

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/353

TITLE: Penford Australia Limited - Tamworth - Enterprise Agreement 2002

I.R.C. NO: IRC2/5743

DATE APPROVED/COMMENCEMENT: 12 November 2002

TERM: 28 months (30 September 2004)

**NEW AGREEMENT OR
VARIATION: Replaces EA01/5**

GAZETTAL REFERENCE: 20 December 2002

DATE TERMINATED: 12 November 2002

NUMBER OF PAGES: 31

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees at the starch plant operated by Penford Australia Limited, located at 176-182 Marius Street, Tamworth, who fall within the coverage of the Starch Manufacturers, &c. (State) Award, Metal Engineering and Associated Industries (State) Award and the Electricians, &c. (State) Award

PARTIES: Penford Australia Limited -&- the Electrical Trades Union of Australia, New South Wales Branch, National Union of Workers, New South Wales Branch, The Australian Workers' Union, New South Wales



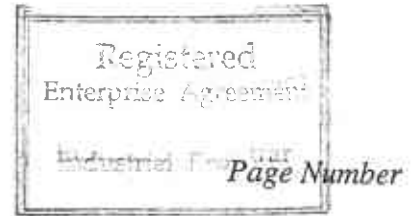
PENFORD AUSTRALIA LIMITED
- TAMWORTH -
ENTERPRISE AGREEMENT 2002

BETWEEN
PENFORD AUSTRALIA LIMITED - TAMWORTH
AND
NATIONAL UNION OF WORKERS N.S.W. BRANCH
AND
THE AUSTRALIAN WORKERS UNION N.S.W. BRANCH
AND
ELECTRICAL TRADES UNION OF AUSTRALIA N.S.W. BRANCH
AND
PENFORD AUSTRALIA LIMITED TAMWORTH AWARD EMPLOYEES

UNDER
CHAPTER 2, PART 2, ENTERPRISE AGREEMENTS
INDUSTRIAL RELATIONS ACT 1996

Registered
Enterprise Agreement
Industrial Registrar

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1. TITLE

This Enterprise Agreement shall be known as the **Penford Australia Limited - Tamworth - Enterprise Agreement 2002 (the Agreement)**.

2. APPLICATION OF AGREEMENT

The Agreement shall apply at the starch plant operated by Penford Australia Limited, which is located at 176-182 Marius Street, Tamworth in the state of NSW, 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*, and the *Electricians, &c. (State) Award (the Awards)*.

3. PARTIES BOUND

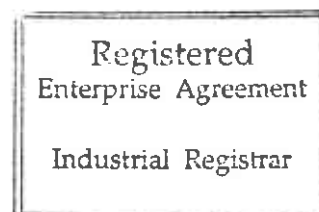
The Agreement shall be binding on:

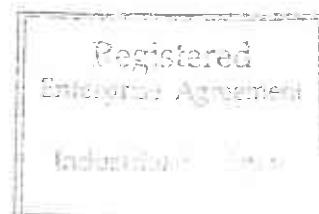
- (a) Penford Australia Limited - Tamworth;
- (b) National Union of Workers N.S.W. Branch;
- (c) The Australian Workers Union, N.S.W. Branch;
- (d) Electrical Trades Union of Australia N.S.W. Branch; and
- (e) The employees of the Company employed under the Awards referred to in Clause 0.



4. DATE AND PERIOD OF OPERATION

- (a) The Agreement shall take effect on and from its approval by the Industrial Relations Commission of New South Wales in accordance with Section 32 of the Act.
- (b) Nonetheless, by procedural arrangement between the parties the Agreement shall be applied at the site on and from 30 May 2002.
- (c) The Agreement shall remain in operation until 30 September 2004.





5. AGREED AIMS AND OBJECTIVES

The primary aim of the parties is to establish an Enterprise Agreement that will create an industrial environment at the site in which the management, the employees and their Unions will co-operatively work to improve the safety, quality, productivity, efficiency and profitability of the business while making sure that employees are rewarded for their contribution in achieving these goals.

To give effect to this primary aim the parties agree to achieve the following objectives:

- (a) Replace the site's fourth Enterprise Agreement with this new Agreement;
 - (b) Deliver to employees in accordance with Clause 9, a significant improvement in superannuation and wage increases by way of annual adjustments, providing income security in return for the employees' input to achieve continuous improvement in safety, quality, productivity and efficiency.
 - (c) During the life of the Agreement the Company, and the employees (with the support of their Unions) will implement specifically agreed to work practice changes at the site as set out in the Agreement, which are developed in accordance with the workplace consultation mechanisms set out in Clause 6.
 - (d) During the life of the Agreement the Company, and the employees (with the support of their Unions) will implement, through the workplace consultation mechanisms set out in Clause 6, a program of review of all of the terms and conditions of employment of the Awards and existing on-site arrangements with a view to establishing a common basis for the terms and conditions of employment for the site. This program should encompass the introduction of competency-based classifications/career paths for the site. The parties may review termination payments relating to sick leave, annual leave and long service leave.
 - (e) The parties are committed to the removal of demarcations and work practices that inhibit productivity and efficiency of the business. Employees agree to perform any tasks that they are competent and properly skilled to perform.
 - (f) 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.
 - (g) Maintain and expand the Company's market share for its products and to develop an export capability within the business.
 - (h) Skills Enhancement, Job Flexibility and Training - The parties agree to the development and delivery of training programs designed to meet the specific skills required 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;
 - allow the Company to introduce greater workplace and employment flexibility.
- As part of this commitment, a program for the "multi-skilling" of production employees on plant and equipment will be ongoing.
- (i) The Company and the Employees agree to co-operatively work together through the Employee Relations Team during the life of the Agreement to investigate options for future wage increases to be linked to business and/or employee performance/productivity.

6. WORKPLACE CONSULTATION – EMPLOYEE RELATIONS TEAM (ERT)

This Agreement has been reached to create a stable industrial environment that will allow the parties to co-operate to improve the productivity, efficiency and profitability at the site. Workplace consultation will be the principle vehicle for achieving the agreed Aims and Objectives.

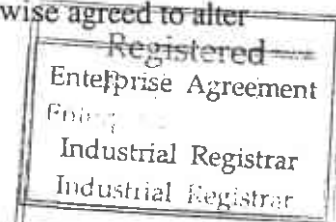
The Employee Relations Team (ERT) will be responsible for:-

- (a) The implementation of an enhanced skills and training program for the site.
- (b) The implementation of an agenda of change in work practices and work arrangements to achieve the Agreed Aims and Objectives as set out in Clause 5. In this regard the ERT will identify the issues for its consideration and deliberation.
- (c) The ERT will monitor the effectiveness of agreed productivity measures and work practice changes on an ongoing basis.
- (d) The ERT will keep the Unions informed of the principle outcomes of its proceedings and the Unions will have the opportunity to consult with members on any issue under consideration.
- (e) The ERT shall implement change by either:
 - (i) the flexible application of the terms and conditions of the Awards; or
 - (ii) In circumstances where the implementation of the ERT's decision would necessitate formal recognition by the NSW Industrial Relations Commission either by way of consent Award variation or a further Enterprise Agreement the following procedures shall be followed:-
 - (A) All employees will have the proposed change explained to them and will be given a reasonable opportunity to consider its effect.
 - (B) A vote will then be conducted on the issue. Where agreement is reached with the majority of employees concerned the agreed arrangement shall be committed to writing.
 - (C) Before any arrangement is signed and processed further in accordance with this clause, the proposed arrangement shall be forwarded in writing by the ERT to the appropriate State Secretary of the Union or Unions concerned.
 - (D) The Union/s shall not unreasonably withhold consent to the arrangements agreed upon.
 - (E) If no party objects to the arrangement, then a consent application shall be made to the NSW Industrial Relations Commission to have the arrangement approved.
 - (F) The disputes procedure set out in Clause 10 will apply if agreement cannot be reached on a particular issue.

Registered
Enterprise Agreement
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7. RELATIONSHIP WITH AWARDS AND PREVIOUS CERTIFIED AGREEMENTS

- (a) This 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*, and the *Electricians, &c. (State) Award* provided that where there is any inconsistency between the terms of an Award and the terms of this Agreement or between the Award and any work practice changes or work arrangements introduced at the site under the terms of this Agreement the latter shall take precedence over the Award.
- (b) Any work practice changes or work arrangements introduced at a site for the purpose of improving productivity and efficiency under previous Enterprise Agreements (i.e. the Fielders Starches – Tamworth – Productivity Bargaining Agreement 1994, Fielders Starches – Tamworth – Productivity Improvement Agreement 1996; the Fielders Starches – Tamworth – Productivity Improvement Agreement 1998) and the Fielders Starches – Tamworth – Productivity Improvement Agreement 2000 shall continue to operate under the terms of this Agreement, unless and until it is otherwise agreed to alter them in accordance with Clause 6, Workplace Consultation - E.R.T.



8. SPECIFIC CHANGES TO BE INTRODUCED AT THE SITE

The following new arrangements will be incorporated at the site from the commencement of operation of this Agreement:

8.1 Production Employees 7 Day Continuous Shiftwork

The following provisions shall apply to production employees/operators who are employed under the *Starch Manufacturers (State) Award*.

- (a) It is agreed that employees will perform work over a 7 day continuous shiftwork roster where four shifts of employees will work 12 hours each shift. Payment for work will be by way of an Annualised wage.
- (b) Employees will ensure that the factory is at all times manned to meet the needs of the business.
- (c) Employees will work overtime to maintain manning levels to cover for all absences, including absences arising from sick leave, annual leave, training courses, functional and cross functional team meetings, etc. The focus will always be to meet our customers needs. No additional monies will be paid for overtime.
- (d) Each team shall meet every 4 weeks (Production teams on their day off) for 4 hours. All team meetings and any compulsory training will be scheduled for this 4 hour period. Employees will be required to attend unless they have a legitimate excuse.
- (e) "Call-ins" are part of and are covered by the Annualised wage and no additional monies will be paid for call-ins.
- (f) Those employees who work on a public holiday will be entitled to a day off in lieu at a time agreeable to his/her team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated the same as if the holiday were to fall on an unworked Saturday.
- (g) Sick leave will be increased to 84 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirement of the Award.

- (h) Annual leave will be increased to 192 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (i) There will be no RDO's as the production operators will be working four shifts on and four shifts off.
- (j) Anyone attending a training course, including training for another operating position, which falls on a day off will not be paid any additional wages as additional hours have been included in the Annualised Wage to cover these events. The parties specifically recognise that time spent by employees attending "Teams Training" courses is included in the the Annualised Wage. Time spent on "Teams Training" courses will be capped at 2 days per annum.
- (k) Details of the components and calculation of the Annualised wage are set out in "Schedule A" of the Agreement.
- (l) A week's proportion of the Annualised wage will be paid weekly by Electronic Funds Transfer (EFT) to an employee's nominated bank or credit union account.

An employee who holds the appropriate first aid certificate(s) will receive an annual allowance of \$375.96 per annum. (\$7.23 per week).

- (m) In the event of redundancies, an employee's benefits will be as prescribed by the redundancy agreement, with redundancy payments being based on the Weekly Base Wage, excluding overtime, shift allowance and leave loading.



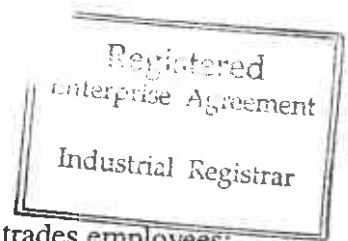
8.2 Farm Employees 7 Day Coverage

The following provisions shall apply to the Company's employees employed at its Scotts Road farm site.

- (a) Employees will ensure seven day coverage by a combination of day work and "on-call" availability, which will be agreed to by the Company and the Farm employees. Overtime is part of the Annualised wage and no additional monies will be paid for overtime.
- (b) "Call-ins" are part of and are covered by the Annualised wage and no additional monies will be paid for call-ins.
- (c) Those farm employees who work on a public holiday will be entitled to a day off in lieu at a time agreeable to his/her team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated the same as if the holiday were to fall on an unworked Saturday.
- (d) Sick leave will be 76 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirement of the Award.
- (e) Annual leave will be 152 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (f) RDO's will equal 104 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (g) Details of the components and calculation of the Annualised wage are set out in "Schedule B" of the Agreement.
- (h) A week's proportion of the Annualised wage will be paid weekly by Electronic Funds Transfer (EFT) to an employee's nominated bank or credit union account.

A farm employee who holds the appropriate first aid certificate(s) will have his/her Annualised wage increased by \$375.96 per annum. (\$7.23 per week).





8.3 Fitters 24 Hour, 7 Day Coverage

The following provisions shall apply to the mechanical maintenance trades employees:

- (a) Employees will ensure twenty-four hour engineering coverage, seven days per week by a combination of shiftwork, day work and "on-call" availability, which will be agreed to between the Company and the mechanical maintenance trades employees. Overtime is part of the Annualised wage and no additional monies will be paid for overtime.
- (b) Employees will work overtime to maintain manning levels to cover for all absences, including absences arising from sick leave, annual leave, training courses, functional and cross functional team meetings, etc. The focus will always be to meet our customers needs. Overtime is part of and covered by the Annualised wage and no additional monies will be paid for overtime.
- (c) Each team shall meet every 4 weeks for 4 hours. All team meetings and any compulsory training will be scheduled for this 4 hour period. Employees will be required to attend unless they have a legitimate excuse.
- (d) "Call-ins" are part of and are covered by the Annualised wage and no additional monies will be paid for call-ins.
- (e) Those employees who work on a public holiday will be entitled to a day off in lieu at a time agreed to by the employee's team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated in the same way as a holiday that falls on an unworked Saturday.
- (f) Sick leave will be increased to 72 hours for each 12 months of service and paid at the new weekly annualised wage on an hourly basis in accordance with the requirement of the Award.
- (g) Annual leave will be increased to 192 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (h) There will be no RDO's as the fitters Annualised wage provides for 24 hour seven day coverage.
- (i) Anyone attending a training course, which falls on a day off will not be paid any additional wages as additional hours have been included in the Annualised Wage to cover these events. The parties specifically recognise that time spent by employees attending "Teams Training" courses is included in the the Annualised Wage. Time spent on "Teams Training" courses will be capped at 2 days per annum.
- (j) Details of the components and calculation of the Annualised wage are set out in "Schedule C" of the Agreement.
- (k) A week's proportion of the Annualised wage will be paid weekly by Electronic Funds Transfer (EFT) to a nominated bank or credit union account.
- (l) A fitter who holds the appropriate power tool certificate(s) will have his/her Annualised wage increased by \$218.40 per annum, paid on a weekly pro-rata basis.

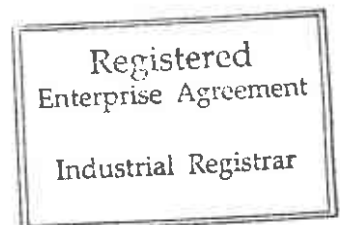
A fitter who holds the appropriate first aid certificate(s) will have his/her Annualised wage increased by \$375.96 per annum. (\$7.23 per week).

8.4 Greaser and Apprentice Fitters

The following provisions shall apply to the Greaser and to the Apprentice Fitter employees:

- (a) Overtime is part of and covered by the Annualised wage and no additional monies will be paid for overtime.
- (b) "Call-ins" are part of and covered by the Annualised wage and no additional monies will be paid for call-ins.
- (c) An employee attending a training course, including training for another operating position, which falls on a day off will not be paid any additional wages as additional hours have been included in the Annualised Wage to cover these events. The parties specifically recognise that time spent by employees attending "Teams Training" courses is included in the the Annualised Wage. Time spent on "Teams Training" courses will be capped at 2 days per annum.
- (d) Those employees who work on a public holiday will be entitled to a day off in lieu at a time agreeable to his/her team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated the same as if the holiday were to fall on an unworked Saturday.
- (e) Sick leave will be 68.4 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirement of the Award.
- (f) Annual leave will be 152 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (g) RDO's will equal 104 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (h) Details of the components and calculation of the Annualised wage are set out in "Schedule D" of the Agreement.

An employee who holds the appropriate first aid certificate(s) will have his/her Annualised wage increased by \$375.96 per annum. (\$7.23 per week).



8.5 Electricians 24 Hour, 7 Day Coverage

The following provisions shall apply to electrical tradespersons employed at the site.

- (a) Employees will ensure twenty-four hour electrical maintenance coverage, seven days per week by a combination of day work and "on-call" availability, which will be agreed to by the site parties.
- (b) Employees will work overtime to maintain manning levels to cover for all absences, including absences arising from sick leave, annual leave, training courses, functional and cross functional team meetings, etc. The focus will always be to meet our customers needs. Overtime is part of and covered by the Annualised wage and no additional monies will be paid for overtime.
- (c) "Call-ins" are part of and covered by the Annualised wage and no additional monies will be paid for call-ins.
- (d) Those employees who work on a public holiday or who are "on call" on a public holiday will be entitled to a day off in lieu at a time agreeable to his/her team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated the same as if the holiday were to fall on an unworked Saturday.
- (e) Sick leave will be 60.8 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirement of the Award.
- (f) Annual leave will be 152 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (g) RDO's will equal 104 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (h) Anyone attending a training course which falls on a day off will not be paid any additional wages as additional hours have been included in the Annualised Wage to cover these events. The parties specifically recognise that time spent by employees attending "Teams Training" courses is included in the the Annualised Wage. Time spent on "Teams Training" courses will be capped at 2 days per annum.
- (i) Details of the components and calculation of the Annualised wage are set out in "Schedule E." of the Agreement.
- (j) A week's proportion of the Annualised wage will be paid weekly by Electronic Funds Transfer (EFT) to an employee's nominated bank or credit union account.
- (k) An electrician who holds the appropriate power tool certificate(s) will have his/her Annualised wage increased by \$218.40 per annum, paid on a weekly pro-rata basis.

An electrician who holds the appropriate first aid certificate(s) will have his/her Annualised wage increased by \$375.96 per annum. (\$7.23 per week).



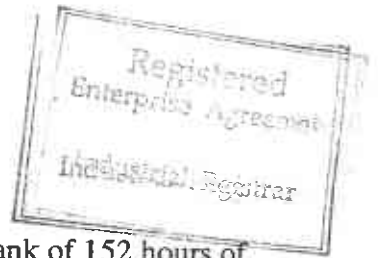
8.6 Electrical Apprentices

The following provisions shall apply to apprentice electricians.

- (a) Overtime is part of and covered by the Annualised wage and no additional monies will be paid for overtime.
- (b) "Call-ins" are part of and covered by the Annualised wage and no additional monies will be paid for call-ins.
- (c) An employee attending a training course, including training for another operating position, which falls on a day off will not be paid any additional wages as additional hours have been included in the Annualised Wage to cover these events. The parties specifically recognise that time spent by employees attending "Teams Training" courses is included in the the Annualised Wage. Time spent on "Teams Training" courses will be capped at 2 days per annum.
- (d) Those apprentices who work on a public holiday will be entitled to a day off in lieu at a time agreeable to his team. Where a public holiday falls on a day an employee is not scheduled to work the employee will not get paid for the public holiday as the day will be treated the same as if the holiday were to fall on an unworked Saturday.
- (e) Sick leave will be 60.8 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirement of the Award.
- (f) Annual leave will be 152 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (g) RDO's will equal 104 hours for each 12 months of service and paid at the new Annualised wage on an hourly basis in accordance with the requirements of the Award.
- (h) Details of the components and calculation of the Annualised wage are set out in "Schedule F" of the Agreement.

An apprentice who holds the appropriate first aid certificate(s) will have his/her Annualised wage increased by \$375.96 per annum. (\$7.23 per week).





8.7 Sick Leave

(a) Payment of Untaken Sick Leave During Employment

- (i) An employee who has accrued a Minimum Sick Leave bank of 152 hours of untaken sick leave at the commencement of the Company's Common Sick Leave Year and who does not take the whole of their sick leave entitlement for that year may elect to be paid an amount equivalent to the untaken portion of the sick leave entitlement for that year on the following basis:
1. Untaken sick leave accumulated prior to 1st August 2000 will be paid based on the employee's Weekly Base Wage (excluding overtime, shift allowance and annual leave loading).
 2. Untaken sick leave accumulated on or after 1st August 2000 will be paid based on the employee's Weekly Annualised Wage (including overtime, shift allowance and annual leave loading).
- (ii) If an employee elects to receive payment for untaken sick leave under clause 8.7(a)(i), such payment shall be made on the last pay day before Christmas.
- (iii) The Company's "Common Sick Leave Year" shall be the period from 1 January to 31 December.

(b) Payment of Untaken Sick Leave on Termination:

- (i) Subject to clause 8.7(b)(ii) below, employees shall be paid out all accumulated untaken sick leave at the time of termination of employment on the following basis:
1. Untaken sick leave accumulated prior to 1st August 2000 will be paid based on the employee's Weekly Base Wage, (excluding overtime, shift allowance and annual leave loading).
 2. Untaken sick leave accumulated on or after 1st August 2000 will be paid based on the employee's Weekly Annualised Wage (including overtime, shift allowance and annual leave loading).
- (ii) When an employee's employment is terminated on the grounds of serious misconduct the employee shall not be entitled to receive payment for any untaken sick leave on termination.

8.8 Paying out of accumulated Rostered Days Off

At the end of each calendar year an employee may elect to have all accumulated untaken Rostered Days Off (RDO's) paid out. Where the employee makes such an election the RDO's shall be paid out based on the employee's Weekly Base Wage, excluding overtime, shift allowance and annual leave loading.

Employees who elect this option will receive the payment on the last pay day before Christmas.

8.9 Roster for taking R.D.O.'s by Maintenance Employees

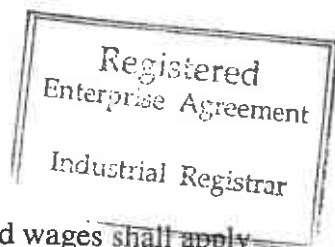
R.D.O.'s shall be taken by maintenance employees in accordance with the prescribed roster. The roster shall nominate the working days that employees are to have off which may be on any work day Monday to Friday inclusive in each 4 week period. An employee may change the day on which their RDO is to be taken by agreement with the Company.

8.10 Payment of untaken annual leave and long service leave on termination

Employees shall be paid out all accumulated untaken annual leave and long service leave at the time of termination of employment based on the employee's Weekly Base Wage, excluding overtime, shift allowance and annual leave loading.



9. WAGE INCREASES AND RELATED BENEFITS



9.1 Annualised Wages

- (a) Following the certification of the Agreement a system of annualised wages shall apply as per attached "Schedules A to G" and will be paid to employees for their ongoing acceptance of and commitment to the achievement of the Agreed Aims and Objectives of the Agreement, the application of the Agreement to continuously improve safety, quality and productivity of the site and the relevant provisions of Clause 8.
- (b) Employees will receive a 4% increase in the Annualised Wage from the first pay period commencing on or after 1st October 2002.
- (c) Employees will receive a further 4% increase in the Annualised Wage from the first full pay period commencing on or after 1 October 2003.
- (d) Each of the two wage increases prescribed by clause 9.1(b) and 9.1(b) is a prepayment in consideration of and to be offset against the employees' efforts to continuously improve safety, quality and productivity of the site.

9.2 Superannuation

- (a) A 10% superannuation allowance based on the Annualised wage, excluding meal Allowance, shall be paid by the Company. Of this sum the legislative minimum (currently 8%) must be paid into a superannuation fund. This arrangement will be effective from the first full pay period commencing on or after 1st August 2000, being the expiry date of the 3rd Enterprise Agreement.

In addition an employee may choose to sacrifice wages to increase superannuation to a level greater than 10% of their Annualised wage.

By written mutual agreement between the individual employee and the Company, the employee may elect to divert a portion of their wages to non cash items. The company shall inform the employees of the availability of this facility. Where the employee seeks to initiate the use of this facility he or she shall provide a written notice to the company.

For employees accessing this option the combined value of the adjusted/reduced wage and the non cash item(s) is equivalent to the employee's actual wage entitlement, and therefore the diversion of the wage to non cash item(s) shall not be interpreted as an underpayment of the employee's wage.

In the event of an employee utilising this option for the purpose of making superannuation contributions, the amount available will be subject to the contribution being tax deductible to the Company. Except where required by legislation, superannuation contributions made under this agreement can only be paid to the Penford ANZ Superannuation Fund, or the industry fund(s) specified in this EBA.

1. The written agreement shall clearly specify the proposed arrangements, including the agreed quantum value of any non wage item, the liability for taxation obligations and administration expenses (if any) which may arise from the arrangement, and the requirements for the termination of the arrangements
2. The employee shall be afforded the opportunity to take advice on the detail of any proposed written agreement prior to its execution.



9.3 Productivity Improvements

(a) Continuous Improvement:

- (i) As employees skills and knowledge increases team members will take on roles and share responsibilities within their own team and participate in cross-functional teams.
- (ii) All employees are responsible for their own safety and are required to fully embrace the Company initiative of implementing safety programs.
- (iii) All employees agree to participate in developing and adhering to the procedures outlined in the ISO9002 Quality and HACCP systems, paying special attention to the timely entering of data into the computer system.
- (iv) Production teams will be responsible for the day to day operational issues. The Plant Availability team will be responsible for maintenance and minor capital improvements. The Resource team will be responsible for supporting the Production teams. The Leadership team shall have responsibility for coordinating the Production, Plant Availability and Resource teams and the strategic direction of the business, large capital expenditure, legal and statutory requirements.
- (v) Teams will not have supervisors or permanent team leaders. Rather, they will be supported by specialists and/or professionals who will coach and provide advice to teams to allow them to perform really well.
- (vi) Teams will have six monthly team reviews to gauge the progress and to set goals. The ERT will review the outcomes of these team reviews and develop action plans to implement improvements.

(b) 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.

9.4 Adjustment of Allowances

(a) First Aid Allowance

An employee who holds the appropriate first aid certificate(s) will receive an annual allowance of \$375.96 per annum. (\$7.23 per week)

(b) Meal Allowance

The meal allowance will be increased in line with CPI Food Index from the first pay period commencing on or after 1st October each year for the life of the Agreement.



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 Leadership team member 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 Leadership team member 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 Manager. If the matter remains unresolved follow Step 4.
- Step 4.** The matter is to be discussed between the Department Manager, the Manager, Union delegate and a 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 either jointly or individually refer the matter to the NSW Industrial Relations Commission for assistance in resolving the dispute.
- Step 6.** If the matter in dispute is not resolved by Steps 1 to 5 it shall be submitted to the NSW Industrial Relations Commission for conciliation and, where this fails, arbitration. The arbitrated decision of the NSW Industrial Relations Commission shall be final, subject to any appeal process available in accordance with the Act, and shall be accepted by the parties.

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.

Note: At all times whilst the grievance and disputes procedure is being followed the status quo should be observed. That is, the normal work practices that existed immediately prior to the issue becoming a grievance or dispute at the site will continue to be observed until the grievance is resolved.



11. DISCIPLINARY PROCEDURE

The parties to the Agreement shall observe the following Disciplinary Procedure.

11.1 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
- Breaches of Company policies, such as the Drug and Alcohol Policy
- Excessive absenteeism
- Abuse of sick leave entitlement
- No smoking on site

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

(a) 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:

- (i) Nature of alleged poor work performance or unsatisfactory conduct and the specific details.
- (ii) Date/s of alleged poor work performance or unsatisfactory conduct.
- (iii) Date and time of the interview.
- (iv) 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.

