	3.20pm	3.30pm
A	3.20pm	½ hr paid	11.10pm	11.20pm

13. No Extra Claims

The company and the unions agree that they will not, for the duration of this Agreement, pursue any extra claims in relation to any matters whether contained in this agreement or not except where consistent with this Agreement or State Wage Case decisions.

14. Signatures

Nestlé Australia Ltd

Witness

Date

National Union of Workers New South Wales Branch

Witness

Date

SCHEDULE 1

CLASSIFICATIONS

Warehouse employee Grade 1A

For the purposes of this agreement, Warehouse Employee Grade 1A shall 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) Indicative of the tasks which an employee at this level may be required to perform include the following:

General labouring and cleaning duties

Loading/unloading. of ISO containers, Manual

Checking, and sorting of products.

Preform Quality control audits, sorting, and Manual handling

This grade shall not preform any WMS function; operate machinery or any keyboard operation.

Warehouse Employee Grade 1

For the purposes of this agreement, Warehouse Employee Grade 1 shall 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.
- (6) 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.

May be required to use, for training purposes, materials handling equipment, which requires licensing/certification.

Warehouse Employee Grade 2

For the purposes of this agreement, Warehouse Employee Grade 2 shall mean an employee who has performed 60 shifts service and 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 Grade 1 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:

- (1) may be required to assist in the development of Grade 1 Storeman and Packer.
- (2) is able to work from complex instructions and procedures;
- (3) is able to co-ordinate work in a team environment under general supervision;
- (4) is responsible for assuring the quality of their own work;
- (5) possesses sound interpersonal and communication skills;
- (6) is licensed and/or certified to operate all appropriate materials handling equipment, e.g., forklift, mobile crane, carousel, etc.; and

(7) may be required to perform the following tasks/duties:

Inventory and stores control.

VDU operation using intermediate keyboard skills to carry out stores work.

Use of other electronic equipment, e.g., scanner, to carry out stores work.

Routine maintenance of stores equipment and machinery.

Warehouse Employee Grade 3

For the purposes of this agreement, a Warehouse Employee Grade 3 shall mean an employee who has successfully completed the warehousing and distribution certificate level 1 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) has a 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 work requiring minimal supervision, either individually or in a team environment;
- (6) must be competent to perform the following tasks/duties: Licensed to operate appropriate materials handling equipment, e.g., fork lifts, mobile crane, carousel, etc. Routine maintenance of stores equipment or machinery.
- (7) In addition, may be responsible for the proper application and maintenance of appropriate occupational health and safety standards (optional).
- (8) May also be responsible for quality control of the work of other employees. (eg Dock control duties)

Warehouse Employee Grade 4

For the purposes of this agreement, Warehouse Employee Grade 4 shall mean an employee who has undertaken stores work of all lower grades and who has, at the request of the employer successfully completed the warehouse and distribution certificate level 2. The parties, through the site consultative committee, will confer/consult on a mechanism whereby the employee's will be appointed by the employer to rotate or perform the functions of section co-ordinator.

An Employee at this level is 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) assist 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 within the store.
- Liasing with management, suppliers and customers with respect to distribution operations.
- Detailing, Co-ordinating and checking activities of other store workers.
- Maintaining control registers including inventory control and being responsible for the preparation and reconciliation of regular reports of stock movement's dispatches, etc.
- Has a sound knowledge of the employer's operation and product.

SCHEDULE 2

WAGE SCHEDULE

Weekly rate of pay

Table One

	Grade	13/10/03	13/05/04	13/11/04	13/05/05	13/11/05	13/05/06	13/11/06
Increase			3%	2%	3%	2%	3%	2%
	1a	N/A	\$684.00	\$697.68	\$718.61	\$732.98	\$754.97	\$770.07
	1	\$711.00	\$732.33	\$746.98	\$769.39	\$784.77	\$808.32	\$824.48
	2	\$746.71	\$769.11	\$784.49	\$808.03	\$824.19	\$848.91	\$865.89
	3	\$768.30	\$791.35	\$807.18	\$831.39	\$848.02	\$873.46	\$890.93
	4	\$800.77	\$824.79	\$841.29	\$866.53	\$883.86	\$910.37	\$928.58

SCHEDULE 3

KEY PERFORMANCE INDICATORS (KPIs)

Objectives

Under the Company's policy of continuous improvement, it is proposed the following KPI's be measured.

1. Credit Errors
2. On time dispatch
3. Inventory accuracy
4. Absenteeism
5. Damages
6. General Productivity

These KPI's will be measured on a monthly basis - the measurement criteria being positive movement in each criteria.

Only warehouse driven performance will form part of the measures.

GUIDELINES

1. Credit Errors

Measures "returns" based on data from RFC and WCA. Exclude any non warehouse Reasons Codes O,A,D,W.

2. On Time Dispatch

Measured by data of invoice VS required date. Current measurements in place. Lead time rules (current) to apply.

3. Inventory Accuracy

Pick face and reserve measured by cycle counting and stock take. Measures include pick face and reserve and cover item, lot, code.

4. Absenteeism

Measures only unplanned absences, sick leave and leave without pay. This includes RDO's applied for in arrears.

5. Damages

Stock damages - measured number of items moved to Damaged warehouse. Excludes receipt damaged and returns.

Equipment damages -measured on the monthly repair/replacement costs to racking, R & F equipment, mobile equipment etc. Admin to supply costs. Fair wear and tear to be subtracted.

6. General Productivity

Develop criteria in conjunction with SCC, develop and display KPI, give greater visibility to users of WMS.