

ENTERPRISE AGREEMENT

NO: E.A. 338 /1993

DATE REGISTERED: 8-11-93

PRICE: \$ 42.00

NSW INDUSTRIAL RELATIONS ACT 1991
ENTERPRISE AGREEMENT
MADE PURSUANT TO CHAPTER 2, PART 3 OF THE ACT

1.0 TITLE

This Agreement shall be known as the Nestle Confectionery Ltd (Lane Cove) Enterprise Agreement 1993-1996.

PART A - GENERAL

2.0 APPLICATION OF THE AGREEMENT

2.1 This Agreement shall apply to:

2.1.1 Nestle Confectionery Ltd

2.2.2 The unions set out in Schedule 'A'; and

2.2.3 Employees of the company employed in the classifications set out in Part B.

in respect of the Company's operations at 27 Mars Road, Lane Cove, NSW.

2.2 This Agreement shall apply to work defined in the Awards appearing in Schedule 'B' and shall be read in conjunction with those Awards. This Agreement shall take precedence over those Awards to extent of any inconsistency.

3.0 AVOIDANCE AND SETTLEMENT OF DISPUTES

3.1 Subject to the Industrial Relations Act, 1991, any grievance, dispute or claim shall be dealt with in the following manner:

3.1.1 Settlement Procedure Between an Individual Employee and the Company

(a) The employee is required to notify (in writing or otherwise) the employer as to the substance of the grievance, request a meeting with the employer for bilateral discussions and state the remedy sought.

- (b) A grievance must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
- (c) Reasonable time limits (but not more than seven days) must be allowed for discussion at each level of authority.
- (d) At the conclusion of the discussion, the employer must provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.
- (e) While a procedure is being followed, normal work shall continue.
- (f) The employee may be represented by an industrial organisation of employees.

3.1.2 Settlement Procedure Between Employees and the Company

- (a) A question, dispute or difficulty must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
- (b) Reasonable time limits (but no more than seven days) must be allowed for discussion at each level of authority.

- (c) While a procedure is being followed, normal work shall continue.
- (d) The employer may be represented by an industrial organisation of employers and the employees may be represented by an industrial organisation of employees for the purpose of each procedure.

4.0 WAGES RATES AND ALLOWANCES

Wage rates and allowances shall be paid in accordance with the provisions of Part 'B'.

5.0 TERM OF AGREEMENT

This Enterprise Agreement shall operate on and from the date upon which it is registered and shall remain in force for a period of three (3) years from that date.

6.0 DECLARATION

The parties to this Enterprise Agreement have not entered into it under duress. This declaration is confirmed by the signatures appearing in Schedule 'C'.

SCHEDULE 'A'

National Union of Workers (NSW Branch)

Metal and Engineering Workers Union

Electrical Trades Union of Australia (NSW Branch)

Australasian Society of Engineers (NSW Branch)

Federated Confectioners' Association of Australia, (NSW Branch)

SCHEDULE 'B'

Storemen and Packers General (State) Award

Metal and Engineering Industry (NSW) Award

Electricians' (State) Award

Nestle Confectionery Ltd Confectioners' (State) Award

SCHEDULE 'C'

SIGNED FOR AND ON BEHALF OF:

Nestle Australia Ltd

5 / 8 / 93

DATE

Alles

[Signature]

WITNESS

Federated Confectioners' Association
of Australia (NSW Branch)

THE FEDERATED CONFECTIONERS' ASSOCIATION OF AUSTRALIA, (N.S.W. BRANCH)

30/8/93

DATE

[Signature]

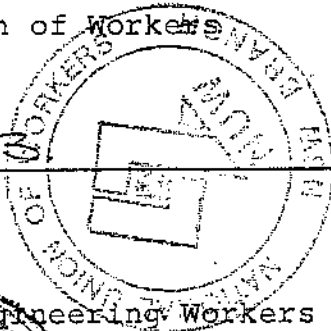
P. Edwards.

WITNESS

National Union of Workers
(NSW Branch)

31-8-93

DATE



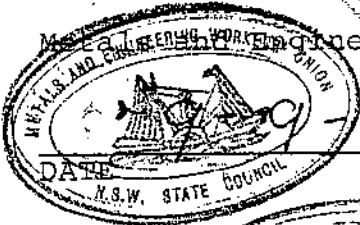
[Signature]

WITNESS

Metal and Engineering Workers Union

29-9-93

DATE



[Signature]

[Signature]

WITNESS

Electrical Trades Union of Australia
(NSW Branch)

28/9/93

DATE



[Signature]

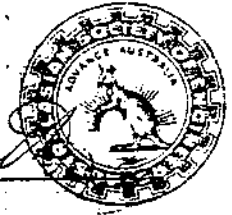
WITNESS

Australasian Society of Engineers
(NSW Branch)

15th Sept, 1993

DATE

[Signature]



P. Dunn JP

WITNESS

PART 'B' WAGES AND ALLOWANCES

| <u>SECTION</u> | <u>CLASSIFICATION</u> | <u>WAGE RATE/ALLOWANCE</u> | | | |
|----------------------------|---|--|-----------------|---|--|
| | | <u>Column 1</u> (Refer to Notes 1 & 2) | <u>Column 2</u> | <u>Column 3</u> (Refer to Note 3) | |
| Production | Level 1 | 445.20 | 458.60 | 472.40 | |
| | Level 2 | 432.60 | 445.60 | 459.00 | |
| | Level 3 | 417.90 | 430.40 | 443.30 | |
| | Level 4 | 404.00 | 416.10 | 428.60 | |
| | Level 5 | 391.80 | 403.60 | 415.70 | |
| | Level 6 | 384.10 | 395.60 | 407.50 | |
| | Leading Hands | 445.20 | 458.60 | 472.40 | |
| | First Aid Allowance (per week) | 8.00 | 8.20 | 8.40 | |
| | Meal Allowance (per occasion) | 5.10 | N/C | N/C | |
| | Laundry Allowance (per week) | 3.30 | N/C | N/C | |
| Electrical | Temperature exceeds 40°C (per hour) | 0.32 | 0.33 | 0.34 | |
| | Electrical Fitter (Licensed) | 585.20 | 602.80 | 620.90 | |
| | Leading Hand Electrician | 617.20 | 635.70 | 654.80 | |
| | Electronics Tradesperson | 660.40 | 680.20 | 700.60 | |
| | Leading Hand Allowance | 31.80 | 32.80 | 33.80 | |
| | Tool Allowance | 9.70 | 10.00 | 10.30 | |
| | Licence Allowance | 22.60 | 23.30 | 24.00 | |
| | (NB: These allowances have been incorporated into the weekly wage rate for the appropriate classification.) | | | | |
| | First Aid Allowance (per week) | 8.90 | 9.20 | 9.50 | |
| | Travelling Allowance (per km) | 0.46 | N/C | N/C | |
| Meal Allowance (each meal) | 6.30 | N/C | N/C | | |

Cont...

- 7 -

PART 'B' WAGES AND ALLOWANCES

| <u>SECTION</u> | <u>CLASSIFICATION</u> | <u>WAGE RATE/ALLOWANCE</u> | | |
|--------------------------------|--|----------------------------|-----------------|-----------------|
| | | <u>Column 1</u> | <u>Column 2</u> | <u>Column 3</u> |
| Mechanical | Apprentice Fitter - 3rd Year | 332.50 | 342.50 | 352.80 |
| | Fitter - (c10) | 548.10 | 564.50 | 581.40 |
| | Mechanical Tradesperson | | | |
| | Special Class - (c8) | 582.60 | 600.10 | 618.10 |
| | Leading Hand Fitter | 578.90 | 596.30 | 614.20 |
| | Foreperson Fitter | 604.00 | 622.10 | 640.80 |
| | Leading Hand Mechanical | | | |
| | Tradesperson Special Class | 616.80 | 635.30 | 654.40 |
| | Tool Allowance | 9.70 | 10.00 | 10.30 |
| | In Charge 3-10 Allowance (This allowance has been incorporated in the weekly wage for Leading Hand Classifications) | 20.10 | 20.70 | 21.30 |
| | In Charge 11-20 (This allowance has been incorporated in the weekly wage for Foreperson Classification) | 30.00 | 30.90 | 31.80 |
| | First Aid (per week) | 9.10 | 9.40 | 9.70 |
| | Travelling Allowance (per km) | 0.46 | N/C | N/C |
| | Meal Allowance (per occasion) | 6.00 | N/C | N/C |
| Heat/Dirt Allowance (per hour) | 0.35 | 0.36 | 0.37 | |

cont....

- 8 -

PART 'B' WAGES AND ALLOWANCES

| <u>SECTION</u> | <u>CLASSIFICATION</u> | <u>WAGE RATE/ALLOWANCE</u> | | |
|-------------------------------------|---|----------------------------|-----------------|-----------------|
| | | <u>Column 1</u> | <u>Column 2</u> | <u>Column 3</u> |
| Finished Goods Warehouse & Store | Storeperson and Packer | 438.50 | 451.70 | 465.30 |
| | Forklift Operator | 438.50 | 451.70 | 465.30 |
| | (NB: These rates include a weekly forklift allowance of) | 5.80 | 6.00 | 6.20 |
| | Storeperson and Packer (Single employee in charge of Store) | 487.60 | 502.20 | 517.30 |
| | <u>Allowances</u> | | | |
| | Leading Hand 1 - 5 employees | 13.20 | 13.60 | 14.00 |
| | 6 - 10 employees | 19.80 | 20.40 | 21.00 |
| | 11 - 15 employees | 27.00 | 27.80 | 28.60 |
| | over 15 employees | 34.00 | 35.00 | 36.00 |
| | Container Allowance (per week) | 8.50 | 8.80 | 9.10 |
| | First Aid Allowance (per week) | 8.10 | 8.30 | 8.50 |
| | Meal Allowance (per occasion) | 6.50 | N/C | N/C |

PART 'B' (CONT'D)

NOTE 1

The rates set out in columns 1 and 2 are based on the following factors relating to the application of agreed redundancy provisions:-

NESTLE CONFECTIONERY LTD.
LANE COVE

22.4.93

REDUNDANCY PROCEDURES

1. ISSUE OF REDUNDANCY NOTICES

Redundancy Notices will be issued on a Departmental basis as manufacture ceases in the relevant Departments.

Those employees who do not belong to a Production Department, i.e. Canteen, Office Staff, etc. will be issued Redundancy Notices at the Management's discretion.

Redundancy Notices will be issued to those employees who were employed in the relevant Department as at 21.2.92.

Employees who have been transferred since 21.2.92 to Departments, or Sections which will be closed, will be returned to their original Department (with the exception of Bubble Gum Department).

Exception: Apprentices will not be made redundant until their Apprenticeship with the Company has been completed.

: Production Trainee(s) will not be made redundant until their Traineeship with the Company has been completed.

The Company will provide Support Services/Training for those employees being made redundant.

2. VOLUNTARY REDUNDANCY

There will be no Voluntary Redundancies offered by the Company.

However, if a Part-Departmental closure occurs, then refer to Clause 3.

3. DEPARTMENTAL OR PART-DEPARTMENTAL CLOSURE
(ie Starch Department)

The Company will determine the number of Redundancies to occur in each Job Classification.

3. When more than two employees fall within the same Job Classification the Redundancy Notice will be issued to the person with the least Company Service (ie last on, first off principle).

The Job Classification is that which applies on the date of issue of the Redundancy Notice.

Permanent employees being made redundant will have preference over Casual or Temporaries for a position, thus employees issued with Redundancy Notices will be given the choice of transferring to another department nominated by the Company if positions are available.

If the Company offers a position in another department and this is refused by the employee, no other offer will be given and the employee will be subject to redundancy. Where the Company offers another position "Job Swaps" will not apply.

Once an employee accepts a transfer to another department as a choice over redundancy, seniority by length of service will no longer apply. Further transfers or "Job Swaps" will be dependent on skill level only.

Employees issued with a Redundancy Notice who are not offered a transfer to another department, will be able to swap jobs with employees in other departments - on the same shift. Refer also to Clause 8.

4. JOB SWAP

If an employee issued with a Redundancy Notice wishes to remain with the Company, they may swap jobs with another employee who wishes to accept redundancy and leave. The Company need to retain a skilled workforce until the final closure thus employees leaving under Job Swap arrangements must have the same, or lower, skill levels than the employee remaining.

Procedure

- * Employees issued with a redundancy notice who wish to remain must advise their Supervisor and complete a "Job Swap Advertisement" form.
- * Preference will be given to employees within the same Department provided they have the same, or lower, skill level than the employee who has been issued with a Redundancy Notice.
- * If there are no employees within the same Department who wish to "swap", then the position will be advertised in a central area, e.g. Canteen.

- * Internal "swap" positions will be advertised for one week only.
- * Employees who wish to accept redundancy and leave the Company may apply for "Swap" positions once they are advertised by completing an Application Form, having their Supervisor sign it and lodging the form with the Personnel Department.
- * Applicants must be the same, or a lower, skill level than the Job "Swap" applicant.
- * When two, or more, employees who meet the conditions apply for the advertised swap position, then the employee with the greater length of service will have preference and be granted redundancy.
- * If an employee issued with a Redundancy Notice is successful in "swapping" jobs, the employee will not be issued with another Redundancy Notice until their "new" job has been made redundant.
- * Once an employee has been successful in "swapping" and the employee transfers to the "new" job, seniority by length of service will no longer apply.

5. TAKING OF ANNUAL LEAVE OR LONG SERVICE LEAVE AFTER REDUNDANCY NOTICES HAVE BEEN ISSUED

The Company will discourage employees from taking Annual Leave once the Redundancy Notices are issued unless there is an extreme case of necessity.

Long Service Leave will not be approved once Redundancy Notices are issued.

6. TRANSFER TO LESSER SKILL JOB

Employees who transfer to a lower Job Classification with the corresponding rate of pay, will retain their current rate of pay.

The Company will reserve the right to use the employee's skills at the higher level when required.

7. TRANSFER TO DIFFERENT JOB ROLE
e.g. Fitter to Operator

Employees who transfer to a different Job Classification with the corresponding rate of pay, will retain their own current rate of pay.

The Company will reserve the right to use the employee's skills when required (e.g. in the absence of a Fitter in the Department - the Operator (Fitter) can be requested to temporarily utilise his skills as a Fitter.

The employee may retain his/her existing union membership.

8. TRANSFER TO A DIFFERENT SHIFT

Day Shift and Afternoon Shift will be treated as separate Units.

Transfers, or "swaps" to other jobs will be between jobs on the same shift only.

When Redundancy Notices are issued, an employee will be offered a position on a different Shift if there are positions held at that time by "Casuals" or "Temporaries" on that Shift (e.g. Permanent employees who are to be made redundant, will have preference over Casual or Temporaries for a position).

If the Company offers a position on another Shift and this is refused by the employee, no other offer will be given and the employee will be subject to redundancy.

9. TEMPORARY TRANSFER TO OTHER PLANTS FOR THE PURPOSE OF EQUIPMENT INSTALLATION, TRAINING, etc.

Some employees may be requested by Management to transfer temporarily to other Company locations to train or install equipment. Refer to "Conditions Policy".

As this may necessarily delay the employee being made redundant - the Redundancy Package will be calculated on the revised date of termination.

10. TRANSFERS TO OTHER PLANTS

Employees who wish to transfer to other plants within the Company Group should advise their Supervisor/Personnel Department.

Vacancies from other Company locations will be advertised on the Notice Board.

11. TRANSFER TO CASUAL EMPLOYMENT

Permanent employees on being made redundant, cannot transfer to "Casual" employment.

12. MATERNITY LEAVE

If an employee is on Maternity Leave when made redundant, a letter will be forwarded to the employee at home advising the situation and requesting the employee to contact the Company.

13. PAYMENT OF REDUNDANCY PACKAGE

There will be no "interim" payout.

Payment of all monies under the Redundancy Agreement, will be paid, by cheque, on the day the person leaves the Company.

Employees will be issued with all details of the Final Payout figure, including taxation components, Group Certificates and Eligible Termination Payment forms.

Superannuation (NAGS Fund) benefits will be paid directly to the employee by the Pensions Department as soon as all appropriate documentation has been completed by the employee. Superannuation Benefits can then be paid (or paid into the nominated Rollover Fund) within 7-10 days of the employee's termination date.

Occupational Superannuation benefits will be dealt separately by the appropriate Fund, e.g. A.M.P. Society/STA Fund/LUCRF.

14. RIGHT OF APPEAL

Employees who do not agree with Redundancy Transfer decisions will have the right of appeal to the Company's Lane Cove Union Negotiating Committee.

PART 'B' (CONT'D)

NOTE 2

The rates set out in columns 1 and 2 are also based on the successful implementation of the following:-

PRODUCTIVITY MEASUREMENT

- * The progressive closure of the Lane Cove Plant is expected to make the accurate measurement of productivity more difficult thus a wide range of measures will be monitored on a monthly basis.
- * Results will be published monthly, provided to the Consultative Committee and posted on notice boards.
- * The following measures will be used:-

| | | |
|---|-----------------------------------|---------------------------|
| - | Departmental Labour Efficiency | % |
| - | Stock Build-up Vs Plan | % Achievement |
| - | Absenteeism | % Time Lost |
| - | Factory Tonnage | |
| - | Man Hours/Tonne | |
| - | Labour Variance Against Budget | \$ |
| - | Materials Variance Against Budget | \$ |
| - | Energy Variance Against Budget | \$ |
| - | Direct Dollars/Tonne | \$ |
| - | Safety Incidence | Accidents/Million Man Hrs |
| - | Safety Duration | Hrs |
| - | First Time Quality | % |
| - | Final Quality | % |

MACHINE UTILIZATION

- * The need to maximise machine utilization will have increased significance given the need to build up stocks of lines being transferred.

- * The above needs require a change in the management of rostered day off procedures to those outlined below.
- * The changed procedures are outlined later in this Part.

TRAINING OF OTHER EMPLOYEES

- * To attempt to accommodate the wishes of as many employees as possible it will be necessary for some employees to be trained in different jobs.
- * To assist in the smooth transfer of production lines to other factories employees from other plants will require to be trained at Lane Cove.
- * All employees will assist in training other employees to the level of their own skill and knowledge.

COMMISSIONING OPERATIONS AT OTHER PLANTS

- * As lines transfer to other plants assistance will be required from Lane Cove personnel to commission the line at the new plant.
- * Assistance will most probably be required from the following groups of employees:-
 - Supervisors
 - Leading Hands
 - Key Operators
 - Maintenance
- * Employees will give thorough consideration to Company requests to assist in commissioning work at other plants.

- * Individual employees redundancy dates may be deferred to allow them to assist in commissioning at other plants.
- * Conditions to apply to employees who undertake commissioning work at other plants will be as per Company Policy.

ABSENTEEISM

- * The Lane Cove Redundancy Agreements makes provision for the pay out of the accumulated sick leave upon redundancy (maximum \$118 - per day - 3 monthly CPI indexed from 1.6.92).
- * Absenteeism is required to be maintained at the current or reduced levels to ensure no loss of productivity or interference with the job search program designed to assist employees seeking alternative employment.
- * Absenteeism data will be calculated monthly and published as part of the productivity measures.

TEAM ACTIVITIES

- * Team activities are a part of the current work culture at Lane Cove and teams are usually focused on a particular issue.
- * Team activities are currently undertaken in the following areas:-
 - Safety
 - Quality
 - Process Improvement
 - Problem Solving

- * It is necessary for team activities to continue to ensure productivity is maintained or improved.
- * It is agreed that individual employees will participate in team activities if required.

TEMPORARY AND CASUAL EMPLOYEES

- * The Company commit that prior to making permanent employees redundant they will have priority over temporary and casual employees for positions.
- * It may be necessary to use temporary or casual employees following the redundancy of permanent employees to cover for the following situations:-
 - Changes in Sales Forecast
 - Absenteeism
 - Annual Leave
 - Job Centre
- * If temporaries or casuals are required to be employed then award provisions will apply.

USE OF CONTRACTORS

- * Contractors are currently used to provide services:-
 - Where skills do not exist within the Company workforce.
 - Where additional labour is required for capital projects.
 - During extended absence of Company employees.
 - To cover for short term increased work loads.

- * The Company commit to using Company employees for the removal of equipment being transferred wherever possible.
- * It is acknowledged that there will be an ongoing need for the use of some contractors services.
- * As the plant reduces in size, some Company employees performing specialist services, eg Plumber, Carpenters, may no longer have sufficient workload to justify continued employment. Under such circumstances the Company employees will be made redundant and any further needs carried out by Contractors.

ELECTRONIC FUNDS TRANSFER

- * Currently the majority of weekly paid employees are paid by electronic funds transfer with the balance being paid by cash.
- * To streamline Pay Office operations and improve security it is agreed that all weekly paid employees will transfer to electronic funds transfer from the first complete pay period after 1st January, 1994.

ROSTERED DAY OFF PROCEDURES

1. Objectives

- . Allow the Company to maximise the use of available equipment to meet output requirements particularly the need to build up stock of lines transferring to other plants.
- . Allow employees the opportunities to bank accumulated R.D.O's where they so desire for payment upon termination.

2. Nominated Rostered Days Off

- . 1 day per calendar month will be nominated by the Company as a rostered day off.
- . Dates for each calendar year will be advised and posted on display by 1st December of the preceding year.

3. Changing of Nominated Rostered Days Off

- . Nominated R.D.O's can be changed by mutual agreement between the Company and employees.

4. Working on Nominated Rostered Days Off

- . The Company shall nominate not less than 1 week in advance production lines required to work on a rostered day off.
- . The Company shall make every attempt to crew such lines by using volunteers to work on the rostered day off.
- . Where the required employee numbers or skills cannot be obtained from volunteers the Company may nominate the employees required to work on the rostered day off.

5. Banking of Worked Rostered Days Off

- . No limit shall apply to the number of rostered days off that can be banked.
- . Employees made redundant who have outstanding rostered days off shall be paid the value of these rostered days off as an addition to their redundancy payment.

- . Such payment for rostered days off shall only apply when an employee is leaving the Company's employment.

6. Taking Alternate Rostered Days Off

- . Employees required to work on the nominated rostered day off can take off an alternate day within the following guidelines:-
 - Alternate days shall be by mutual agreement between the employee and the Company.
 - The Company shall make every effort to accommodate employees requests for alternate days off with the only restriction being the number of employees taking an alternate R.D.O. in a given department on a given day.
 - Employees are to advise 1 week in advance of the alternate day they wish to take as an R.D.O. This advice time can be reduced if the Company is in a position to accommodate the request.
 - Once Employees are issued with notice of redundancy they will not be permitted to take more than one accumulated R.D.O. per week.

NOTE 3

The rates set out in column 3 become payable on the basis of achieved productivity gains measured by the following factors:-

1. Departmental Labour Efficiency

A Computerised departmental based labour efficiency system has operated at Lane Cove Plant for a number of years. This labour efficiency system measures efficiency on a departmental basis and collates results to produce a total factory labour efficiency.

The year to date factory labour efficiency at end June 1995 must exceed 100% based upon current 1993 standards. Any new lines introduced between now and June 1995 will have standards developed based upon the current criteria.

2. Stock Build Up Vs. Plan

A review shall be conducted of each production line transferred from Lane Cove during the 12 months period to end June 1995. It will be required that stock build ups on all lines were achieved by the nominated transfer date.

3. Absenteeism

The Factory year-to-date absenteeism at end June 1995 shall not exceed the Factory absenteeism at year-to-date June 1993 measured on a % time lost basis.