

ENTERPRISE AGREEMENT

NO: E.A. 164 /1994

DATE REGISTERED: 20-5-94

PRICE: \$ 40-00

CERTIFIED AGREEMENT

1. TITLE

This agreement shall be known as the Pilkington (Australia) Operations Limited Glass Division Tamworth Enterprise Agreement 1993.

2. ARRANGEMENT

The agreement is arranged as follows:

<u>CLAUSE</u>	<u>SUBJECT MATTER</u>
3	Application
4	Life of Agreement
5	Relationship to Parent Award and Existing Conditions
6	Not to be used as a precedent
7	No extra claims
8	Wage rates
9	Performance improvement through organisational restructuring
10	Performance improvement projects and programs
11	Performance improvement through functional flexibility
12	Performance improvement through worktime flexibility
13	Continuous improvement
14	Disputes settlement procedures
15	Appendices
	A Branch Team Agenda
	B Implementation Statement
	C Development of Performance Measures and Benchmarks
	D Flexible Working Arrangements
	E Implementation of Quality Accreditation
	F Development of multiskilling programme & training plan.

3. APPLICATION

This agreement shall apply to the Pilkington (Australia) Operations Limited Glass Marketing and Sales Division operations conducted at the Tamworth plant in respect of all its employees covered by the Glass Workers (State) Award 1991 and the Transport Industry Mixed Enterprises - State Award (the 'award'), in particular the classifications of cutter/glazier and truck drivers. This agreement does not apply to other Company operations located in New South Wales.

4. LIFE OF AGREEMENT

This agreement shall operate from the beginning of the first pay period to commence on or after the date of registration and shall remain in force for a period of 12 months.

5. RELATIONSHIP TO PARENT AWARD AND EXISTING CONDITIONS

This agreement shall be read and interpreted wholly in conjunction with the award provided that where there is any inconsistency, this agreement shall take precedence to the extent of the inconsistency.

6. NOT TO BE USED AS A PRECEDENT

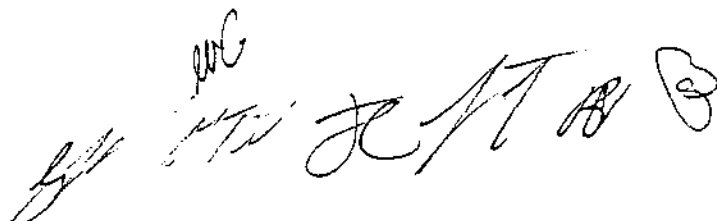
This agreement has been negotiated having regard to the particular structure, history, practices and market situation of the operations covered by it and shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other plant, site or enterprise.

7. NO EXTRA CLAIMS

The parties have agreed not to pursue any overaward claims during the life of this agreement.

8. WAGE RATES

The following rates of pay shall apply to the Award rate classifications listed below from the first full pay period to begin on or after the date of registration of this agreement. The rates shown in the column headed "Enterprise Payment" are attributable to the making of this award.



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8.1 Agreement has been reached between the parties to this agreement for increases in wage rates of 3% to be paid from the beginning of the first pay period commencing on or after the registration of this agreement.

8.2 The second adjustment totalling 1.5% will be paid six months later than the date shown in clause 11.1 provided that the parties have implemented the agreed objectives as outlined in Appendix C.

8.3 There shall be no further wage increases for the life of this agreement except when consistent with a State Wage Case Decision.

8.4 The wage increase provided by the "Enterprise Payment" shall not be absorbed into any over award payments.

CLASSIFICATION	EXISTING AWARD RATE	ENTERPRISE PAYMENTS	
		FIRST STAGE 3%	SECOND STAGE 1.5%
Cutter/Glazier	\$432.60	\$445.48	\$452.16
Truck Driver	\$411.60	\$423.95	\$430.31

9. PERFORMANCE IMPROVEMENT THROUGH ORGANISATIONAL
RESTRUCTURING

Commitment for all Parties to Work Together

The parties have agreed that all employees subject to the terms of this award, shall work together with management in a consultative framework to achieve real and demonstrable gains to improve local and international competitiveness. The parties agree that this agreement is only the beginning of a process of continual improvements to ensure the business remains viable. The parties recognise that only by ensuring its viability can the business provide secure jobs and the basis for employee skills development.

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9.1 Move to Self Directed Work Area Teams

The parties have agreed to change organisation structure to set up self directed Work Area Teams as the fundamental operational grouping within the organisation. Although team members may differ in knowledge, training and skill levels, all members will be encouraged to become more versatile and flexible.

A team will have the following characteristics:

- * The team is a measurable and accountable unit of the business
- * The team includes the people, equipment, material and information needed to do the job
- * The team enjoys maximum self-management consistent with the overall requirements of the business.

9.2 Responsibilities and Authorities of Work Area Teams

The parties have agreed to delegate significant authorities and responsibilities to Work Area Teams.

The parties have agreed that the delegation of responsibilities to Work Area Teams and their empowerment to meet those responsibilities to be an evolutionary and on going process.

Responsibilities include production to meet customer requirements, and achievement of measured continuous improvement toward quality, productivity and other targets, and short term planning.

9.3 Information Sharing

The parties have agreed to increased information sharing with both the Branch Team and the employees. The objective is to establish trust and increase shared commitment. The information to be made available shall include but not be limited to :

- * Profit and loss reporting against budget
- * Business plans
- * Other non-financial performance indicators

9.4 Implementation

Refer to clause of Appendix C

10. PERFORMANCE IMPROVEMENT PROJECTS AND PROGRAMS

General Commitment to Performance Improvement

The parties are committed to continue to review and seek out measures to achieve the continuous improvement requirement.

In particular there is an agreement on the need to measure key indicators of performance at Enterprise, Work Area Team, and even individual level. There is also agreement on the need to set targets based on appropriate benchmarks, and work towards achieving such targets. Both parties recognise and understand the significance of statistical variability in performance measurement. A working party will be formed to investigate these areas (Appendix E)

10.1 Quality Accreditation

The parties agree that Quality Accreditation is necessary and the following objectives are essential:

- * Commitment/Acknowledgment of the need to be internationally competitive
- * Commitment to the participation of all employees in the adoption and accreditation of Australian Standards
- * Commitment to everyone taking ownership and accountability for the output of their work.
- * Commitment to the fact that our customers are our most valuable asset who require a Quality Product, delivered on time at an internationally competitive price.

The employees recognise and support the Company's commitment to provide customers with quality products and services. A working party will be established to oversee the implementation of quality accreditation (Appendix G).

The Australian Standard AS 3902 has been adopted by the Company as the primary quality system reference standard.

A key element will be the emphasis on personal accountability whereby each employee is required to be accountable for the quality of his/her individual output.

The parties recognise and support that the introduction of a quality system requires the commitment, cooperation, coordination and involvement of all parties.

Both parties agree to work towards attaining quality assurance accreditation to AS 3902-1987 within the life of this award.

10.2 Customer Service Improvement

Both parties agree to work towards improving customer service as part of an overall performance improvement program. Performance measures to be targeted may include but are not limited to on-time deliveries, part-orders delivered, credit requests and rejects.

10.3 Implementation

Refer to Appendix C

11. PERFORMANCE IMPROVEMENT THROUGH FUNCTIONAL FLEXIBILITY

11.1 Skills Enhancement and Correction of Skills Deficiencies

The parties have agreed a Training Plan shall be prepared for each individual approved by the Branch Team, and implemented. The plan shall identify skill and training needs and outline suitable training options. The plan consider the skills enhancement requirements of individuals wishing to advance their careers along approved paths. In drawing up the plan special consideration shall be given to basic literacy and numeracy skills needs. A working party (Appendix G) will be formed to develop a competency based training plan for submission to the Branch Team.

11.2 Increasing Flexibility and Versatility

The parties have agreed that a key objective of external training, on-the-job training and job rotation shall be increased versatility and flexibility within the workforce.

11.3 Demarcation

The parties have agreed that members of each Work Area Team shall perform such activities as required without regard to previous demarcations, provided such activities are within the team members level of competence, skill and training.

Demarcations which shall no longer apply include those based on geography and existing exclusive rosters.

11.4 Implementation

Refer to Appendix C

12. PERFORMANCE IMPROVEMENT THROUGH WORKTIME FLEXIBILITY

Management of Worktime Flexibility

The parties have agreed that the advantages of increased flexibility in worktime shall be gained by delegating management authority and responsibility to Work Area Teams for these matters. A working party will be formed to investigate flexible working arrangements (Appendix F)

13. CONTINUOUS IMPROVEMENT

The parties are committed to using the single bargaining unit which gave rise to this Award to continue to review and seek out measures to achieve continuous improvement in order to, as a minimum, maintain international competitiveness.

14. DISPUTE SETTLEMENT PROCEDURE

14.1 Procedures relating to grievances of individual employees

14.1.1 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.

14.1.2 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.

14.1.3 Reasonable time limits must be allowed for discussion at each level of authority.

14.1.4 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.

14.1.5 While a procedure is being followed, normal work must continue.

14.1.6 The employee may be represented by an industrial organisation of employees.

14.2 Procedures relating to disputes etc between employers and their employees.

14.2.1 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.

14.2.2 Reasonable time limits must be allowed for discussion at each level of authority.

14.2.3 While a procedure is being followed, normal work must continue.

14.2.4 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.

14.3 If the matter is not settled in accordance with subclause 14.1 and 14.2 of this clause the matter shall be notified to the Industrial Registrar in accordance with chapter 3 of the Industrial Relations Act 1991.

15. MINIMUM CONDITIONS OF EMPLOYMENT

The ordinary hours of work shall be no more than an average 38 per week as prescribed by the Glass Workers (State) Award.

An employee shall be entitled to sick leave in accordance with the Glass Workers (State) Award.

16. DURESS

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

M. T. W.
J. C. B.
W. G.
J. C. B.

APPENDIX A

BRANCH TEAM AGENDA

1. OBJECTIVE

The purpose of the Branch Team is to work towards the long term secure future of the Tamworth operations and the consequent financial reward, job satisfaction and happiness of employees.

2. GOALS

To achieve this objective the Branch Team will work towards key goals which include:

- (a) Making consistent profits which provide an adequate return on investment.
- (b) Continually improving the productivity, quality and work methods of individuals, work groups, and the enterprise as a whole.
- (c) Using the resources of a more skilled and flexible workforce.
- (d) Providing equal opportunity for training necessary to acquire additional skills, for advancement, and for job rotation.
- (e) Providing a means for Communication between employees and management (representing the Company) to enable employees to express points of view and contribute to decision making.
- (f) Developing and maintaining climate of trust and co-operations between employees and management.

3. TERMS OF REFERENCE

The Branch Team may consider workplace issues including but not limited to the following:

- Issues which allow the enterprise to continually improve its response to customer needs;
- The introduction of new technology
- The introduction of new or revised processing methods that will enhance productivity;

- Issues which will enhance and ensure quality to world best standards
- The direct implication of major external decisions affecting community
- The physical aspects of the employees' working environment;
- Future and current plans for Pilkington Glass;
- Issues which increase productivity, Flexibility, and efficiency, of the enterprise

APPENDIX B

IMPLEMENTATION STATEMENT

The parties have agreed the following generalised procedures and timings to implement the matters agreed.

1. Branch Team

The Branch Team has met at least four times since June 1993 and has operated and continues to operate as per the Agenda in Appendix A.

2. Performance Improvement Through Functional Flexibility

(a) The Training Plan for all Work Area Team members shall be developed by the relevant working party.

(b) The working party shall complete a Skills Audit of all employees, a Skills Requirements Analysis for each Work Area Team (in conjunction with the relevant team leader), and a Training Plan devised to overcome deficiencies by 31st May 1994.

(c) The Training Team, will have the scope to recommend on the job training, external training, and training in work skills and team based skills.

(d) Priority for training shall be given to those employees whose existing actual rate is higher than that prescribed for their classification level.

3. Work Area Team Formation

The role and composition of the Work Area Teams shall be determined by 31st December 1993.

4. Performance Improvement Projects and Programmes

(a) A working party will be established and shall agree:

Relevant performance measures no later than 31st May 1994.

Benchmark targets for performance measures agreed, also no later than 31st May 1994.

- (b) Work area teams shall have commenced recording agreed performance measures no later than June 15 1994.
- (c) A working party on implementation of Quality Accreditation will be established by 31st January 1994 and shall:
 - Have draft manuals completed by 31st July 1994
 - Be ready for a desktop audit by 30th September 1994

5. Performance improvement through worktime flexibility

- (a) A working party shall be established to look at increasing worktime flexibility and shall have submitted by 31st May 1994, the results of its project.

APPENDIX C

WORKING PARTY PROCESSES

A.DEVELOPMENT OF PERFORMANCE MEASURES AND BENCHMARKS

1.Concept - Multi Purpose

- data on productivity improvements for IRC and enterprise bargaining.
- Comparison with international best practices (benchmarks)
- Goals for strategic planning
- Flowdown to targets at cell/team level

2.Guidelines

- 4 to 5 measures
- Adequately reflect performance
- Not too complicated/cumbersome
- measurement on regular basis

3.Process

*Working Party consisting of:

- Employees and management

A training programme for working party members prior to process starting.

- Steps in process
- Identify and review existing measures
- Brainstorming additional measures
- Survey literature, comparable firms
- Assess outcome against criteria

4.Criteria

- Measurable/Auditable
- Relevant
- Related to output/customer satisfaction
- Total workforce performance, including management and marketing

5.Findings and Implementation

Preliminary findings by the working party will be presented to:

- The Branch Team

**APPENDIX D
WORKING PARTY PROCESS
FLEXIBLE WORKING ARRANGEMENTS**

1. Concept

To look at flexible arrangements in terms of spread of hours, shift work etc to best satisfy the wants and needs of the customer.

2. Guidelines

- Arrangements to be specific to identified work teams, operations or, if appropriate, to whole business.
- Arrangements to be within National Standards but not constrained by current Award.
- Part-time, temporary or casual work to be part of arrangements, where appropriate.
- To cover all seven days of the week (if appropriate).
- To be flexible to meet exceptional circumstances.

3. Process

A Working Party will be established and shall consist of employees and management

The working party will be responsible to the Branch Team

Steps in Process

- Identify existing arrangements listing advantages/disadvantages
- Brainstorming other arrangements
- Survey literature, comparable organisations
- Recommend changes/ no changes

4. Criteria

- Within National Standards
- Cost neutral, in terms of penalties
- Tailored to individual work teams requirements

5. Findings and Implementation

Preliminary findings by the working party will be presented to:

- Branch Team
- Management
- Employees

from here the working party will obtain feedback, review and modify their findings and develop implementation plan

APPENDIX E

WORKING PARTY PROCESSES

A. IMPLEMENTATION OF QUALITY ACCREDITATION

QUALITY ACCREDITATION

1. CONCEPT

- Commitment/acknowledgment of the need to be internationally competitive
- Commitment to the participation by all employees in the adoption and accreditation of Australian Standard 3902
- Commitment to everyone taking ownership and accountability for the output of their work.
- Commitment to the fact that our customers are our most valuable asset who require a quality product, delivered on time at internationally competitive cost.

2. PROCESS

(a) A Working Party will be established and shall consist of:

- Branch Manager
- Quality Accreditation Co-Ordinator
- Employees

A training programme for working party members prior to process starting

(b) Steps in process

- Identify and review progress of other states
- Ensure implementation of Quality Accreditation AS3902 into organisation using the following operating philosophy.

Operating Philosophy

- The commitment of Pilkington (Aust) Limited to provide its customers with quality products and services is shared by all Company employees. Inherent in this statement is the close identification of PAL with its people and customers.
- Our Company philosophy emphasises doing things right the first time and on time, which inevitably will result in far superior business performance and total customer satisfaction.

- The nature of products and customer services supplied, and the processes involved, necessitates infinite attention to details, exceptional care and genuine quality consciousness at all times by everyone involved.
- The survival and prosperity of our Company remains contingent upon its ability to fulfil the primary objective of 'the timely supply of quality assured products and services through safe working practices and at competitive prices'.
- In order to ensure that the Company can satisfy its primary objective, it is necessary to declare the desire to develop a corporate quality culture which emphasises quality as a responsibility of all employees within PAL.
- A clear recognition of the concept of an internal customer - the next person in the process, as well as many outside customers necessitates close inter-relationship and co-ordination by everyone involved.
- PAL personnel must continually strive for further improvement in the way we perform thereby enhancing the future security for all.
- The ultimate goal in the Company for applying the above operating philosophy is the achievement of the highest possible reputation for quality, schedule and cost performance expected by our customers.
- The Australian Standard AS3902 has been adopted by PAL as the primary Quality Systems Reference Standards.
- A key element is the emphasis on personal accountability whereby each employee is encouraged to be accountable for the quality of their individual output.
- The introduction of a quality system requires the commitment, co-operation, co-ordination and involvement of all employees.

3. QUALITY SYSTEMS REQUIREMENTS

- Management Responsibility
- Quality System
- Contract Review
- Document Control
- Purchasing
- Purchasing supplied product
- Product identification and traceability
- Process control
- Inspection and testing

- Inspection, measuring and test equipment
- Inspection and test status
- Control of non-conforming product
- Corrective action
- Handling, storage, packaging and delivery
- Quality records
- Internal quality audits
- Training
- Statistical techniques

4 IMPLEMENTATION & FEEDBACK

- Design and report progress to Branch Team on a monthly basis.

APPENDIX F

WORKING PARTY PROCESSES

DEVELOPMENT OF MULTISKILLING PROGRAMME AND TRAINING PLAN.

1. CONCEPT - MULTI PURPOSE

- To set up a multi skilling programme to enable the enterprise to have a flexible workforce.
- Develop a training plan to give employees added skills in line with multi skilling and to enhance skills necessary for the work team concept.

2. PROCESS

(a) A Working Party will be established and shall consist of:

Management
Employees

(b) Steps in process

Identify and review existing structures.
Brainstorming additional measures.
Skills analysis and audit.
Survey literature, comparable firms.
Assess outcome against criteria.

3. CRITERIA

Relevant.
Related to career path establishment.
To equip workforce with required skills.

4. FINDINGS AND IMPLEMENTATION

Preliminary selection by working party, presentations to:

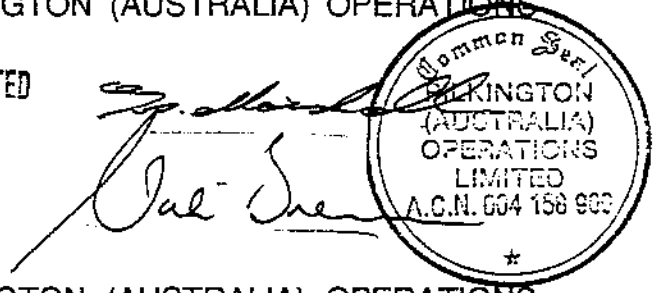
Branch Team

THIS AGREEMENT IS THE RESULT OF DISCUSSIONS BETWEEN
MANAGEMENT AT PILKINGTON (AUSTRALIA) OPERATIONS LIMITED AND
THE EMPLOYEES COVERED BY THE GLASS WORKERS (STATE) AWARD

SIGNED FOR AND ON BEHALF OF PILKINGTON (AUSTRALIA) OPERATIONS
LIMITED

~~the~~ Common Seal of
PILKINGTON (AUSTRALIA) OPERATIONS LIMITED

was hereunto affixed by the
..... authority of the Directors in
..... accordance with its Articles of
..... Association in the presence of :



SIGNED BY THE EMPLOYEES OF PILKINGTON (AUSTRALIA) OPERATIONS
LIMITED - TAMWORTH BRANCH - ON THE 28TH JANUARY 1994.

RICHARD BARBER

RESIGNED 19/1/94
.....
Signature

PHILLIP BROWN

P. Brown
.....
Signature

WAYNE COLLIER

W. Collier
.....
Signature

JUSTIN CORCORAN

J. Corcoran
.....
Signature

KENNETH LEWIS

K. Lewis
.....
Signature

GRAHAM LOWE

G. Lowe
.....
Signature

ANTHONY MANN

RESIGNED 21/1/94
.....
Signature

GREGORY MAUNDER


.....
Signature

JEREMY TODD


.....
Signature

BRUCE WHEELER


.....
Signature

MATTHEW WHITE


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Signature