

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/96

TITLE: Coats Australian Pty Limited Agreement 2001

I.R.C. NO: 2001/4680

DATE APPROVED/COMMENCEMENT: 2 August 2001/1 April 2001

TERM: 31 March 2002

**NEW AGREEMENT OR
VARIATION:** New Replaces EA99/57

GAZETTAL REFERENCE: 12 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 23

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all stores employees engaged by Coats Australian Pty Limited at its Seven Hills manufacturing location.

PARTIES: Coats Australian Pty Ltd -&- the National Union of Workers, New South Wales Branch



MEMORANDUM OF AGREEMENT BETWEEN

COATS AUSTRALIAN PTY. LIMITED

AND

THE NATIONAL UNION OF WORKERS, NEW SOUTH WALES BRANCH

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1. TITLE:

This Agreement shall be known as the Coats Australian Pty. Limited Agreement, 2001.

2. CONTEXT OF THE AGREEMENT:

This Agreement formally embodies the intention of Coats Australian Pty. Limited and the National Union of Workers, New South Wales Branch.

2.1 It therefore recognises the requirement for co-operative efforts by the parties to meet the agreed objectives of efficiency, participation and competitiveness to achieve performance which will ensure continued viability and job security.

2.2 The agreement addresses a range of issues including fortnightly pay, leave without pay (compassionate leave), casual employment and ongoing consultation commitments with respect to productivity/efficiencies during its life.

3. COMMON VALUES:

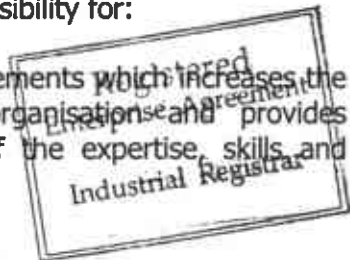
3.1 This Agreement is the result of extensive consultation between the parties, based on common values which are critical to the achievement of a world class enterprise.

3.2 The parties are committed to sharing the responsibility for:

(a) The design of work systems and arrangements which increases the productivity and efficiency of the organisation and provides opportunities for making better use of the expertise, skills and experience of all employees.

(b) A safe and healthy working environment.

(c) A quality of working life for all employees, including job security and equity in access to skill development and participation.



4. SCOPE PARTIES BOUND AND DURATION OF THIS AGREEMENT:

4.1 This Agreement shall apply to all stores employees engaged by Coats Australian Pty. Limited at its Seven Hills manufacturing location. Where this Agreement is silent, the provisions of the Storemen and Packers General (State) Award shall apply.

- 4.2 It is the intention of the parties to continue the process of consultation to finalise, clarify and implement the detail of this Agreement into the workplace.
- 4.3 This Agreement shall operate from the beginning of the first full pay period to commence on or after 1 April 2001 and shall remain in force for twelve months, expiring on 31 March 2002.
- 4.4 The parties accept and understand that should there be no claims by the Union to be addressed at the expiry date specified in 4.3 above, the Agreement's duration shall be extended by an additional twelve months.
- 4.5 This Agreement shall be binding upon Coats Australian Pty. Limited and the National Union of Workers, New South Wales Branch, and members thereof.



5. OBLIGATIONS UNDER THIS AGREEMENT:

5.1 Each of the parties to this Agreement recognises that they have specific obligations to achieve the common goals and objectives.

5.2 The Employer:

The employer is obliged to:

- (i) Provide guaranteed opportunities for learning and skill formation and career progression for all employees.
- (ii) Provide information about the Company and conditions at the workplace which affects the jobs of employees.
- (iii) Ensure that no employee will be required to undertake tasks for which they have not received adequate and appropriate training.
- (iv) Provide the appropriate skills development to ensure that all employees can participate in the consultative process.
- (v) Provide a safe and healthy working environment including the provision of protective equipment; and
- (vi) Provide the guidance, support, encouragement and tools of quality to promote a workplace embracing the ideal of continuous improvement.

5.3 The Employees:

All employees are obliged to:

- (i) Be prepared to work throughout the factory, across the range of all machines, equipment and processes.
- (ii) Comply with all company safety rules and regulations including the use of all protective equipment.
- (iii) To work productively within job requirements and allocated tasks and to participate in the process of continuous improvement in all aspects of the enterprise's operation which includes:
 - * direct productivity increases
 - * occupational health and safety
 - * quality of product
 - * reduction of waste, wasted material and wasted time
 - * housekeeping and cleanliness
 - * reduction in the current level of controllable operating costs, i.e. maintenance, power, etc.

5.4 The Union:

The Union or Unions on site will in relation to the terms of this Agreement and in their role on the Consultative Committee conduct themselves as a single bargaining unit.

- 5.5 The parties are committed to sharing through consultative processes the design of work systems and arrangements which will increase the productivity and efficiency of the Company and provide the opportunities for making better use of the expertise, skills and experience of all employees. This process will be carried out during the life of the Agreement.

6. ROSTERED DAYS OFF (RDO):

6.1 RDO - Procedure:

All employees will take their RDO on a rotation basis Monday to Friday by mutual agreement with the Company.

6.2 RDO - Accumulation:

- (i) At the discretion of the Company, rostered days off may be accumulated during the seasonal period (to be defined) up to a maximum of three (3) days.



- (ii) Rostered days off may, by mutual agreement between the Company and its employees, be accumulated to a maximum of five (5) days. The days so accumulated shall be taken at a mutually agreed time.

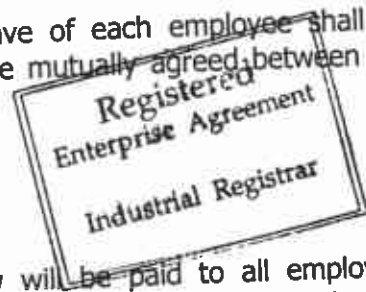
6.3 RDO - Voluntary Trade-Off:

Employees may voluntarily forgo their RDO to enable their normal work hours to be rescheduled to provide a 38-hour week on a five day basis. Each employee who reschedules their normal hours of work to exclude their RDO entitlements shall be entitled to an additional wage increase of 2.5% from the date that their ordinary hours change.

7. **ANNUAL LEAVE:**

7.1 A minimum period of two (2) weeks annual leave exclusive of public holidays shall be taken in January each year. This arrangement, to meet the needs of the Company, may be altered by mutual agreement.

7.2 The balance of the period of annual leave of each employee shall be staggered over the ensuing year at a time mutually agreed between the Company and the employee.



8. **WAGE/ALLOWANCE INCREASES:**

8.1 The following rates of pay noted below will be paid to all employees covered by this Agreement and shall apply from the beginning of the first full pay period to commence on or after 1 April 2001.

GRADE	RATE OF PAY
Storeworker – Grade 1	\$585.91
Storeworker – Grade 2	\$601.01
Storeworker – Grade 3	\$607.35
Storeworker – Grade 4	\$630.86

A further increment of \$10.00 shall be paid from the beginning of the first full pay period to commence on or after 31 March 2002.

GRADE	RATE OF PAY
Storeworker – Grade 1	\$595.91
Storeworker – Grade 2	\$611.01
Storeworker – Grade 3	\$617.35
Storeworker – Grade 4	\$640.86

8.2 The abovementioned increases shall be exclusive of shift penalties (and the shift allowance in the Dyehouse) and other allowances currently payable.

8.3 Junior employees after attaining eighteen (18) years will be entitled to receive the appropriate adult skill level rate of pay for the work performed.

9. PAYMENT OF WAGES:

9.1 All employees engaged by the week shall have their wages paid fortnightly direct into a bank account or other account of their choice by means of electronic transfer.

9.2 The Company shall meet the following costs:

(a) the employee's account establishment cost for a saving or equivalent account;

(b) the cost of each deposit of wages in the employees account including Government charges; and

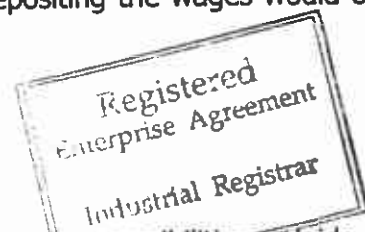
(c) the cost of a two (2) withdrawals of each deposit of wages from an employee's account.

9.3 Should the company become aware that the electronic transfer of wages will not be completed by the normally deposited time, for internal or external reasons, it will, as far as practical, make every endeavour to notify the employees likely to be affected. The company will also make every endeavour to have sufficient cash available to make temporary advances to employees in cases where the delay in depositing the wages would cause distress or unreasonable inconvenience.

10. MULTI-SKILLING:

10.1 Employees may be trained to carry out job responsibilities outside their normal scope of work to provide a more flexible work force for the Company.

10.2 Employees who work in areas outside their normal area must be paid at a higher rate of pay, if applicable, when such work exceeds one continuous day and for all time worked continuously thereafter.



10.3 Employees shall not be asked to work in areas normally covered by another union during a dispute by that union with the Company.

10.4 Employees will be transferred on a temporary basis to other work areas after consultation with the appropriate shop steward of the department involved, to ensure appropriate aspects of training and Occupational Health and Safety have been addressed.

11. CASUAL EMPLOYMENT:

11.1 Notwithstanding the provisions for casual employment contained in awards covering the different classes of employees employed by the Company, the Company recognises that the maximum number of casuals it may engage shall not exceed ten (10) per centum of the total weekly award covered employees.

11.2 The maximum period of engagement of casual employees shall be seventeen (17) weeks. This period can be extended subject to the arrangement being confirmed in writing from the Union Secretary.

11.3 Notwithstanding the above, the Company will have available a permanent pool of casuals to be used when required for short term employment.

11.4 Coverage will be across all award personnel on site.

12. NO EXTRA CLAIMS:

No extra claims shall be made other than those contained or provided herein for the duration of this Agreement.

13. GENERAL:

The Company with respect to termination of employment accepts and will adopt the "Process of Selection" criteria detailed in the redundancy agreement (attached) should it introduce a third shift into its operation.

14. SICK LEAVE BONUS:

14.1 In addition to the wage increases contained in Clause 8, the Company will pay each employee \$50.00 for each sick leave day, or part thereof, not taken by that employee during the calendar year from that year's entitlement, provided that there shall be no loss of an accrued entitlement.



14.2 This provision shall operate from 1 January 1996.

15. LEAVE WITHOUT PAY:

15.1 Compassionate:

An employee shall be granted up to a maximum of eight (8) weeks leave without pay, subject to evidence satisfactory to the Company being produced by the employee, on account of the death of a close relative or in the event of a close relative becoming seriously ill.

15.2 Other:

An employee, after completing three (3) years continuous service with the Company, may seek to be absent from work up to a maximum of eight (8) consecutive weeks. This period of leave will be unpaid leave.

15.3 An employee, to qualify for such leave, must provide twelve (12) month's notice to the Company as to the employee's intent. The period of absence, i.e. exact dates must be notified to the Company one (1) month prior to the leave being taken.

15.4 It is a condition to leave being granted that two-thirds of the Company must be in operation at all times with the exception that during peak periods only ten percent of the work force covered by this Agreement will be allowed unpaid leave, at any one time.

15.5 General:

- (i) All applications for Leave Without Pay are to be made to the Department Functional Manager or his delegated authority.
- (ii) All Leave Without Pay will be counted as continuous service for all purposes of this Agreement and the Storemen and Packers General (State) Award.
- (iii) Employees with ten (10) or more years continuous service with the Company will not have an entitlement to Leave Without Pay under the above conditions but may take paid leave from their Long Service Leave entitlements.

16. HEPATITIS B, TETANUS AND THE FLU INJECTIONS:

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All accredited First-Aid attendants shall, at their request be entitled to receive, at the Company's expense, injections at regular intervals.

17. SUPERANNUATION:

- 17.1 The nominated Fund for all employees covered by this Agreement shall be the Coats Australian Superannuation Plan.
- 17.2 Current and future employees will, however, be given a choice of either continuing their membership or joining with the Fund specified in 18.1 above, or changing to, or joining the L.U.C.R.F. or A.R.F.
- 17.3 All employees shall be provided with free Life and Temporary Disability Insurance. (The extent of this cover is yet to be determined, however, it will equate with the cover currently provided under Category E of the Fund.)
- 17.4 The waiting period before employees are eligible to receive temporary disability payments shall, at no cost to the employee, be one (1) month.
- 17.5 Employees shall be afforded the choice of contributing to the superannuation fund on a salary sacrifice basis.

18. LONG SERVICE LEAVE - JUNIORS:

The calculation for leave entitlements as envisaged under the New South Wales Long Service Leave Act, 1955, shall be deemed to commence from the first day of employment with the Company irrespective of age qualifications.

19. BEREAVEMENT LEAVE:

- 19.1 At the discretion, and by approval by the Management, (Managing Director or Sales and Marketing Director, or Production Manager) Bereavement Leave may be extended from two (2) days to five (5) days.

(The scope of coverage in the current NUW Award will be automatically extended to grandparents and grandchildren up to two days).

- 19.2 At the discretion of management, leave may be granted to an employee in situations where the deceased's standing falls outside the 'relative' coverage contained in the Storemen & Packers general (State) Award.



20. GRIEVANCE PROCEDURE:

20.1 The following two phase dispute settlement procedure shall be adopted:

RESOLUTION PROCEDURE

20.2 Stage 1

The employee with a disagreement or dispute will discuss the matter with their immediate first line manager. The employee may request the attendance of a union delegate during this phase.

The line manager will hear the issue in a private discussion with the employee and after consideration (3 working days maximum) provide a comprehensive answer to the employee. The issue and the answer provided by the line manager shall be recorded where necessary.

20.3 Stage 2

If the matter is still unresolved, it shall be referred to the Managing Director and the union delegate will request the involvement of a union official.

20.4 If no negotiated settlement can be achieved and the process is exhausted without the dispute being resolved, the parties shall jointly or individually refer the matter to the Industrial Relations Commission of New South Wales for assistance in resolving the dispute. At any meeting convened by the Commission, the parties will use their best endeavours to resolve the matter by conciliation.

(Until the dispute is resolved, the status quo for both parties existing prior to the dispute shall continue).

20.5 All parties agree to no stoppage of work, lockouts or any bans or limitations while this procedure progresses.

21. OVERTIME:

The Company shall introduce a roster which will be designed to ensure equity for all employees in the opportunity to work available overtime.

22. SHOP STEWARDS:



All new employees as part of the Company's induction programme will be introduced to the shop steward. The Company will afford the shop steward sufficient time to interview new employees.



Signed for and on behalf of
COATS AUSTRALIAN PTY. LIMITED

.....
[Handwritten signature]

Date:..... 4-7-2001

Signed for and on behalf of the
NATIONAL UNION OF WORKERS, NSW BRANCH

.....
[Handwritten signature]

Date:..... **4 MAY 2001**



ATTACHMENT 'A'

NUW - COATS AUSTRALIAN GRADES

4. A. STORES CLASSIFICATION STRUCTURE

The following structure replaces the existing Storeman and Packer and Material Handler classifications for employees performing stores work as defined below, be they members of the NUW or the TCFUA.

4. a.1 Storeworker Grade 1 - \$585.91

An employee at this level performs work to the level of their training and:

1. is responsible for the quality of their own work (subject to instructions and direction).
2. Work in a team environment and/or under routine supervision.
3. Undertakes duties in a safe and responsible manner.
4. Exercises discretion within their level of skills and training.
5. Possess good interpersonal and communication skills

Indicative of the task which an employee at this level may be required to perform include the following:

- * General labouring and cleaning duties.
- * Order assembling including picking stock.
- * Loading/unloading.
- * Receiving, checking, despatching and sorting of products.
- * Satisfying internal and external customer needs.
- * Documenting and recording of goods, materials and components.
- * Basic inventory control
- * Use of hand trolleys and pallet trucks.

- * May be required to use, for training purposes, materials handling equipment which requires licensing/certification for the required period of training until competent at which time the employee will be appointed to Grade 2.

4. a.ii Storeworker Grade 2 - \$601.01

Means an employee who has undertaken sufficient training so as to enable him/her to perform work within the scope of this level in addition to the



work of lower grades and who has been licensed and/or certified to operate appropriate materials handling equipment, or has completed the required period of materials handling equipment training until competent. An employee at this level performs work to the level of their training and is:

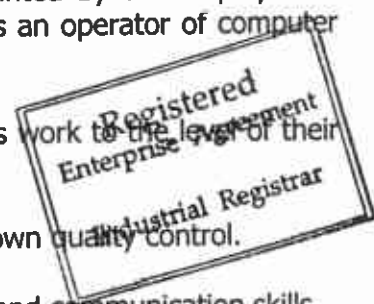
1. Able to work from complex instructions and procedures.
2. Able to co-ordinate work in a team environment under general supervision.
3. Responsible for assuring the quality of their own work.
4. Possess sound interpersonal and communication skills.
5. Licensed and/or certified to operate all appropriate materials handling equipment, e.g. forklift, overhead crane, carousel, etc.
6. May be required to perform the following tasks/duties:
 - * Inventory and stores control.
 - * Use of electronic equipment, e.g. scanner, to carry out stores work (other than VDU keyboard operation).
 - * Routine maintenance of stores equipment and machinery.

4. a.iii Storeworker Grade 3 - \$607.35

Means an employee who has undertaken sufficient training so as to enable him/her to perform work within the scope of this level in addition to the work of lower grades and who has been appointed by the employer as either single storeman in charge of a store or as an operator of computer technology used for inventory and stock control.

An employee appointed to this capacity performs work to the level of their training and:

1. Understands and is responsible for their own quality control.
2. Possesses a sound level of interpersonal and communication skills.
3. Sound working knowledge of all stores duties performed at levels below this grade, exercises discretion within scope of this grade, and has a good knowledge of the employer's product.
4. Where appropriate, accredited by the employer as competent in the understanding of Regulations relating to handling, storage and loading/unloading of specific product, e.g. chemicals, solvents and explosives.



5. May perform work requiring minimal supervision, either individually or in a team environment.
6. Must be competent to perform the following tasks/duties:
 - * Licensed to operate appropriate materials handling equipment, e.g. fork lifts, overhead crane carousel, etc.
 - * Routine maintenance of stores equipment or machinery.
7. In addition, may be responsible for quality control of the work of other Storeworkers without being responsible for their direction (optional).

4. a.iv Storeworker Grade 4 - \$630.86

An employee who is appointed by the employer to this level may be required to perform the following in addition to the work performed by other grades:

1. Implement quality control techniques and procedures.
2. Utilise highly developed level of interpersonal and communication skills.
3. Assisting in the provision of on-the-job training and standards.
4. In addition, may be responsible for the proper application and maintenance of appropriate Occupational Health and Safety standards.
5. This position is accountable for performing some of the following tasks, or a combination thereof:
 - * Performing multiple stores activities.
 - * Managing the information flow within the store.
 - * Understands and applies computer techniques that relate to the stores operation.
 - * Has a sound knowledge of the employer's operation and product.



4. a.v In addition to the above grades and paid an allowance no less than \$(current L/H rate) \$23.97 -2001) or in accordance with the Leading Hand provisions of the Storemen and Packers General (State) Award, whichever the greater is an employee appointed by the company as a Leading Hand.

A Leading Hand is appointed by the Company in the good order of work flow in an operation area by:

- * Receiving instructions and allocating the work flow to employees.
- * To control the standards of work and work output set by management and other staff.
- * To determine shortages in labour, or material or equipment failures, and to bring any deficiencies to the management staff for consideration.

Where a failure in training or behaviour occurs, a Leading Hand shall disengage from further action and place the matter into the hands of management.

None-the-less, this does not preclude the Leading Hand from giving training but only on the general instruction of a Manager.

A Leading Hand shall not become involved in:

- Planning - Annual Leave Rosters or Rostered Days Off, except by consultation with a Manager to ensure an orderly overview of work cover, not in discipline for behaviour, absenteeism or performance.

However, a Leading Hand shall give advice to the Manager or other staff to assist with each of the above but only to the extent of ensuring good order and work flow.

A Leading Hand shall not breach any confidence placed in them by fellow employees or by management staff.

A Leading Hand is appointed on merit and skill taking into account the following factors:

- * Clerical aptitude.
- * How supervise assessment.
- * Work performance - experience
- * Attendance
- * Attention to detail
- * General attitude to company standards.
- * Training and education.

4. a.vi The above Stores Classification Structure would form part of the Coats Australian Pty. Limited Career Path Structure for the Seven Hills site by creating a skills-based Career Path to parallel the Production and Textile Mechanic Career Paths as set out below:



Production Skill Level 5	Storeworker Grade 4	Textile Mechanic Special Class
Production Skill Level 4	Storeworker Grade 3	Textile Mechanic
Production Skill Level 3	Storeworker Grade 2	Apprenticeship
Production Skill Level 2	Storeworker Grade 1	
Production Skill Level 1		

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ATTACHMENT 'B'

(Australian Thread Pty. Limited
(Coats Australian Pty. Limited)

COMMENCEMENT DATE:

REDUNDANCY AGREEMENT

This agreement, between the National Union of Workers, New South Wales Branch and Coats Australian Pty. Limited, will cover the terms and conditions of termination having applications to employees who are deemed to be redundant.

Notice Period

A minimum of four weeks notice of redundancy or payment in lieu thereof, will be given by the company to an affected employee.

Employees will be permitted to take leave without loss of pay during the period of such notice for the purpose of attending interviews for other employment if due evidence is available.

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

Severance Pay

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

- (a) Four weeks ordinary pay;
- (b) Three weeks ordinary pay for every completed year of employment with the company;
- (c) Employees over the age of 45 shall be entitled to the following additional payment.

At 45 years and up to 49 years 20% of their (a) and (b) payment above.

At 50 years and up to 54 years 25% of their (a) and (b) payment above.

At 55 years and above 30% of their (a) and (b) payment above.

Sick Leave

Payment of all untaken accumulated sick leave at ordinary pay.



Long Service Leave

Pro-rata Long Service Leave will be paid at ordinary pay after one year of completed service.

Annual Leave

Annual Leave will be calculated as per award provisions plus pro-rata 17.5% loading for each completed week of service.

Superannuation

Superannuation entitlements will be paid in accordance with Government legislation, tax legislation and requirements of fund trustees.

Certificate of Service

A Certificate of Service will be provided to all employees.

Ordinary Pay

Ordinary pay shall be the rate of pay an employee receives each week but shall exclude shift allowances and bonus payment.

Process of Selection

The company in the first instance shall call for volunteers.

After assessment of the numbers and classifications of these employees who volunteer, the company reserves the right to refuse voluntary retirement where the skills or experience of the employee is vital to the company's future needs. The onus shall be on the company to demonstrate this need.

Should there be a further need to retrench employees, the primary factor to be considered shall be seniority. Where the company considers a particular employee is incapable of performing the work required, the company shall demonstrate to the satisfaction of the Union that seniority should be departed from.

Death of Employee

In the event of the death of an employee who is entitled to benefits under these arrangements, payment will be made to the Estate.

Agreement Duration



This agreement shall remain in force for 12 months and thereafter until replaced following negotiations between the parties.

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Signed for and on behalf of the
NATIONAL UNION OF WORKERS, NSW BRANCH



.....
Date: ~~.....~~ 4 MAY 2001

Signed for and on behalf of
COATS AUSTRALIAN PTY. LTD.



.....
Date: 4-7-2001



FB
SI

William S Martin

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FACSIMILE

Attention : John Ivancic
Company : NUW
Facsimile No : 9897 3713
No of Pages : 2
Date : 17 May 2001
From : Bill Martin

RE : Coats Australian Enterprise Agreement

Dear John

Please find following replacement Addendum sheet which incorporates sub paragraph (b) which I overlooked in earlier dispatched draft of 23 April 2001.

Regards


Bill

FILE NOTE

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Addendum #1

Coats Australian

Redundancy Agreement

Coats Australian is committed to the maintenance of employment levels relative to the operational requirements of the business. Where a position is determined to be redundant, the terms and conditions to which this addendum is attached will be followed with the following proviso:

- a. Where there are more than the required number of volunteers for a position deemed redundant and skills and experience are of comparable standing, seniority will be given preference in the selection process.
- b. In the interim and in good faith, any redundancies which take place up to 31 March 2002 will have the final \$10 ie the second increase factored into the redundancy component only of the total severance pay.

This addendum to the Coats Australian Redundancy Agreement will be effective from the first pay period after 1 April 2001.

