

ENTERPRISE AGREEMENT

NO: E.A. 358 /1995

DATE REGISTERED: 24-10-95

PRICE: \$ 16-00

Title

The Agreement shall be known as the Rocla Quarry Products NSW Enterprise Bargaining Agreement.

2. Arrangement

This Agreement is arranged as follows:

Clause No.	Subject
1.	Title
2.	Arrangement
3.	Application
4.	Parties Bound
5.	Objectives and Benefits of the Agreement
6.	Date & Period of Operation
7.	Relationship to Parent Award
8.	Wage Rates
9.	Avoidance of Industrial Disputes
10.	Use as a Precedent Prohibited
11.	Renewal of Agreement
12.	No Duress
Appendix A.	Productivity Gains and Measures

3. Application

This agreement shall apply to all employees of Amatek Ltd, trading as Rocla Quarry Products, who are bound by the terms of the Quarrying Industry (State) Award 1994. and ancillary quarry sites in NSW operated by the company.

4. Parties Bound

Parties to this agreement are:

- (i) The AWU-FIME Amalgamated Union, NSW Branch representing all employees of Amatek Ltd engaged in any of the occupations, industries or callings specified in the Quarrying Industry (State) Award 1994.
- (ii) Amatek Ltd, trading as Rocla Quarry Products at Kurnell, Windsor, Bell, Mittagong and Raymond Terrace.

5. Objectives and Benefits of the Award

This Agreement is intended to aid and encourage the implementations of changes in work practices and the way in which work is organised in the company. The parties recognise that an important factor in achieving these objectives is the development of a workplace environment which supports the participation of employees in the development of improved productivity and flexibility of all operations.

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The value of the second increase is directly related to the productivity gains achieved as follows:

Total Productivity Gains % Wages	Wage Increase % Award Rate
1.5 to 4.4	1
4.5 to 7.4	2
7.5 to 10.3	3
10.4 and over	4

In assessing the level of achievement of the target improvements, the combined results from all quarries will be used to calculate the overall achievement using a weighted average on the basis of sales tonnes.

Performance improvements will be monitored by the Consultative Committees, and action plans developed to correct any performance deficiency, to assist the achievement of the targets.

The Performance measures in Appendix A will be used as the basis for assessing the value of productivity gains made, expressed as a percentage of the total wages cost including on costs, for all employees covered by this agreement for the combined quarry sites.

In assessing the level of productivity gain, any gains resulting from capital expenditure of less than \$50,000 per item shall be included, provided that the employees concerned act to maximise the benefit of the expenditure including the implementation of any changed work practices or methods that may be required.

9. Avoidance of Industrial Disputes

The parties to this Agreement undertake to observe the procedure for the avoidance of industrial disputes contained in the parent award, that is Clause 2.6 of the Quarrying Industry (State) Award 1994.

In addition, the parties agree that in the event of a dispute, they will act promptly in seeking a resolution and prior to any matter being brought to the Industrial Relations Commission of New South Wales, it will be submitted to a Disputes Committee. The membership of this Committee may be varied to suit the circumstances, but will comprise at least one official from the Union concerned and one senior company officer. While this procedure is being followed, work will continue normally.

In general the parties will attempt to resolve all disputes by internal negotiations while work proceeds normally in keeping with the philosophy of Enterprise Bargaining.

It is expected that the gains resulting from the application of this agreement will be of a wide nature, affecting production cost, market share, customer service and profit contribution.

The application of this agreement will provide benefits in both the short and longer terms. Initial gains are expected from changes in work practices, and longer term gains from re-designed work systems and the process of continuous improvement.

The period of this agreement and the corresponding wage increases, are intended to benefit employees by providing significant wage increases and secure and worthwhile employment.

6. Date and Period of Operation

The agreement shall have effect from the date of registration and shall operate from the beginning of the first pay period on or after registration of the agreement and shall remain in force for a term of ~~2 years~~ **15 MONTHS**.

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This agreement shall not be varied, except by mutual consent of the parties, and in accordance with S.125 of the Industrial Relations Act 1991. The union undertakes not to pursue any extra claims, award or overaward, during the period of operation of this agreement, provided that the rates shall not fall below the award rates for ordinary time.

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7. Relationship to Parent Award

This Award shall be read and interpreted wholly in conjunction with the Quarrying Industry (State) Award 1994, provided that where there is any inconsistency, this agreement shall prevail to the extent of the inconsistency.

8. Wage Rates

No employee shall be disadvantaged in earnings as a result of this Agreement.

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The award rate of pay shall be increased under this agreement as follows:

First Increase of 5.0% - From the first pay period on or after the date of registration.

Second increase of minimum 1.0%
- maximum 4.0% - Twelve months from the date of the first increase

10. Use of Precedent Prohibited

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

11. Renewal of Agreement

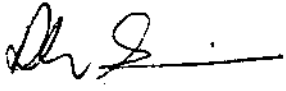
The parties shall continuously monitor the application of this agreement to ensure the effective implementation of structural efficiency and Enterprise Bargaining principles. The parties undertake to commence negotiations in good faith on the renewal or replacement of this agreement, such that a new agreement and wage increase is available six months from the expiry of this agreement.

12. No Duress

This Agreement is made with no party under duress.

In confirmation of the agreement by the parties:

For Amatek Ltd:

Name: REYNOLD W. SILICCAIR
Signature: 
Date: 9/6/95

For The AWU-FIME
Amalgamated Union
NSW Branch:

Name: ROBERT FLANAGAN
Signature: R Flanagan
Date: 9/10/95

*The AWU-FIME
Amalgamated Union
New South Wales*

ROCLA QUARRY PRODUCTS NSW
ENTERPRISE BARGAINING AGREEMENT

APPENDIX A
PRODUCTIVITY GAINS AND MEASURES

This appendix details the agreement reached by negotiations between the parties to achieve real gains in productivity, efficiency and flexibility at all Rocla Quarry Products operations, covered by the Quarrying Industry (State) Award and for which the wage increases in Clause 10 of this agreement are payable, upon registration by the Industrial Registrar of New South Wales.

Major Change Areas

The agreement is based on the implementation of change in three main areas.
They are:

- (a) The development of high flexibility in the quarrying process through the operation of multi-skilled work teams and changes in work patterns.
- (b) The adoption of a Continuous Improvement Process (CIP) which seeks to involve employees in problem solving and developing improvements in work methods and practices.
- (c) In consultation with employees, the establishment of a set of performance measures which provide a reliable indicator of the effect of the CIP on overall business results.

The parties recognise that the achievement of many of the changes contained in this overall plan will require further investment by the Company in training and development programs for employees.

In addition to this skills training, the Company accepts the need to provide training in non-operational areas, such as TQM practices, problem solving and communications, that may be necessary to the development of multi-skilled teams.

1. **FLEXIBLE OPERATIONS**

The parties agree that the ability to operate all equipment continuously during shifts is one objective of flexible operations. All employees, provided they possess the appropriate skills shall perform or assist in a range of duties other than their usual duties to achieve this objective.

The elimination of demarcations and some work practices that may otherwise inhibit interchangeability of tasks to achieve increased flexibility is also an objective of this agreement. The specific changes agreed by the parties are:

(i) **Multi-skilled Teams**

Employees will be trained where necessary to enable adequate overlap of skills to allow interchangeability of individuals to stagger meal breaks and to cover any absences.

(ii) Elimination of Demarcation

Skill flexibility will extend to supervisors and trades people performing production tasks for short periods when necessary to temporarily replace other crew members who may be unavailable. It will also extend to production people performing maintenance and other tasks as required, and for which they have the necessary skills and understanding of safe work practices required for the task.

(iii) Continuing Operation

- (a) The existing practice of continuing the operation of the dredges and weighbridges during meal breaks shall continue provided that the nature of the operation continues to be such that employees are able to have a minimum meal break period of 30 minutes, over a two hour period during the middle of the shift worked. Such meal breaks shall be added to the hours worked during that day.
- (b) Loader operators will continue the practice of staggering meal breaks or interrupting meal breaks to avoid any delays in truck loading, except that operators shall not be required to take the normal meal break in more than two parts.

(iv) Flexibility of Working Hours

The methods of implementing the 38 hour week provided in Clause 7A of the parent award shall continue to apply, except that in circumstances where the present hours arrangements are limiting or constraining operational efficiency or effectiveness they may be replaced by some other method of working the 38 hour week, providing that:

- (a) the majority of employees concerned agree, OR
- (b) the matter is agreed with the union at State level, and the union shall not withhold agreement unreasonably.

The provision does not give the company the freedom to change working hours arrangements without consultation. It also imposes an obligation on the company to produce evidence confirming the cost disadvantage to the company, if the proposed change is referred to the union.

In the great majority of cases such arrangements will continue to be a matter for agreement with the majority of employees concerned.

- (c) Employees who participated in the Second Tier Agreement of 13/11/87 will continue to receive payment for meal breaks as provided in the agreement. All other employees will receive a similar payment for any occasions when they work through a meal break.

(v) Other Flexibility Changes

- (a) Contract or agency employees may be used provided that the majority of positions available at any time will be occupied by permanent employees, and permanent employees will be given preference of employment tenure.
- (b) Provided licence, safety and competence requirements are satisfied, truck drivers may use loaders or overhead bins to load products for the small number of loads that may be require outside the scheduled shift hours. This provision will not apply at the present Kurnell site, unless by agreement with the majority of employees concerned.
- (c) All employees who have not already converted to electronic funds transfer system for the payment of wages, agree to do so as soon as banking arrangements can be made. The company will provide advice on which bank accounts have no charges for this purpose.

2. CONTINUOUS IMPROVEMENT PROCESS

Quality Accreditation to AS 3902 is currently being achieved at sites in all divisions. As an extension of this activity the Company has commenced the introduction of Total Quality Management. The parties to this agreement undertake to co-operate in the development of TQM practices and in particular the establishment of a process of Continuous Improvement.

The essential features of the Continuous Improvement Process are;

- (i) All employees will be offered an opportunity to participate in problem solving in the workplace through representation in consultative groups.

The process of consultation is an important element in the operation of this Agreement. Employees at all sites will participate directly or through their representatives in planned Consultative Meetings aimed at assisting the Continuous Improvement Process. Matter which may be included in such meetings include, but may not be limited to:

- (a) Development of improved work methods and techniques
 - (b) Participation in production planning
 - (c) Identification of training needs, and appropriate training plans and methods.
 - (d) Methods for the assessment of skills competence
 - (e) Progress reports on results achieved as shown by the performance measures, and any actions that may be required.
- (ii) TQM principles will be used as the foundation for developing the Continuous Improvement Process.
 - (iii) The gains implemented as a result of the Continuous Improvement Process will be the principal means by which employees can achieve the second wage increase.

3. PERFORMANCE MEASURES

A number of Performance Measures have been established to provide a reliable and objective means of monitoring improvements in productivity, efficiency, and flexibility. They are:

Performance Measure	Calculation	Definition
1. Labour Productivity	$\frac{\text{Tonnes Produced}}{\text{Total Equivalent paid hours}}$	Tonnes of all prods. Equivalent number of hours paid, ie an hour overtime worked at time and a half, counts as 1.5 hours.
2. Fixed plant utilisation	$\frac{\text{Actual Plant Operating Hours}}{\text{Shift Hours}}$	Number of hours saleable product is being produced. Paid shift hours worked eg. 10 hours in a 10 hour shift.
3. Fixed Plant Efficiency	$\frac{\text{Actual Production Rate}}{\text{Theoretical Production Rate}}$	Actual average monthly production rate obtained by dividing saleable tonnes produced by actual operating hours. Theoretical rate based on plant configuration ie. pump size, line length, wash plant capacity etc.
4. Mobile Plant Efficiency	$\frac{\text{Tonnes Produced}}{\text{Litre of fuel consumed by Mobile Equipment}}$	Mobile equipment includes loaders, graders, bulldozers, watertrucks, etc. operated by Rocla.

Benchmark figures for each measure will be established for each site through a process of consultation with employees. These figures will be based on a fair measure of current performance, using data from equipment specifications and past production records.

The parties agree that the benchmark figures will be implemented no later than 1 month from the date of commencement of this Agreement.