

ENTERPRISE AGREEMENT

NO: E.A. 30 /1994

DATE REGISTERED: 4-2-94

PRICE: \$ 28-00

# ENTERPRISE AGREEMENT

BETWEEN  
**FIELDERS STARCHES - TAMWORTH**  
 AND  
**NATIONAL UNION OF WORKERS N.S.W. BRANCH**  
 AND  
**AUSTRALASIAN SOCIETY OF ENGINEERS**  
 AND  
**ELECTRICAL TRADES UNION OF AUSTRALIA N.S.W. BRANCH**  
 AND  
**FEDERATED ENGINE DRIVERS AND FIREMEN'S ASSOCIATION OF AUSTRALASIA**  
**(N.S.W.)**  
 UNDER  
 of Chapter 2, Part 3, Division 2, Enterprise Agreements, Industrial Relations Act, 1991.

TO ESTABLISH THE

## **FIELDERS STARCHES - TAMWORTH - PRODUCTIVITY BARGAINING AGREEMENT**

### 1 - TITLE

This Enterprise Agreement shall be known as the **Fielders Starches - Tamworth - Productivity Bargaining Agreement (the Agreement)**.

### 2 - ARRANGEMENT

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### 3 - APPLICATION OF AGREEMENT

The Agreement shall apply at the starch mill site operated by Fielders Starches, 176-182 Marius Street Tamworth NSW 2340, in respect of all the employees who are engaged in any of the occupations specified in the Starch Manufacturers, &c. (State) Award, the Metal and Engineering Industry (New South Wales) Interim Award, the Engine Drivers, &c. General (State) Award and the Electricians, &c. (State) Award.

### 4-PARTIES BOUND

The Agreement shall be binding on:

- (a) Starch Australasia Ltd. trading as Fielders Starches - Tamworth;  
and
- (b) National Union of Workers N.S.W. Branch;  
and
- (c) Australasian Society of Engineers;  
and
- (d) Electrical Trades Union of Australia N.S.W. Branch;  
and
- (e) Federated Engine Drivers And Firemen's Association of Australasia (N.S.W.).

### 5-DATE AND PERIOD OF OPERATION

The Agreement shall operate from the date of registration and remain in force for a period of 2 years.

## 6 - AGREED OBJECTIVES

The parties agree to engage in a process of enterprise bargaining with the intention of achieving the following objectives:

- (a) To increase the efficiency, productivity and operating profitability of the Company;
- (b) To improve the wages paid to employees as a consequence of the improvements in productivity and efficiency;
- (c) To maintain and expand the Company's market share for its products and to develop an export capability within the business;
- (d) To evaluate the Company's export potential and to introduce shiftwork configurations to meet this export capability and growth in domestic demand.
- (e) To achieve significant and sustained improvements in performance through the pursuit of international best practices and a program of continuous improvement supported by the adoption and implementation of the techniques of Total Quality Management.
- (f) To co-operate with implementation of the outcome of the business review currently being conducted at the site which will include increased capitalisation of the business;
- (g) **Award Restructuring/Enterprise Bargaining**

The Company, its employees and their unions will implement, through a participative and consultative approach, a program of review of the terms and conditions of employment of the awards and existing on-site arrangements during the life of the Agreement with a view to establishing a common basis for the terms and conditions of employment for the site;

- (h) **Skills Enhancement, Job Flexibility and Training**

Following the introduction of competency-based classification/career paths at the site the Company will provide training for employees which will:

- enhance employees level of competency and skill;
- enable employees to perform their tasks better;
- improve productivity and efficiency by allowing the Company to introduce greater workplace and employment flexibility.

The parties agree to the development and delivery of training programs designed to meet the specific skills required of the site.

- (i) The parties are committed to the removal of demarcations and work practices that inhibit productivity and efficiency of the business. Employees will not be required to perform tasks unless they are competent and properly skilled to perform the work.

## **7 - WORKPLACE CONSULTATION - ENTERPRISE CONSULTATIVE COMMITTEE (ECC)**

The means by which the parties will achieve the agreed objectives of the Agreement will be through the process of Workplace Consultation.

An Enterprise Consultative Committee (ECC) already exists at the site. However, the structure, membership and constitution will be reviewed by the Committee to ensure that it is best designed to achieve these objectives.

The ECC shall be responsible for the identification of issues requiring consideration and will reach agreement on such issues in accordance with its Constitution.

The ECC will be responsible for the implementation of work practice changes and productivity improvement measures agreed upon.

The ECC will monitor the effectiveness of the agreed productivity measures and work practice changes and will be responsible for ongoing consultation at the site.

Resources will be made available to ensure that members of the ECC are properly trained in the skills required for effective workplace consultation.

The ECC will have adequate time and facilities to carry out its functions.

Issues on which agreement is reached by the ECC will be introduced at the site under the Agreement. Where consensus cannot be reached by the ECC on an issue, the disputes procedure established as part of this Agreement shall be observed in order to resolve the issue.

## **8 - RELATIONSHIP TO PARENT AWARDS**

The Agreement shall be read and interpreted in conjunction with the Starch Manufacturers, &c. (State) Award, the Metal and Engineering Industry (New South Wales) Interim Award, the Engine Drivers, &c. General (State) Award and the Electricians, &c. (State) Award provided that where there is any inconsistency between the terms of the Agreement or the terms of any arrangement made between the parties within the scope of this Agreement, such agreed terms shall take precedence over the award provisions.

## 9 - WAGE INCREASES

- (a) An initial increase of 3% in ordinary pay will be paid to employees for their acceptance of and commitment to the achievement of the Objectives of the Agreement and the development of a productivity measurement system appropriate for the site. The initial increase will take effect from the first full pay period commencing on or after 2 September, 1993, subject to the Agreement being signed by the parties.

Following the ratification of the Agreement a system of 6 monthly productivity-based wage increases will be implemented as follows:-

- (i) Employees will receive a 2% increase in ordinary pay from the first pay period on or after the date of ratification of the Agreement and a further 2% increase in ordinary pay at the beginning of each of the next 3 successive 6 month periods i.e. 6 months later, 12 months later and 18 months later.
- (ii) Each of the four 2% wage increases prescribed by paragraph (a)(i) is a prepayment to be offset against productivity improvements achieved at a site in the following 6 month period.
- (iii) As a consequence of the 4 x 2% productivity-based wage increases the Company will be entitled to pursue a minimum increase in productivity improvement of 16% during the life of the Agreement. The level of productivity gains available to the Company under the Agreement is based on a 50/50 share of productivity gains between the Company and the employees.
- (iv) "Ordinary pay" referred to above means an employees award rate of pay plus overaward payment (if any) payable in respect of the employees ordinary hours of work, excluding shift allowances and any other additional payments.

(b) **Adjustment to shift allowances for production employees**

Shift allowances for production employees shall be the flat money amounts prescribed by Clause 4 of the Starch Manufacturers (State) Award as at the commencement of this Agreement adjusted in line with the percentage (%) increases in ordinary pay set out in subclause (a) above.

**Productivity improvements**

- (c) The Workplace Consultative Committee will work to immediately develop a Productivity Measurement System for the site. The WCC will review the Productivity Measurement System at the end of each 6 monthly measurement period with a view to ensuring its quality, accuracy and effectiveness as a monitoring tool. Changes resulting from capital expenditure will need to be reflected in changes to the Productivity Measurement System.
- (d) Changes in productivity will be measured by the agreed Productivity Measurement System commencing 1 September 1993.

(e) **Definition Of Productivity**

- (i) For the purposes of this Agreement, "**productivity**" is defined as an improvement in efficiency. There must be a net improvement in efficiency at the site in order for productivity to improve. For productivity to increase it must be ensured that an improvement in efficiency in any one area does not create an offsetting loss in another area. In the end result there must be an overall gain in productivity at the site.
  
- (ii) For the purposes of this Agreement, improved efficiencies relate to those achieved changes to which the employees have made a direct contribution. Changes arising from capital expenditure, for which the company takes the risk and which requires a reasonable return on the funds invested, do not necessarily count as a productivity improvement. It is acknowledged that where capital expenditure requires changes in work methods and/or in the numbers of employees and the changes are of a nature that enhances the investment, it could qualify as a productivity improvement. It is further acknowledged that in circumstances where the anticipated improvements or set criteria of a capital expenditure program are exceeded and employees have contributed to this excess achievement, the excess would qualify as a productivity improvement. The treatment of improved efficiency arising from major capital expenditure is to be agreed upon by the Enterprise Consultative Committee on each occasion in advance.

## 10 - GRIEVANCE AND DISPUTES PROCEDURE

The parties to the Agreement shall observe the following Grievance and Disputes Procedure:

The aim of this procedure is to ensure that during the life of the Agreement, industrial grievances or disputes are prevented or resolved as quickly as possible at the level they occur in the workplace. When a dispute or grievance arises the following steps are to be followed:

- Step 1.** Where the Company or the employee(s) believe a grievance or dispute exists the matter is to be discussed between the employee(s) (and the Union delegate if requested by either party) and the supervisor involved. If the matter remains unresolved follow Step 2.
- Step 2.** The matter is to be discussed between the employee(s), the Union delegate, the supervisor and the appropriate Department Manager. If the matter remains unresolved follow Step 3.
- Step 3.** The matter is to be discussed between the employee(s), the Union Delegate, the Department Manager and the General Manager. If the matter remains unresolved follow Step 4.
- Step 4.** The matter is to be discussed between the Department Manager, the General Manger, Union delegate and Union official. If the matter remains unresolved follow Step 5.

Where it is agreed by the parties, Steps 1- 4 above may be conducted concurrently.

- Step 5.** Emphasis shall be placed on a negotiated settlement. However, if the negotiation process is exhausted without the dispute being resolved, the parties shall jointly or individually refer the matter to the appropriate Industrial tribunal for assistance in resolving the dispute.

In order to allow for the peaceful resolution of grievances the parties shall be committed to avoid stoppages of work, lockouts or any other bans or limitation on the performance of work while the procedures of negotiation and conciliation (and, where applicable, arbitration) are being followed.

The employer shall ensure that all practices applied during the operation of the procedure are in accordance with safe working practices and consistent with established custom and practices at the workplace.



## 11 - DISCIPLINARY PROCEDURE

The parties to the Agreement shall observe the following Disciplinary Procedure:-

### Disciplinary Procedure - Relating to Poor Work Performance or Unsatisfactory Conduct

Without limiting the scope of application of this procedure "poor work performance or unsatisfactory conduct" it shall include the following:-

- \* Unacceptable work quality
- \* Unsafe work practices
- \* Wilfully failing to abide by reasonable and lawful directions
- \* Excessive absenteeism
- \* Abuse of sick leave entitlement

Where it is alleged an employee's work performance or conduct is of a poor or unsatisfactory standard the following procedure shall be adopted:-

#### (1) Interview Process

An interview of the employee should be conducted by the Company's representative. It is appropriate for another member of management to be present as well as the Union delegate (if requested by the employee or the Company and the employee is a member of a union) or other nominated or responsible employee acceptable to the employee being disciplined. At the time of the interview the employee should be informed of the nature of the problem and be given the opportunity to explain his/her actions.

It is suggested that certain details of the interview should be recorded, such as:-

1. Nature of alleged poor work performance or unsatisfactory conduct and the specific details.
2. Date/s of alleged poor work performance or unsatisfactory conduct.
3. Date and time of the interview.
4. Signature of the parties present at the interview.

A copy of this record should be supplied to the employee concerned.

Provided there is no repetition of the employee's unsatisfactory conduct, a written warning made under this clause will lapse after 12 months.

#### (2) Discipline

If the warning resulting from the initial interview is unsuccessful a further interview similarly constituted should then take place.

At that time management should produce further evidence of the continued poor work performance or unsatisfactory conduct and the employee should be given the opportunity to explain his/her continued poor work performance or unsatisfactory conduct.

If the explanation is deemed unsatisfactory management may take disciplinary steps in relation to the employee.

Such disciplinary action may result in dismissal, however in some circumstances it would be appropriate that a further warning be given.

(3) Dismissal

(a) Dismissal Following Disciplinary Procedure

The employee should be notified in writing of the dismissal and the reasons for same. The Union delegate should be notified as soon as practicable if this course of action is to be taken.

(b) Instant Dismissal

The above procedures dealing with poor work performance or unsatisfactory conduct and are not intended to interfere with the right of the employer to dismiss any employee without notice for serious and wilful misconduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty.

In such circumstances the following procedure should be followed:-

- (i) An investigation should be conducted to establish the facts.
- (ii) The employee shall be interviewed in the presence of another member of Management and be informed of the alleged misconduct.
- (iii) The employee shall be given the opportunity to explain or refute the alleged misconduct.

## 12 - REDUNDANCY

### Preamble

The introduction of new technology through capital expenditure has been identified by the parties as necessary to ensure the competitiveness of the business.

At the same time it is important to improve the efficiency and productivity of the business by way of changes to work practices and arrangements.

These changes may result in a reduction in the total number of employees employed.

In such circumstances the Company will identify the position or positions that are no longer required and which are redundant.

Where possible the necessary reduction in labour requirements of the Company should be achieved through either:

- natural attrition; or
- agreed early retirement; or
- transfer elsewhere in the Company. An employee offered a transfer will not unreasonably refuse to accept the transfer.

Where these options are not able to achieve the required reduction in labour, the following criteria will be used to select employees for retrenchment. Prior to any termination the relevant Union will be notified of the situation and the matter will be referred to the E.C.C. for consideration.

### (a) Selection Criteria

- (i) In the first instance the employee or employees holding the redundant position shall be selected for retrenchment.
- (ii) If the employee holding the redundant position indicates a preference to continue in employment with the Company the parties should confer to determine if a substitute employee should be selected for retrenchment.

The primary criteria for selection of a substitute employee will be the need for the Company to retain the most skilled employees so as to maintain and enhance the Company's productivity, efficiency, and profitability.

The following further criteria shall be considered if it becomes necessary to choose between employees of equal skill and competence:

- occupational qualifications;
- satisfactory work record;
- length of service.

- (iii) Following the abovementioned discussions between the parties the final decision in the selection of the employee(s) to be retrenched will be made by the Company.

(b) Period of Notice

In the event of a weekly employee being retrenched as a consequence of technological change or workplace reforms the following notice provisions shall apply:

- (i) 8 weeks general notice of intended redundancies will be provided to the employee(s) concerned and the relevant Union.
- (ii) 2 weeks specific period of notice will be given to the employee(s) affected by redundancy. In the event that the Company does not require the employee to work out the entire notice period then payment in lieu shall be made for the balance of the 2 week period.

An employee who has received specific notice may terminate by giving one week's notice and the employee will not prejudice his/her entitlement to the prescribed severance or redundancy payments. However, the employee will not be entitled to pay in lieu for the balance of the notice period.

(c) Redundancy Payments

A weekly employee employed by the Company for more than twelve months whose employment is terminated by the Company and who is made redundant shall receive at the time of his or her termination payments calculated in accordance with the following:

(i) Severance Payment

4 weeks ordinary pay.

(ii) Redundancy Payment

Employees shall receive 4 weeks redundancy payment for each completed year of service.

(iii) Maximum Payment

The maximum payment to be made to an employee as a consequence of the prescribed severance payment and redundancy payment shall be 75 weeks ordinary pay.

"Ordinary pay" shall mean an employees ordinary rate of pay as set out in Clause 9 of this Agreement payable in respect of ordinary hours of work.

(d) Other Benefits

- (i) Pro-rata long service leave payments shall be made to a weekly employee with 5 or more completed years of service with the Company.
- (ii) The 17.5% Annual Leave Loading shall be paid in relation to any unused period of annual leave due and in relation to pro-rata leave payments.
- (iii) Sick leave shall be paid out in accordance with the existing site Agreement relating to the payment of untaken sick leave.
- (iv) A redundant employee shall receive a written statement of service and a written employment reference.
- (v) The Company will make available to each redundant employee out placement advice/counselling.

(e) Conditions of Agreement

The operation of this clause is subject to the following conditions being observed:

- (i) It is agreed between the parties that the severance payment and scale of redundancy payments prescribed by this clause are in complete substitution for the provisions prescribed by any relevant Award or right under and relevant statute in relation to periods of notice of termination (or payment in lieu of such notice periods), severance payments and/or redundancy payments.
- (ii) The calculation of all other conditions of employment will be made in accordance with the terms of this Agreement.
- (iii) The parties recognise that casual employees do not have an entitlement to benefits prescribed by this clause.

### 13 - NO EXTRA CLAIMS

- (a) The employees and the Unions undertake not to pursue any extra claims in wages or conditions, either award or overaward, for the duration of the Agreement.
- (b) Notwithstanding this no extra claims commitment, in circumstances where an award variation results in an employee's award classification rate exceeding the employee's ordinary pay when calculated to include the increases prescribed by Clause 9 of this Agreement, the employee will be paid a wage increase equal to the amount by which the new award rate exceeds his/her ordinary pay.
- (c) Leave is reserved to any party to the Agreement to require a meeting of all parties to confer on the future of the Agreement in circumstances where the principles of enterprise agreements cease to operate during the life of the Agreement.

### 14 - NOT TO BE USED AS A PRECEDENT

The Agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other plant or enterprise.

### 15 - MONITORING AND RENEWAL OF AGREEMENT

The Workplace Consultative Committee shall continuously monitor the application of the Agreement to ensure its effective implementation and the achievement of the Agreed Objectives set out in Clause 6.

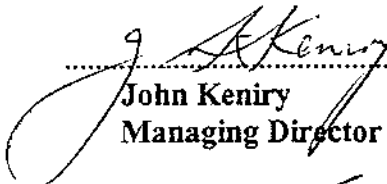
The parties agree that negotiations to review the Agreement will commence two months prior to the expiry date of the Agreement.

## 16 - ENDORSEMENT OF AGREEMENT

The signatories below accept the terms of the Fielders Starches - Tamworth Agreement on behalf of their organisations and endorse its terms and in doing so declare that the Agreement is not entered into under duress by any party to it:-

Signed on the \_\_\_\_\_ day of \_\_\_\_\_ 1993,

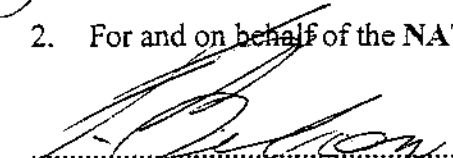
1. For and on behalf of **STARCH AUSTRALASIA LIMITED (A.C.N. 003 780 229) trading as FIELDERS STARCHES - TAMWORTH**

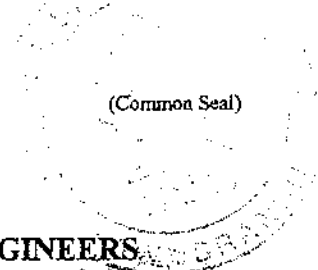
  
 .....  
**John Keniry**  
**Managing Director**

THE COMMON SEAL OF  
**STARCH AUSTRALASIA LIMITED**  
 WAS HEREUNTO AFFIXED BY THE  
 AUTHORITY OF THE BOARD OF DIRECTORS  
 IN THE PRESENCE OF:




2. For and on behalf of the **NATIONAL UNION OF WORKERS NSW Branch**

  
 .....  
**Mr Frank Belan**  
**Secretary - NSW Branch**

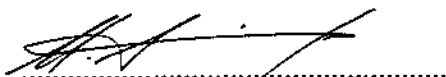


3. For and on behalf of the **AUSTRALASIAN SOCIETY OF ENGINEERS**

  
 .....  
**Colin Bosworth**  
**Acting Secretary**

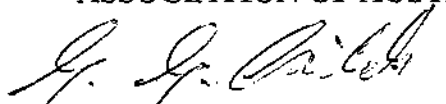


4. For and on behalf of the **ELECTRICAL TRADES UNION OF AUSTRALIA NSW Branch**

  
 .....  
**Bert Schmidt**  
**Secretary - NSW Branch**



5. For and on behalf of the **FEDERATED ENGINE DRIVERS AND FIREMEN'S ASSOCIATION OF AUSTRALASIA (NSW)**

  
 .....  
**Graham Childs**  
**Secretary - NSW Branch**

