

ENTERPRISE AGREEMENT

NO: E.A. 2 /1996

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PRICE: \$ 50-00

DEFIANCE MILLING CO PTY LTD - HOMEBUSH FLOUR MILL
PRODUCTIVITY BARGAINING AGREEMENT
between
DEFIANCE MILLING CO. PTY. LTD.
and the
FEDERATED CLERKS UNION OF AUSTRALIA (NSW BRANCH)

1. TITLE

This document shall be known as the Defiance Milling - Homebush Flour Mill - Productivity Bargaining Agreement (the Agreement).

2. ARRANGEMENT

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3. APPLICATION OF AGREEMENT

The Agreement shall apply to the Company's flour milling operations known as Defiance Milling Co. Pty. Ltd. - Homebush Flour Mills located at 2a Hamilton Street East, Homebush NSW in respect of all employees of the Company who are engaged in any of the occupations specified in the Clerks (State) Award.

4. **PARTIES BOUND**

The parties to this Memorandum are:-

- (a) Defiance Milling Co. Pty. Ltd - NSW (**the Company**); and
- (b) The Federated Clerks Union of Australia (New South Wales Branch) (**the Union**); and

The persons bound by the agreement are:

- (a) Defiance Milling Co. Pty. Ltd - NSW (**the Company**); and
- (b) The Federated Clerks Union of Australia (NSW Branch) (**the Union**); and
- (c) All employees of the Company at Homebush employed under the Clerks (State) Award.

This Agreement mirrors the Defiance Milling Pty Ltd - Homebush E.B.A. 1995, and has no application to the union and employees bound by that Agreement.

5. **AIMS AND OBJECTIVES OF AGREEMENT**

The Agreement is entered into between the parties with the following agreed common aims and objectives:-

- (a) To maintain and promote a co-operative and stable industrial environment over the life of the Agreement;
- (b) To improve the efficiency, productivity and performance levels at the site with the aim of increased profitability for the Company, the benefits of which will be shared between the Company and its employees.

6. **DATE AND PERIOD OF OPERATION**

The Agreement shall take effect from the date of registration and operate from the beginning of the first pay period to commence on or after the date of its registration under the Industrial Relations Act 1991 in relation to employees employed under the Clerks (State) Award and shall remain in force until 25th February 1997.

AB *DB*

7. **RELATIONSHIP TO PARENT AWARDS**

The Agreement shall be read and interpreted wholly in conjunction with the Clerks (State) Award provided that where there is any inconsistency between the Agreement and the relevant Award, the Agreement shall take precedence.

8. **WORKPLACE CONSULTATION**

For the purpose of negotiating the Agreement between the parties a Single Bargaining Unit (SBU) has been established. The work of the S.B.U. shall be complete upon certification of the Agreement.

Following certification of the Agreement the Site Consultative Committee (SCC) shall be responsible for the on-site implementation of the aims and objectives of the Agreement. This responsibility will be in addition to any other obligations and responsibilities of the SCC arising from its constitution.

The parties agree to review the procedures of the SCC after certification of the Agreement to ensure it operates effectively in pursuit of the aims and objectives of the Agreement.

Matters raised by the Company, employees or unions who are party to this Agreement, and which are considered consistent with the objectives and/or spirit of this Agreement shall be processed through the consultative mechanism and procedures.

The parties to the Agreement are committed to co-operating positively to achieve significant and sustained improvements in the efficiency, productivity and competitiveness of the enterprise, and to enhance the career opportunities and job security of employees.

The SCC shall consider a broad agenda of items relating to improvements in productivity and efficiency and discussions shall take place with a view to providing more flexible working arrangements, improving the quality of the working life, enhancing skills, training to assimilate new technology and new machinery, improved job satisfaction and positively contributing to the restructuring process.

The form, structure and implementation of consultative practices and mechanisms on the site shall be in accordance with the agreed constitution of the SCC.

Where it is agreed by employees that a Union, or Unions should be represented on the SCC such representation shall be by the appropriate Shop Steward, however there is no requirement that a Union, or Unions, be represented.

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The SCC may implement flexible employment arrangements, beyond those specifically prescribed by this Agreement, in accordance with the workplace consultation and/or Enterprise Agreement and or award flexibility provisions. The Union shall, where required by the award, be a party to the ratification of any Agreement, but shall not unreasonably withhold such Agreement where the employees genuinely agree.

The Union reserves the right to advise its members as deemed appropriate on Award issues under discussion.

The Consultative process is a mechanism through which all employees may become involved in, and positively contribute towards, managements decision making process. However, managerial prerogative is acknowledged.

Any dispute arising from implementation of the aims and objectives of the Agreement that cannot be resolved by consultation through the SCC shall be processed in accordance with the Disputes Procedure.

9. MEASURES TO ACHIEVE GAINS IN PRODUCTIVITY, EFFICIENCY AND FLEXIBILITY

There are two stages agreed upon between the parties designed to achieve the targeted aims and objectives of the Agreement.

STAGE ONE

Stage One of the Agreement involves the introduction of the following specific changes to work practices at the site:

9.1 Contract of Employment

Unless otherwise determined by agreement of the S.C.C. and implemented in accordance with the workplace consultation and award flexibility provisions of the relevant award, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to section 125 of the Industrial Relations Act 1991.

1. *Engagement*

The engagement of all employees shall be on the basis of either full-time weekly employment part-time weekly employment or casual employment.

Employees shall be notified prior to engagement under which category they are employed.

2. *Probationary Period of Employment*

All new weekly employees (which includes part-time employees) shall be employed under a probationary period of three months commencing from the date of engagement. During the probationary period new employees will be instructed in the tasks and requirements of their position, and employment shall be on a day to day basis and the employee's employment may be terminated by either the employer or the employee at the end of any day or shift without notice.

3. *Weekly Employment - Full-time basis*

The company may employ employees on a full-time weekly basis. The ordinary hours of work of such employees shall be in accordance with the hours clauses of the relevant award.

4. *Weekly Employment - Part-time basis*

- (a) A "part-time employee" shall mean an employee who is employed on a weekly basis to work regular days and regular hours, either of which are less than the number of days or hours worked by full-time weekly employees in that section of the business. Such hours shall not be less than 16 per week.
- (b) A part-time employee shall be paid per hour one thirty-eighth of the 38 hour weekly rate prescribed for full-time employees for the classification in which he/she is employed.
- (c) The spread of ordinary hours for part-time employees shall be the same as that applicable to full-time weekly employees in the section of the establishment in which they are employed. The number of ordinary hours worked shall not on any day exceed the number of ordinary hours of weekly employees in the section in which the employee is employed and shall not in any week exceed the number of hours of weekly employees in the section without the payment of overtime.
- (d) Subject to this subclause, all the provisions of this award shall apply to a part-time employee.

5. *Casual Employees*

- (a) A casual employee is an employee engaged and paid as such.
- (b) The rate of pay for casual employees shall be the rate as set out in the relevant award and at the appropriate classification for the work at hand.
- (c) Casual employees shall be offered weekly employment after 6 months service with the Company provided there is a suitable position available on the site. There is no obligation on the Company to re-offer weekly employment to a casual employee who has already declined such an offer.
- (d) Casual employees shall be terminated by one hours notice on either side given at any time during the week or by payment or forfeiture of one hours pay as the case may be.

6. *Ratios*

The total number of casual and part-time employees shall not exceed the proportion of one to each four (1:4) full-time weekly employees.

9.2 **Payment of Wages**

- (a) Wages shall be paid by Electronic Funds Transfer into an account nominated by the employee at a bank, building society or credit union.
- (b) Conversion of the site payroll from payment of wages by cash to payment by Electronic Funds Transfer shall occur six (6) weeks after the ratification of this agreement. During such period management will take reasonable steps to assist employees with the transition and answer reasonable queries. During this period employees will provide the pay office with the necessary authorities to arrange payments. In order to implement the change the cut-off period for calculation of payroll shall be moved forward 24 hours from Wednesday to Tuesday of each week.
- (c) New employees will be advised that payment of wages by Electronic Funds Transfer will apply from the commencement of employment and an authority to do so will be obtained from the employee at the time of commencing employment.



- (d) The Company will meet "establishment" fees for E.F.T. (if any) but **not** ongoing operating fees. The S.C.C. will review the actual incidence of employees incurring additional ongoing operating fees (if any) after 12 months.
- (e) Payment of wages shall be made into the employees account such that funds will be available not later than Thursday of each week.
- (f)
 - (i) Upon termination of employment an employee shall be presented with a statement of termination payments calculated to the end of the final day or shift.
 - (ii) Wages due and payable shall be credited to the employees account on the next scheduled pay day.
 - (iii) Where it is agreed between the parties, payment of termination payments may be paid by cheque at the time of termination.

9.3 Meal Breaks During Ordinary Working Hours

(a) *Day workers*

Day workers shall receive an unpaid meal break of 30 minutes or such other time as agreed between the employee and the Company.

(b) *Shiftworkers*

(i) *Day Shift on a two shift system*

Shiftworkers engaged on a two shift system shall receive, while on day shift, an unpaid meal break of 30 minutes or such other time as agreed between the employee and the Company.

In circumstances where an employee on day shift is responsible for a continuous process operation and no relief employee can be made available the employee shall receive a paid 30 minute meal break, which shall be counted as time worked. The employee shall take the paid meal break adjacent to their work station and may be called upon to immediately restart work if required.

(ii) *All other shifts*

All shiftworkers shall receive a paid 30 minute meal break, which shall be counted as time worked. Employees shall take their meal break adjacent to their work station (ie: within view of the equipment), and may be recalled to immediately re-start work if required.

(c) Where necessary, meal breaks shall be staggered to ensure the continuous operation of equipment or to meet other needs of the business.

(d) An employee shall not be required to work more than 5 ordinary hours without a meal break unless otherwise agreed, provided that the time of taking a meal break for a particular day may be varied to meet the needs of the establishment. If a meal break is not given within six (6) hours an employee shall be paid time and one half until a meal break is allowed.

9.4 Rest Break During Ordinary Working Hours

A rest break of no more than 15 minutes will be allowed between normal starting time and the meal break. The time of taking rest breaks will be co-ordinated by supervisors in such a way that production or business operations will not be interrupted.

9.5 Crib Breaks and Meal Allowances During Overtime

(a) A crib break is a paid relief break during overtime. The crib break provisions are as follows:

(i) An employee required to work more than two hours overtime immediately before or immediately after his/her ordinary hours of work on any day or shift shall be allowed a crib break of twenty minutes, payable at ordinary rates, upon completion of two hours overtime. An employee required to continue to work overtime after his/her crib break shall be allowed a further crib break of twenty minutes, payable at overtime rates, at the end of each further four hours of overtime worked.

(ii) An employee required to return to work on overtime shall be allowed a crib break of twenty minutes upon completion of each four hours overtime worked which shall be paid for at overtime rates.

- (iii) Provided that an employee shall not be entitled to any particular crib break prescribed unless the employee is required to continue to work overtime after any such crib break.
- (iv) The company and the employee may agree to any variation of the above crib break provisions to meet the circumstances of the work in hand which is not less favourable to the employee and which will not require the Company to pay in excess of twenty minutes at the appropriate rate for the prescribed crib break.
- (v) In addition to the crib breaks allowed in accordance with this sub-clause the employee shall be paid the relevant meal allowance for each crib.

(b) *Method of application of crib break provisions*

It is agreed that the current method of payment for crib breaks will continue, in respect of weekly employees engaged at the time of certification of this Agreement. This arrangement will continue for the life of this Agreement and may be raised by the Company for review at the time of renewal of the Agreement under Clause 16.

Any new employee, engaged after the date of certification of this Agreement, **will not** be entitled to the crib payment, and will be entitled to the crib break provisions as prescribed in (a) above.

9.6 **Early Finish**

- (a) There is no recognised provision for early finish times, wash up times, change times and similar or related practices on the site.
- (b) Employees wishing to finish work earlier than their rostered finish time must be given approval by and make specific arrangements with their supervisor on the particular day in question. Supervisors will not unreasonably withhold such approval where the request is believed to be justified.



9.7 Supply of Uniforms. Footwear. Tools

The provisions of clause 9.7 shall not apply to clerical staff.

9.8 Sick Leave

Unless otherwise determined by agreement of the S.C.C. and implemented in accordance with workplace consultation/award flexibility provisions of the relevant award, the following provisions shall apply. Any variations made to the following provisions of the Agreement shall be subject to Section 125 of the Industrial Relations Act 1991.

(a) *Eligibility for Paid Sick Leave*

A weekly employee, having had at least three months' service with the Company, shall be entitled to paid sick leave when absent from duty as a result of personal illness or accident (other than an accident for which the employee is entitled to Workers' Compensation) subject to the following conditions:-

(i) *Notice of Absence*

An employee shall inform the Company of their inability to attend for duty due to personal illness or accident not later than one hour prior to the commencement of the ordinary hours of the first day or shift of the absence. Provided that where an employee gives the Company a satisfactory explanation for late notification, the employee may notify the employer during the first day or shift of the absence, but not later.

(ii) *Proof of Reason for Absence*

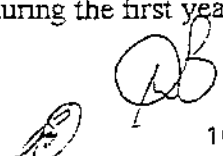
An employee shall prove to the satisfaction of the Company that his/her non-attendance was due to personal ill health necessitating such absence.

(b) *Sick Leave Year*

An employees' sick leave year shall correspond with his/her year of service, and sick leave entitlements will be calculated on the employees anniversary of their employment.

(c) *Amount of Sick Leave*

(i) After 3 months service with the Company an employee shall be entitled to 3.17 hours sick leave for each completed month of service rendered during the first year of employment.



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- (ii) After 12 months service with the Company an employee shall be entitled to 5.06 hours sick leave for each completed month of service from the end of his first twelve months of employment until the beginning of the employees next anniversary.
- (iii) Each employee not covered by paragraph (i) or (ii) of this subclause shall be entitled to 60.8 hours sick leave at the beginning of each Sick Leave Year.
- (iv) Part time employees shall be entitled to a proportionate amount of sick leave. The amount of sick leave a part-time employee is entitled to accrue in any month or year shall be in the same ratio as that employees normal ordinary times hours are to ordinary times hours worked by full-time weekly employees on the site in the same month or year.

The common sick leave year provisions will not apply on the Homebush site, but rather, an employees sick leave entitlements will be credited to his/her account on the anniversary of his/her employment.

Notwithstanding the above a weekly employee will be entitled to not less than one (1) weeks sick leave on full pay for each year of service.

(d) *Accumulation of Untaken Sick Leave*

Subject to paragraph (e), any untaken sick leave entitlement shall accumulate from year to year.


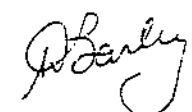
(e) *Payment of Untaken Sick Leave During Employment*

An employee who has accumulated a sick leave bank of at least 76 hours upon the anniversary of his/her employment shall be entitled to elect to be paid an amount equivalent to the untaken portion of the sick leave entitlement in excess of 76 hours.

(f) *Payment of Bonus on Termination*

An employee with an accumulated sick leave bank at the time of termination of employment shall be entitled to payment of a bonus equivalent to any untaken sick leave (except where termination is for serious or wilful misconduct) on the following conditions:

- 100% of accumulated sick leave bank
- Plus
- 5.06 hours sick leave entitlement for each completed month of service since his/her last anniversary.
- Less
- the amount of sick leave taken since the employees last anniversary.

 
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STAGE TWO

Stage Two of the Agreement involves the operation of a Productivity Measurement System for the site and the ongoing introduction of measures designed to achieve continuous improvement resulting in real, significant and sustainable gains in productivity, efficiency and flexibility. Stage Two of the Agreement will apply following the implementation of the Stage One changes at the site.

During the 21 month life of the Agreement further changes to work practices will be identified and implemented (by agreement) following consultation through the Site Consultative Committee.

Without in any way limiting the agenda of changed work practices or work arrangements that may be considered by the S.C.C., the following are examples of what could be discussed:

- Improved labour flexibility and cross-training between sections on the site.
- Ongoing review of site work practices and procedures to address wasteful or unproductive practices.
- Integration of appropriate new technologies and new equipment to improve performance, productivity and profitability.
- Introduction of a possible second shift in the warehouse area to improve efficiency and reduce congestion during the day shift.
- Ongoing review of staffing levels and labour utilisation in various sections of the operation.

Through the S.C.C. a series of measures will be put into place to assess the effectiveness of any changes implemented on the site and to evaluate the percentage change in Productivity as it may relate to current, and possible future, wage increases.

Such measures may include, but not necessarily be limited to, measurement of:

- Absenteeism
- Productivity Gains
- Plant Utilisation
- Site Profitability
- Effect of Capital Inputs
- Staff Training
- Multi-Skilling
- Waste Elimination
- Value-added Processing
- On-line Process Control
- Work Practices
- Shift Configurations
- Improved Reporting Systems and Controls
- Commitment to AS3902 Standards

The impact of the changes on productivity will be monitored and assessed by the Productivity Measurement System and shared with the employees in accordance with the terms of Clause 10 of the Agreement.

The S.C.C. will review the Productivity Measurement System at the end of each 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 system.

Subject to Section 125 of the Act, ongoing changes to conditions of employment flexibility can be agreed upon by the S.C.C. and implemented under the terms of this Agreement. However, in circumstances where changes are contrary to the terms of the relevant Industrial Award (unless already amended by Stage One of this Agreement) then changes may be implemented in accordance with either:

- (a) the workplace consultation/award flexibility provisions of the relevant Award; or
- (b) in accordance with the appropriate statutory mechanisms prescribed by the Industrial Relations Act.

The Stage Two provisions set out above are to be read in conjunction with the terms of Clause 8, Workplace Consultation, of the Agreement.

10. WAGE INCREASES

The Agreement provides remuneration increases in addition to present award rates to reflect the productivity gains achieved under Clause 9 and are as follows:

STAGE ONE

An increase of 5.0% in ordinary times earnings (exclusive of shift and other allowances), from the first full pay period commencing on or after the date of certification. This increase is in return for the introduction of the Stage One changes set out in Clause 9. The \$8 "safety net" increase paid to employees from 1 December 1993 and the 2.5% Interim Wage Agreement (17.3.94) increase paid to all employees pending the establishment of an Enterprise Agreement shall be absorbed into the 5%.

STAGE TWO

After the satisfactory completion of Stage One, productivity-based payments will be made in accordance with the following criteria:-

- (a) Changes in productivity will be measured by the agreed Productivity Measurement System, with such system to be agreed between the parties.
- (b) From the commencement of the Agreement productivity gains shall be calculated each 6 months. Where productivity gains have been established, a half (50%) share of the increase shall be distributed to the employees covered by the Agreement in the form of a wage increase based on a productivity gain share.
- (c) There shall be three (3) productivity-based wage increases as referred to in subclause (b) of this clause and they shall be payable 6 months, 12 months, and 18 months respectively after the commencement of the Agreement.
- (d) A wage increase of 1.5% of the employees ordinary times earnings (exclusive of shift and other allowances) after 6 months, a further increase of 2% of the employees ordinary times earnings (exclusive of shift and other allowances) after a further 6 months period and a further 2% of employees ordinary times earnings (exclusive of shift and other allowances) after a further 6 month period. These payments are made in recognition of the right of the Company to pursue the implementation of efficiencies under this Agreement so as to achieve the targeted improvements set out in subclause (e).



- (ii) Where the improvements in a six month measurement period exceed the target figure, the employees share of the "excess" amount shall be paid in the form of a single lump sum payment. The amount to be paid shall be calculated by converting the "excess" to a dollar value (by reference to an agreed conversion formula) and dividing by the number of "eligible" employees.

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| Stage One | ● | 5% wage increase from certification |
| Stage Two | ● | 1.5% wage increase after 6 months from certification of the agreement, plus lump sum disbursement of any productivity gains "excess". |
| | ● | 2% wage increase after 12 months from certification of the agreement, plus lump sum disbursement of any productivity gains "excess". |
| | ● | 2% wage increase after 18 months from certification of the agreement, plus lump sum disbursement of any productivity gains "excess". |

- (e) Given the provisions of (a) to (d) above the Company will be entitled to pursue a minimum increase in productivity improvement under Stage 2 of 3% for the first six months and 4% for each of the remaining 6 month periods, making a total of 11% during the life of the Agreement. Any productivity improvement target not achieved in a six (6) month measurement period can be pursued during the life of the Agreement.

(f) *Definition of Productivity*

- (i) For the purposes of this Agreement, "productivity" is defined as an improvement in efficiency. This must be a net improvement at the site such that any item, whilst providing an improvement in any one area, does not create a loss in another area.

- (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 Site Consultative Committee on each occasion in advance.

11. NO EXTRA CLAIMS

It is a term of the Agreement that there will be no extra claims, either award or overaward, by either the employees or the Union for the life of the Agreement.

12. PREVIOUS CONDITIONS OF EMPLOYMENT

- a) Subject to (b) (c) and (d) below:

Previous conditions of employment not specifically dealt with in this Agreement shall be dealt with through negotiations between the parties and where necessary the agreed disputes procedure.


- b) It is agreed that the following conditions of employment arrangements entered into by previous owners of the business have no further application at the site:

1. Self Raising section shift status
2. Self Raising section - accrual of RDO's
3. Additional roller mill
4. 2nd tier agreement
5. 38 hour week agreement
6. Short Friday

- c) Existing methods of working ordinary hours of work are acknowledged and any changes to existing methods shall be by agreement in accordance with the terms of this Enterprise Agreement and the relevant Award.

13. AVOIDANCE OF INDUSTRIAL DISPUTES

- (1) The following procedures shall be observed for handling grievances and settling of disputes that arise. These procedures will not restrict the company or a duly authorised official of the union making representations to each other.
 - (a) The union and the company shall notify to each other in writing the names and/or titles of duly accredited job representatives. The accredited union job representative will be the only person entitled to make representations on behalf of members of their union employed by the Company and the nominated company representative will be responsible for dealing with matters raised by the union job representative.
 - (b) The accredited union job representative and the nominated company representative shall make themselves available for consultation as required under the procedures.
 - (c) In the first instance, the accredited union job representative shall discuss matters affecting the employees he represents with the foreman or supervisor of those employees.
 - (d) If the matter is not resolved at this level, the accredited union job representative should ask for it to be referred to the company's nominated representative who shall arrange a conference to discuss the matter within 24 hours or such other period as is agreed with the accredited union job representative.

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- (e) If the matter is not resolved at the conference convened under paragraph (d) above, the accredited union job representative shall advise the appropriate local official of the union of the matter in dispute. A conference on the matter will then be arranged at a mutually convenient time, to be attended by such union official and the union job representative and by the nominated company representative and such other representatives as the company may decide.
- (f) Without prejudice to either party, and except where a bona fide safety issue is involved, where a dispute arises in relation to proposed or recently introduced work practice change work shall continue in accordance with the status quo prior to the incident that caused the dispute while matters in dispute between them are being negotiated in good faith. Where a bona fide safety issue is involved, the Company and the appropriate Safety Authority must be notified concurrently or at least a bona fide attempt made to so notify that authority. Management shall be given reasonable opportunity to address and/or correct safety issues.
- (g) If the matter is still not settled it shall be submitted to a member of the appropriate industrial tribunal, whose decision shall, subject to any appeal in accordance with the Act, be final and shall be accepted by the parties.

In the event of a party failing to observe these procedures, the other party may take such steps as are open to him to resolve the matter.

- (2) Notwithstanding anything set out above an employee may personally process an individual grievance in accordance with these procedures and if they desire, have a union representative.

14. DISCIPLINARY PROCEDURE

Objective

The Company has the right, recognised by all parties to this Agreement, to expect its employees to abide by the terms and conditions of their contract of employment and the Company's **Employee Induction Handbook**. The objective of the disciplinary procedure therefore, is to clearly identify the process to be followed when disciplinary action becomes necessary.

However, the objective of all parties should be to resolve day-to-day problems through normal communication between employees, their supervisors and management.

Application

The procedure applies to all employees with the following exceptions:

- (i) employees employed on a casual or temporary contract; or
- (ii) during the course of a probationary period

Right of Representation

The Company accepts the rights of employees, should they so desire, to have a representative of their Union present at each stage of the disciplinary procedure. An employee who does not belong to the union may be accompanied by a colleague from the same section.

Disciplinary Records

A formal written record of all disciplinary action will be retained in the employees personal history record.

Procedure

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

- Unacceptable work quality
- Unsafe work practices
- Wilfully failing to abide by reasonable and lawful directions
- Excessive absenteeism

(i) *Verbal Warning*

Where it has been established, by interview and investigation, that an employee has displayed poor work performance and/or unsatisfactory conduct viewed by Management to be of a minor nature, the Company will issue a formal warning and keep a record, noting the date of the occurrence and details of the event.

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(ii) *Written Warning*

Where, despite the issue of a formal verbal warning, the employee continues to display poor work performance and/or unsatisfactory conduct, the Company following interview and investigation will issue a written warning confirming the reason for the disciplinary action and expected action to be taken by the employee to rectify the situation.

Where it is decided the poor work performance and/or unsatisfactory conduct is of a sufficiently serious nature, the Company may issue a written warning without a verbal warning having previously been issued.

Once two (2) written warnings have been issued, a subsequent offence will result in dismissal.

A formal warning given by the Company to an employee under (i) or (ii) above shall lapse after 6 months and will no longer be used as a reason justifying an employees dismissal under this disciplinary procedure. However, the Company may refer to a warning that has lapsed as evidence of a history of unsatisfactory conduct in unfair dismissal proceedings where the employee has been otherwise dismissed for poor work performance or misconduct.

Disciplinary Measures

In some less serious situations, disciplinary measures may include:

- (i) Relocation in the workplace
- (ii) Admonishments recorded on the employees personal file
- (iii) Restriction of privileges

These disciplinary measures may be of a permanent or temporary nature.

The employee may be dismissed if management believe that these alternative disciplinary measures do not offer a satisfactory solution.

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Instant Dismissal

The above procedures dealing with poor work performance and/or unsatisfactory conduct are not intended to interfere with the right of the Company to dismiss any employee without notice for serious and wilful misconduct that justifies instant dismissal, and in such cases, the wages shall be paid up the time of dismissal only.

In such circumstances the following procedures should be followed:-

1. An investigation should be conducted to establish the facts.
2. The employee shall be interviewed in the presence of another member of Management and be informed of the alleged misconduct.
3. The employee shall be given the opportunity to explain or refute the alleged misconduct.

Unfair Dismissal

Termination of employment by the Company shall not be harsh, unjust or unreasonable; provided that it is accepted by the parties that such termination can be referred to the Australian Industrial Relations Commission for determination.

For the purposes of this Clause, termination of employment shall include terminations with or without notice.

Without limiting the above, except where a distinction, exclusion or preference is based on the inherent requirements of a particular position, termination on the grounds of race, colour, sex, sexual preference, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction and social origin shall constitute a harsh, unjust, or unreasonable termination of employment.

15. REDUNDANCY

During the life of the Agreement negotiations will take place between the parties regarding redundancy provisions to be inserted into the Agreement. If appropriate the Agreement will be varied in accordance with Section 125 of the **Industrial Relations Act 1991**.

16. 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.



17. MONITORING AND RENEWAL OF AGREEMENT

The parties, through the Site Consultative Committee, shall continuously monitor the application of the Agreement to ensure the effective implementation of a commitment to the productivity improvements agreed to in the enterprise bargaining process.

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



DEFIANCE MILLING CO. PTY. LTD.
P.O. BOX 57
HOMEBUSH NSW 2140
A.C.N. 009 675 889



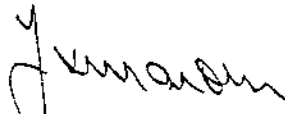
PHONE: (02) 763 1155
FAX: (02) 746 6171

TO: P JEFFRIES
CC: ASU
DATE: 25 MAY 1995
FROM: N KATSOULIS

We the members of the Australian Services Union (C & A Branch), employed by Defiance Milling Co, Homebush, do hereby accept the terms and conditions contained in the Enterprise Agreement as negotiated.

SIGNED:

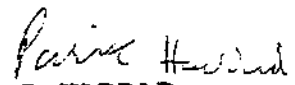

N KATSOULIS


Y MAROUN


H NICOLAOU



R BARNES


V REBERGER


P HADDAD

K ESPINA

ACCEPTED

 25.5.1995

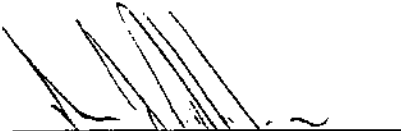
Homebush Office
2A Hamilton Street East, Homebush NSW 2140

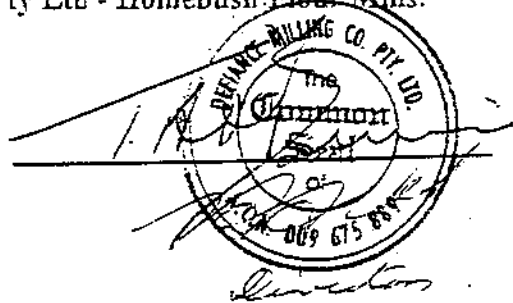
18. ENDORSEMENT OF AGREEMENT

The signatories below accept the terms of the Memorandum of Agreement on behalf of their organisations and the employees they represent and endorse its terms and in so doing declare that the Agreement has not been entered into under duress by any party to it:-

Signed on the 25th day of May 1995


For and on behalf of Defiance Milling Co Pty Ltd - Homebush Flour Mills:


Peter Jeffries
General Manager - N.S.W.



Signed on the 30th day of May 1995

For and on behalf of the Federated Clerks Union of Australia (NSW Branch)


Michael Want
Secretary
Federated Clerks Union of Australia (NSW Branch)