

ENTERPRISE AGREEMENT

NO: E.A. 233 /1993

DATE REGISTERED: 18-8-93

PRICE: \$ 16-00

## 1. TITLE

This agreement shall be referred to as the Norton Pty Ltd Enterprise Agreement.

## 2. ARRANGEMENT

<u>Clause No.</u>	<u>Subject</u>
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## 3. INCIDENCE

This agreement shall apply at Norton Pty Ltd, 25 Nyrang Street, Lidcombe, New South Wales, 2141. It shall apply to employees engaged in a clerical capacity as prescribed by Clause 35, Area, Incidence and Duration of the Clerks (State) Award.

## 4. PARTIES BOUND

This agreement shall be binding on:--

- (a) Norton Pty Ltd, 25 Nyrang Street, Lidcombe, New South Wales, 2141; and,
- (b) The Federated Clerks Union of Australia (New South Wales Branch).

## 5. PURPOSE OF THE AGREEMENT

Norton has a commitment to be the undisputed leading abrasive company within Australia. This position will be attained by Norton Australia becoming a world competitive manufacturer and distributor of abrasive and related products.

The company in its endeavour to become undisputed market leader is committed to Total Quality Management including:

- ISO – 9000 Supplier Certification

- Continuous improvement in all activities
- Empowerment of all employees
- Self directed work teams
- Training and career path development of employees

The employees and shareholders of Norton Pty Ltd are committed to building an internationally competitive company by developing a working environment which has high standards of excellence, productivity, innovation and work place safety. This will be achieved through the creation of a highly skilled workforce built on consultation, empowerment, trust and developed responsibilities.

This agreement forms the basis for the working conditions and remuneration for Norton employees. The objective is to improve the quality of the company's products and services, enhance working conditions of all employees, increase total output per employee and reduce product unit costs. Through this process there will be improvement to the overall benefits to individual employees.

#### **6. DATE AND PERIOD OF OPERATION**

This agreement shall operate from the first pay period to commence on or after the date of this agreement's registration under the Industrial Relations Act 1991 and shall remain in force for a period two (2) years.

#### **7. RELATIONSHIP TO PARENT AWARD**

This agreement shall be read and interpreted wholly in conjunction with the Clerks (State) Award, as applicable, provided that where there is any express inconsistency, this agreement shall take precedence to the extent of the inconsistency.

#### **8. CONSULTATIVE MECHANISM**

The process of enterprise bargaining should centre around the employees of the company consulting with the shareholders. It is proposed that the Consultative Committee will be the liaison group for all enterprise discussions and as such is established to make recommendations to the shareholder's representative and to the employees. It is noted that the Consultative Committee will act as an advisory body to the employees and Management.

The Consultative Committee will comprise representatives from a cross-section of the unionised and management employees of the company, i.e. twelve (12) persons, with seven (7) wages and five (5) management employees.

The wages employees would elect seven (7) members and five (5) management employees will be selected by management. The Consultative Committee will write a constitution and elect a chairperson from its members. Assistance for this will be available through the TUTA training sessions for committee members. The consultative committee will steer committees

established in each of the work areas, which are charged with developing ideas and recommendations for changes in their areas, aimed at achieving productivity improvements.

It is expected that a Norton Enterprise Agreement will ultimately contain all employment terms and conditions of employees. The Consultative Committee will assist in removing traditional barriers between management and employees, enhance flexibility in communication and facilitate the empowerment process.

## 9. PRODUCTIVITY IMPROVEMENTS

A commitment is made by both Norton Pty Ltd and the employees to improving performance through continuous improvement including product quality, work organisation, wastage, distribution, technology, occupational health and safety and environmental issues.

Summarised below are the areas where productivity improvements will be achieved:

### Career Path and Training

The requirement to provide regular and appropriate training of all employees to improve individual's skill base is essential for Norton to achieve world class competitiveness. Action is required to assist all employees to develop a career path which is consistent with the needs of the employees and the Company.

A commitment is made to complete a skills development programme consistent with the requirements of the company and which is based on the National Training Board framework.

The Consultative Committee (or its sub-committee) will be responsible for the establishment and implementation of training programme(s) for each employee and that this programme be implemented no later than November 1, 1993.

### Total Quality Management

- (a) All employees agree to take proactive involvement in TQM activities.
- (b) There is commitment and agreement by the Company to empower employees.
- (c) There is commitment and agreement to training and career path development.
- (d) There is commitment and agreement to continuous improvement in all activities by all employees.

### Waste Reduction

- (a) There is commitment and agreement by all employees to seek out and reduce waste in all areas.

- (b) There is commitment and agreement by all employees to minimise absenteeism.

#### Performance Indicators

There is commitment and agreement by all employees to collect relevant process data to assist in performance improvement. There is commitment by the company to regularly publish relevant data and have ongoing communication sessions to understand information and to take appropriate action.

#### Flexibility in Hours of Work

An essential component of achieving world class competitiveness is the ability to meet customer service requirements at optimum costs. Flexibility of labour in regard to hours of work is required to cater for fluctuations in customer needs.

The work area committees and the consultative committee will recommend changes to working hours to meet these needs.

#### Self Directed Work Teams

The parties agree that the introduction of self directed work teams is an important and integral part of Total Quality Management. The introduction of teams across all aspects of Norton's operations will expedite the process of devolution of decision making and responsibility.

The introduction of the team concept will facilitate improving the flexibility of the workforce and will involve all levels of employees. The parties are committed to removing traditional demarcation of duties to allow all employees access to all jobs for which they have received adequate training. The parties agree that employees will be able to carry out any task for which they have been assessed as being skilled, with the overriding requirement that the performance of these tasks meets statutory requirements.

Team leaders will replace the traditional supervisors and leading hands. The accountability for the teams' output will rest with the teams and the targets will be determined by the team in conjunction with the responsible manager.

Teams will be required to monitor their performance and the results of each work group will be readily available to all employees. Teams will be responsible for their own Quality Control and accountable for the quality of all output.

Appropriate training will be provided for all team members to ensure they have the requisite skills for the multi functional tasks required within the team.

### **10. REMUNERATION**

The parties agree that effective implementation of an enterprise agreement

requires adherence to the wage fixing principles of the Industrial Relations Commission of New South Wales which requires that increases must be achieved through measurable enterprise productivity gains.

Norton recognises the importance of maintaining wages and salaries at market rates, based upon the skill level required for each job. The company also recognises the benefit of providing the opportunity for employees to earn additional remuneration for productivity gains which lead to improved corporate performance. To encompass these objectives, a two tier remuneration structure is proposed:

- A wage maintained at market rates via annual review. Market rates would be based on the Consumer Price Index published by the Australian Bureau of Statistics.

The Index will have its base effective 1st January 1993.

- A payment will be made based on improvements in the factory and warehouse productivity during each twelve (12) month period of the agreement.

A gainshare payment will be made on productivity improvements exceeding the agreed base.

#### Implementation

##### Wage Increase:

4.5% increase to all award wages effective at the time of registration of the agreement. This would be a prepayment of expected market rate increases during part or all of the life of the agreement.

Further payments will be dependent on movements in the selected Index. Where movements in the selected Index exceed base rate increases in any one year, the base rate will be increased to the movement recorded in the Index.

The Index to be used will be the Consumer Price Index as calculated by the Australian Bureau of Statistics.

##### Productivity Increase:

A payment (an increase of the base rate) will be made for increases in productivity as measured by the indices detailed below. The payment will be based on 33.33% of productivity gains made (as per the relevant indices) during each twelve (12) month period of the agreement to a maximum of 2% increase per annum.

All productivity increase over 8% per annum will be paid as a bonus at the rate of 25% of productivity gains made.

Productivity measurement will be based on a weighted 12 months average of improvements in factory productivity and warehouse productivity as follows:

The factory productivity index is a comparison of actual labour hours worked to standard labour hours over the 12 months period in question as follows:

$$\frac{\text{Actual Hrs Previous Period}}{\text{Std Hrs Previous Period}} - \frac{\text{Actual Hrs Current Period}}{\text{Std Hrs Current Period}} \quad \times \frac{100}{1}$$
$$\frac{\text{Actual Hrs Previous Period}}{\text{Std Hrs Previous Period}} \quad \times \frac{100}{1}$$

The warehouse productivity is a comparison of lines picked per actual hour of warehouse labour in the current 12 months to the lines picked per actual hour of warehouse labour in the previous 12 months. This is calculated as follows:

$$\frac{\text{Lines Picked Current Period}}{\text{Actual Hrs Worked Cur Period}} - \frac{\text{Lines Picked Previous Period}}{\text{Actual Hrs Worked Prev Period}} \quad \times \frac{100}{1}$$
$$\frac{\text{Lines Picked Previous Period}}{\text{Actual Hrs Worked Previous Period}} \quad \times \frac{100}{1}$$

## 11. AVOIDANCE OF INDUSTRIAL DISPUTES

The parties agree that there will be no bans and limitations during the life of the agreement in relation to the terms and conditions set out in the agreement.

In the event of a grievance or dispute, the procedures set out below will be followed in good faith by all parties.

### Procedures Relating to Grievances or Disputes of Individual Employees and Groups of Employees

- (a) The parties to the agreement shall notify to each other in writing the names and/or titles of duly accredited job representatives. The accredited employee representative will be entitled to make representations on behalf of employee/s and the nominated Company's representative will be responsible for dealing with matters raised by the employee representative.
- (b) The accredited employee representative and Company representative shall make themselves available for consultation as required under the procedures.
- (c) In the first instance, the accredited employee representative shall discuss matters affecting the employee/s they represent with the foreman or supervisor of those employees.

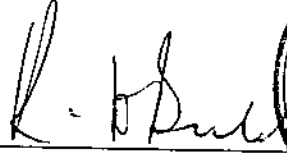
- (d) If the matter is not resolved at this level, the accredited employee representative should ask for it to be referred to the Company's representative nominated under paragraph (a) above, and the foreman or supervisor shall do so. The Company's representative shall arrange a conference to discuss the matter within 24 hours or such other period as is agreed with the accredited employee representative.
- (e) If the matter is not resolved at the conference convened under paragraph (d) above, the accredited employee's representative may advise the appropriate local official or officials of the union of the matter in issue. A conference on the matter will then be arranged, to be attended by such official or officials and the employee's representative concerned as the union may decide, and by the designated Company's representative and such other representatives of the Company including their association as the Company may decide.
- (f) If the matter has not been resolved when the procedures referred to above have been availed of, the Company and the union should enter into consultation about it at a higher level, on the Company and union sides, as the parties consider appropriate.
- (g) 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.
- (h) Without prejudice to either party, work shall continue in accordance with the award while matters in dispute between them are being negotiated in good faith. Where a bona fide safety issue is involved, the Company and the appropriate safety authority must be notified concurrently or at least a bona fide attempt made to notify that authority.
- (i) At any stage of the procedures, the parties may seek the assistance of a member of the Industrial Relations Commission of New South Wales, or some other mutually acceptable person.
- (j) In the event of a party failing to observe these procedures, the other party may take such steps as are open to them to resolve the matter.

## 12. DECLARATION

The parties declare that this agreement was not entered into under duress.



Signed on behalf of the Company:

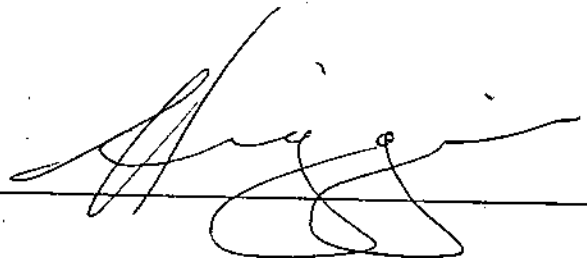
  
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Dated this 7<sup>th</sup> day of May 1993

Signed on behalf of the Federated  
Clerks Union of Australia (NSW Branch):



  
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Dated this 16<sup>th</sup> day of JUNE 1993