

ENTERPRISE AGREEMENT

NO: E.A. 388 /1995

DATE REGISTERED: 15-11-95

PRICE: \$ 36-00

**SUPERTEX INDUSTRIES PTY LIMITED
NUW GOULBURN SITE AGREEMENT 1995**

TITLE

This Agreement shall be referred to as the SUPERTEX INDUSTRIES PTY LIMITED – NUW GOULBURN SITE AGREEMENT 1995.

ARRANGEMENT

The agreement is arranged as follows:

<u>Subject Matter</u>	<u>Clause No:</u>
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Relationship to Parent Award	4
Single Bargaining Unit	5
Measures to Achieve Gains in Productivity, Efficiency and Flexibility	6
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Joint Development Agreement	Attachment A
Performance Measurements and Items	Attachment B
Redundancy Agreement	Attachment C

1. APPLICATION

This Agreement shall apply to the employees at Supertex Industries Pty Limited – Goulburn Site (herein after referred to as Supertex) who are bound by the terms of the Storemen & Packers General (State) Award.

2. **PARTIES BOUND**

Parties bound by this Agreement are:

Supertex Industries Pty Limited
National Union of Workers

3. **PERIOD OF OPERATION**

This agreement shall operate from the first pay period on or after certification of this agreement by the New South Wales Industrial Relations Commission and shall remain in force until 1 December 1996.

4. **RELATIONSHIP TO PARENT AWARD**

This Agreement shall be read and interpreted wholly in conjunction with the Storemen & Packers General (State) Award (hereafter called "the Award"). This Agreement shall take precedence if there are any inconsistencies between this agreement and the provisions of the Award.

5. **SINGLE BARGAINING UNIT**

For the purpose of negotiating this Enterprise Agreement a single bargaining unit has been established. The Agreement was arrived at by the Union, employees and management working co-operatively within a single bargaining unit.

6. **MEASURES TO ACHIEVE GAINS IN PRODUCTIVITY, EFFICIENCY AND FLEXIBILITY**

The measures set out in ATTACHMENT B to this agreement, are designed to achieve real and demonstrable gains in productivity, efficiency and flexibility which will be or have been implemented.

7. **GRIEVANCE PROCEDURE**

A Grievance Procedures shall apply in accordance with the Award.

8. WAGE INCREASES

Joint Development Agreement December 1994 (ATTACHMENT A), provides for wage increases as follows;

Stage 2 Wage Increase of 3%: Stage 2 Wage Increase applies from the first pay period to commence on or after 1 June 1995 and shall be paid upon registration by the New South Wales Industrial Relations Commission of this Agreement.

Stage 3 Wage Increase of 3%: Stage 3 Wage Increase shall be paid from the first pay period to commence in February 1996.

An additional wage increase of 1% may be paid in Stage 3 dependent upon the achievement of Key Performance Indicators, see ATTACHMENT B.

Stage 4 Wage Increase of 3%: Stage 4 Wage Increase shall be paid from the first pay period to commence in July 1996.

An additional wage increase of 1% may be paid in Stage 4 dependant upon the achievement of Key Performance Indicators, see ATTACHMENT B.

The abovementioned percentage wage increases shall be based on and applied to the ordinary Award rate of pay plus overaward payment (overaward payment is a non-award payment above the ordinary Award rate which is recorded in written form in time and wages records).

The rates of pay contained in this Agreement shall take effect from the date of registration.

Employees covered by this Agreement shall be paid the rates of pay contained herein from the first pay period to commence on or after the respective dates contained herein or from the date of employment whichever is the later.

9. REVIEW/RENEWAL OF AGREEMENT

As provided for in the Joint Development Agreement, negotiations will commence in September 1996, 3 months prior to the completion of this agreement. Should negotiations not achieve an agreement, the wage rates and levels of performance shall remain at the existing levels as at the date of expiration. Provided that wage rates shall not fall below the level of the Award.

In accordance with the Joint Development Agreement, this Agreement and Key Performance Indicators will be monitored on a monthly basis by the Joint Development Committee. This will ensure that expected performance improvements are actually achieved and the incentive wage increases are paid accordingly.

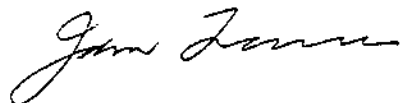
10. COMMITMENT

No extra claims including wage or allowance increases shall be granted or claimed other than those contained or provided herein for the duration of this agreement. However notwithstanding any provisions of this agreement, no employee covered by this agreement will receive a minimum weekly rate of pay which is less than the corresponding wages entitlement available under the Award.

This Agreement and this commitment was not made under duress.

SUPERTEX INDUSTRIES PTY. LTD.

Signed for and on behalf of
Supertex Industries Pty Ltd

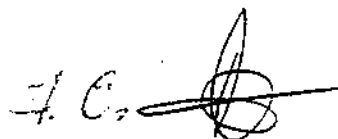


Dated this ^{24th} day of July 1995

Signed for and on behalf of
the National Union of Workers,
New South Wales Branch



Dated this 25th day of July 1995



imum Conditions

Redundancy

Attachment C of the Agreement sets out conditions relating to redundancy which are conditions above any award or legislative standard.

ial Organisations

National Union of Workers
3-5 Bridge Street
Granville NSW 2142

Contact: Fay Campbell

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ATTACHMENT A
JOINT DEVELOPMENT AGREEMENT COVERING
SUPERTEX INDUSTRIES LIMITED OPERATIONS

INTRODUCTION

The company, the union and the employees have had extensive negotiations attempting to achieve Enterprise Agreements, but without success.

Management recognised that a number of items from the previous two proposed agreements were not attractive to the employees. The items and methods of the last the two attempts have been scrapped, it has been decided to wipe the slate clean and start off fresh all over again.

"We want to invent the future instead of merely redesigning the past."

We have accepted a new agreement needs to be a learning experience for all involved, and it needs to be part of a continuous long term commitment.

We believe it is necessary to have a joint commitment between Supertex Industries Pty Limited management, the employees themselves and their unions, T.C.F.U.A. and the N.U.W.

We commit ourselves to our Joint Development Agreement that will work towards the creation and establishment of individual enterprise agreement for each site.

Find following is a guideline of how all parties will work towards to the enterprise agreement:

VISION

We jointly see the agreement to be one developed in a **best practice** concept, and with a common set of visions.

The common set of visions will create a cultural change so the environment will be:

- | Participatory
- | Quality Driven
- | Multi Skilled
- | Accountable
- | Shared Goals
- | Consultative
- | Efficient & Effective

EMENT OBJECTIVE

The proposed agreement will be a formal step towards achieving our visions and improving the competitiveness and profitability of Supertex Industries. Thus in turn increasing wages, improving job security and skill levels for all employees.

Outlined below are key objectives that the company considered to be important. It requests the Joint Development Committee to give a commitment to review the following key objectives in order to establish where appropriate for each site, content for their enterprise agreement:-

1. Reduction in absenteeism
2. Reduction in labour turnover
3. Quality Assurance; {reductions in wastage, scrap and rework}
4. Customer focus environment
5. Teamwork and increased flexibilities
6. Skills and training
7. Production and maintenance costs
8. Occupational Health & Safety
9. Improved systems of work in the following areas
 - a) Management,
 - b) Quality,
 - c) Planning,
 - d) Supervisory,
 - e) Technical,
 - f) Administration,
 - g) Production,
 - h) Job responsibility,
 - i) Performance measurement.

PROCESS TO ESTABLISH AN ENTERPRISE AGREEMENT

AGREEMENT & COMMITMENT TO PARTICIPATE

I STAGE ONE

To facilitate the process to establish a mutually beneficial enterprise agreement the company requires the commitment of employees and the unions to abide by the conditions of the Joint Development Agreement. The conditions include a process which must be followed by all parties so that is constructive and productive in the creation of each sites enterprise agreement.

It is envisaged that the process will commence from 1 December 1994, and the duration of stage one may be up to six (6) months therefore ending approximately June 1995.

In recognition of all parties commitment process the company is proposing the payment of \$8.00 per week wage increase to existing wage rates from 1 December 1994. In addition to this, the payment of the Textile Industries Award skill relativities increase to applicable employees as from 1 November 1994.

The process will involve the following areas:-

1. COMMUNICATION

Awareness courses will be conducted at each site. The courses will be available for both management and employees. These courses will cover the general concepts of enterprise agreements and will lead into more specific discussions relating to the objectives and other relevant issues.

The Joint Development committees will be the vehicle through which general communications take place.

2. TRAINING

Any training necessary to assist the parties in reaching agreed objectives will be provided through company resources, trade union resources employer organisation, or external resources. All relevant parties will be consulted in the provision of such training.

3. YES

The parties will agree that they will engage in negotiating agreements resulting in productivity and efficiency improvements that will promote benefits and job satisfaction and security for all employees. These joint objectives as stated earlier, will be achieved by the development of each sites enterprise agreement. Each agreement will clearly identify current work practices and processes and any variations that will lead to improvement in productivity, efficiency, market competitiveness and customer satisfaction.

4. SCOPE OF AGREEMENTS

The parties agree that the matters for negotiation in each agreement should not be limited to the stated objectives, but they should be seen as a benchmark to work from.

5. JOINT DEVELOPMENT CONSULTATIVE COMMITTEE

A committee will be elected, trained and established for each site so that they will work together towards the stated objectives.

The committee shall be a single bargaining unit, and a true representation of each site eg cultures, sections and unions.

Objectives and issues raised for consideration with the proposed agreement, shall be processed through the consultative mechanism and procedures.

6. GUIDELINES FOR THE AGREEMENT

There will be one local agreement for each site; ie Goulburn site and Punchbowl site will have separate agreements.

All enterprise agreements will be bargained and negotiated consistent with the Federal Industrial Relations Reform Act 1993.

All enterprise agreements will be certified by the Australian Industrial Relations Commission.

The enterprise agreement may have an expiry date that will be two (2) years from 1 December 1994, the date of the first increase.

Negotiations should commence on a further agreement three (3) months prior to the expiry of the existing agreement.

I STAGE TWO

It is envisaged that stage two will commence no later than June 1995. A proposed agreement for each site will be created by the Joint Development committee. The agreement will contain key objectives that is linked to series of performance indicators and measurements.

To ensure that the performance indicators are being monitored, a monthly meeting by the Joint Development committee will be required, this will ensure that the process remains within its guidelines.

Each sites proposed agreement will be put forward to the employees for a ballot.

Upon the successful support of the enterprise agreement and the certification by the Industrial Relations Commission a 3% wage increase will be paid.

I STAGE THREE

This stage will be the review of the performance indicators within the agreement. It is envisaged that this exercise will take place 8 months (February 1996) from the certification of the enterprise agreement.

A wage increase between 3% to 4% will be passed on, this is depending on the level of performance that is achieved for each performance indicator. Note that a minimum of 3% is guaranteed, irrespective of performance. If the level of performance is assessed as being high; eg all targets within each performance indicator are achieved, then the maximum increase of 4% will be payable.

I STAGE FOUR

This is a repeat of Stage Three, where there will be a review of the performance indicators within the agreement. Once again depending on the level of performance, an increase to a maximum of 4% may be payable, and a minimum increase of 3% is guaranteed. It is envisaged that this stage will be carried out in July 1996, approximately 5 months after stage three.

This stage is the completion of the initial enterprise agreement.

I WAGE INCREASES

The wage increases available through this process range from a minimum of 11% over the 2 year period, to a maximum of 13% over the 2 year period. Note that the above stated increases will substitute for all other increases (eg National Wage Increases) from December 1994 to December 1996)

I NEW ENT

It is anticipated that negotiations for a new enterprise agreement will commence in September 1996, approximately 3 months prior to the completion of the first agreement. If negotiations are completed within the time schedule, then new agreement will be able to commence directly after the completion of the first agreement.

ATTACHMENT B

...ing measures have been agreed to in order to increase the flexibility of operations at ...ourn site. It is also envisaged that the following measures will increase the job satisfaction ... job security of all employees.

Productivity Bonus:

The Productivity bonus will be paid on the following basis;

The 11% wage increase offered over the 2 year period is guaranteed & will be paid irrespective of performance. In recognition of the 11% increase the committee will identify a number of items to be included in the agreement. For the remaining 2% on offer a set of targets or performance indicators will be set for a number of agreed items. The achievement of these targets will determine the amount of the incentive 2% wage increase will be paid.

Productivity Measurements:

The following Key Performance Indicators have been identified. Within in each performance indicator 3 levels have been established, level 1 current performance, eg the benchmark, level 2 the first target, level 3 the second target. The achievement of these targets will be the basis on which the additional incentive will be calculated on.

"B" Class

Section:	Level 1 Current	Level 2 Target 1	Level 3 Target 2
Towel Weaving	5.20%	4.75%	4.25%
Towel Dyeing	0.39%	0.50%	0.40%
Towel Hemming	1.20%	1.00%	0.75%

Rework

Section:	Level 1 Current	Level 2 Target 1	Level 3 Target 2
Terry Gowns	7.34%	5.00%	4.00%
Chenille Spreads	18.37%	9.50%	8.75%
Chenille Gowns	8.16%	8.00%	7.75%

	Level 1 Current	Level 2 Target 1	Level 3 Target 2
Reduction in Packaging Costs	0%	5.00%	10.00%
On Time Deliveries	84%	86%	88%

Labour Recoveries:

The objective of full labour recovery is to make a certain product within the time allocated to produce that product, then if the product is completed in accordance to the time allocated then all wages paid to make that product is fully recovered ie. 100%. If a product is made in a shorter time period than the allocated time then the costs are over – recovered & a benefit is gained

Section:	Level 1 Current	Level 2 Target 1	Level 3 Target 2
All Sections	100%	102%	104%

Absenteeism:

The committee agreed that all employees & management shall adhere to the following methods as a mechanism to reduce absenteeism from its current high level of 10.6 days per person per year.

- ◆ Management shall review its current recruitment & selection practices as method of not re-employing ex-employees or future employees who have had a poor attendance record in their previous jobs.
- ◆ Management shall implement an improved counselling system where an employee will be provided the forum where they can discuss with management any problems they have with sick leave or absenteeism, which may require extra consideration. This will also provide management with the opportunity of counselling an employee if they are having an absenteeism problem such as taking unpaid sick leave.
- ◆ Management will undertake the implementation of an Notification of Absences policy & procedure. This will provide employees with a formal procedure of how & when to notify management of an absence. This policy will provide management the opportunity to plan the production requirements in their section around an employee's absence. Also the policy will provide the guidelines for an employee to notify their manager in advance of when they are going on sick leave. This policy & procedure will show flexibility in its guidelines to take into account difficulties some employees may encounter in contacting their supervisor in regards to their absence.

- ◆ Manage undertake to provide information on sick leave taken to each section on a monthly
- ◆ The committee's recommendation of "Sick & Personal Emergency Leave". The title sick leave will be changed to "Sick & Personal Emergency Leave" & the meaning of sick leave has been widened. It will allow an employee to take their sick leave for sick, personal & family reasons (eg to care for a sick child or other family member, to take your child to hospital). The definition of a family member is as stated in your award under Bereavement Leave clause; for example an employee's husband, wife, father, mother, brother, sister, child, step child, parents in laws or grandparents or grandchildren. The employee will be able to request the time off before they go on leave, this will give management the opportunity to arrange production requirements around an employee's absence. Also available under this clause is the flexibility for an employee to take their sick leave in accordance to the actual number of hours they require to attend an appointment; for example if an employee has a doctors appointment at 3pm then the employee will be able to leave early & only take the time off that is required to attend that appointment. This will result in the employee being able to use their "Sick & Personal Emergency Leave" entitlement more efficiently. That is instead of using an entire day's entitlement to attend an appointment which may only take 1 to 2 hours. It is perceived that this arrangement will encourage an improvement in honesty & trust between employees & management.

The aim of this provision is to ensure that absenteeism does not increase from the current levels. The following targets were agreed to by the committee.

Section:	Level 1 Current	Level 2 Target 1	Level 3 Target 2
All Sections	10.6 days	9.2 days	8 days

Flexibility Labour

The ability to move employees into different areas/sections within the factory to perform different duties that they are trained and capable of performing. This arrangement will be in accordance with past practices where labour flexibility applies in circumstances which are unique and unusual. The benefits to the employee and the company would be the increased skills the employees would gain & the measure of success would be the productivity level, it will either increase or decrease.

Labour Turnover

To address the high labour turnover problem that we are currently facing is to adopt "Exit Interviews" with employees who have resigned prior to leaving. It is envisaged that this practice may provide management information that may be helpful to the management of current employees.

Period

A probation period will be introduced for all new starters. In this period the new employee's skills acquired under training & suitability to the position will be fully assessed.

Occupational Health & Safety

The committee expressed its concern in the activity and lack of effectiveness of the safety committee. The committee put forward the following suggestions;

- a set timetable of meetings for when the Safety Committee to meet
- re-nomination for members for the Safety Committee
- retraining for the entire Safety Committee
- improved communication between the Safety Committee and the employees
- increase the profile and effectiveness of the Safety Committee throughout the site.

Training & Career Path

The following guidelines were agreed by the committee for a training & career path policy That formal structured training courses to be carried out for all sections, where possible these courses will be externally accredited

- (a) A commitment by the company to provide & career path opportunities
- (b) A clear commitment & willingness from all employees to participate in training
- (c) Training for higher skilled positions or other skilled positions within the site will be offered to employees on the basis of years of service in their current skill level classification or if the same, then it be decided on years of service with the company.
- (d) Training will also be provided to employees to improve the skills basis to improve their performance within their current positions
- (e) Vacant positions for this site will be advertised internally

Redundancy Agreement

The renewal of the current Redundancy Agreement for all Textile, Clothing & Warehouse employees. Refer to Attachment C.

ATTACHMENT C

REDUNDANCY AGREEMENT

This agreement between the National Union of Workers and Supertex Industries Pty Ltd will cover the terms and conditions of termination (in addition to any coverage under award or other legislation) having application to employees who are deemed to be redundant.

NOTICE PERIOD

The redundancy package so offered will apply only to those workers who are prepared to remain in the employ of the company up until the Company's official notification concerning relocation and redundancy.

A minimum of 4 weeks notice of redundancy or payment in lieu thereof will be given by the Company to an affected employee. Employees over the age of 45 shall be entitled to an additional week's notice.

SEVERANCE PAY:

A severance payment will be available to all workers on the following basis:

Under one year's service	1 1/2 week
1 yr and up to the completion of 2 yrs service	5 weeks
2 yrs and up to the completion of 3 yrs service	7 weeks
3 yrs and up to the completion of 4 yrs service	8 weeks
4 yrs and up to the completion of 5 yrs service	9 weeks
5 yrs completed service and over add	2 weeks for each year of completed service

PAYMENT OF UNTAKEN SICK LEAVE:

Payment of all untaken accumulated sick leave.

PRO-RATA LONG SERVICE LEAVE

Pro-rata long service leave will be paid after 3 years continuous service.

ANNUAL LEAVE

Annual leave will be calculated as per award provisions plus pro-rata 17.5% loading for each completed month of service. Public holiday award provisions will apply.

LEAVING DURING PERIOD OF NOTICE

Any employee may leave during the period of notice without loss of the above redundancy provisions, but would not be paid for the unexpired portion of the notice period.

PUBLIC HOLIDAYS

All employees to be paid for public holidays which occur within three (3) months of the date of termination.

CERTIFICATE OF SERVICE

A certificate of service will be provided to all employees.

DEFINITION OF PAY

Pay shall mean the wage that an employee would have received in respect of the ordinary time he or she would have worked in a week, including over award payments and leading hand allowance.

All allowances in respect of overtime and all other penalty or special rates shall be excluded.

RELOCATION

Employees offered relocation shall not incur a loss of pay and conditions if they accept the offer.

REMOVAL EXPENSES

The company will pay the reasonable cost of removal expenses for any employee who moves house to the Goulburn area to take up employment at the Goulburn Mill. In the event that the employee resigns in circumstances which would still entitle the employee to the redundancy package, such removal expenses paid by the Company will be offset against his or her entitlement.

RENTAL ASSISTANCE

The company is prepared to pay to employees who relocate to Goulburn a rental subsidy of \$70.00 per week for a period of 12 months from the date of relocation.

HARDSHIP PROVISION

Employees relocating to Goulburn area and who establish a hardship case may leave during the first six months of relocation without loss of the redundancy provision.

In the event of a dispute between the parties an independent arbitrator will be appointed.