

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA00/312

**TITLE: National Foods Milk Limited Penrith Electrical Services Agreement
1999-2001**

I.R.C. NO: 2000/3525

DATE APPROVED/COMMENCEMENT: 8 August 2000

TERM: 28 months

**NEW AGREEMENT OR
VARIATION: New. Replaces EA97/183**

GAZETTAL REFERENCE: 17/11/00

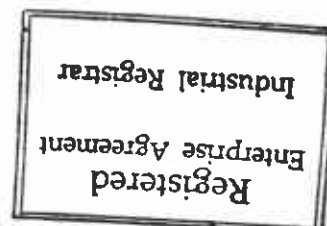
DATE TERMINATED:

NUMBER OF PAGES: 8

COVERAGE/DESCRIPTION OF

EMPLOYEES: To apply to employees engaged in the receiving, processing, packaging and distribution of milk and related products

PARTIES: National Foods Milk Ltd -&- Electrical Trades Union of Australia, New South Wales Branch.



NATIONAL FOODS MILK LIMITED PENRITH ELECTRICAL SERVICES AGREEMENT 1999-2001

1. TITLE

This agreement shall be known as the "National Foods Milk Limited Penrith Electrical Services Agreement 1999 - 2001" ("the agreement").

2. ARRANGEMENT

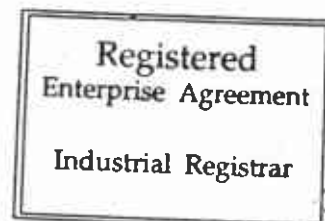
Title	Clause 1
Arrangement	Clause 2
Incidence and Parties Bound	Clause 3
Objective	Clause 4
Relationship to Award	Clause 5
Continuity of Operations	Clause 6
Consultation	Clause 7
Classification System and Salaries	Clause 8
Superannuation	Clause 9
Annual Leave	Clause 10
Redundancy	Clause 11
Duration	Clause 12
Precedent	Clause 13
Execution	Clause 14

3. INCIDENCE AND PARTIES BOUND

This agreement is made between National Foods Milk Limited (ACN 051 195 272 ("the company"), and the Electrical Trades Union of Australia, NSW Branch ("the union") on behalf of all employees who are eligible to be members of the union in relation to electrical and refrigeration trades employees employed at the company's facility at Castlereagh Road, Penrith, New South Wales ("the site") engaged in maintenance associated with the receipt, production and distribution of milk and related products.

4. OBJECTIVE

The objective of this agreement is to assist the site in achieving continuous improvement in operational efficiencies, occupational, health & safety performance, customer service, waste reduction and facilitate employee training.



5. RELATIONSHIP TO AWARD

Where this Agreement is silent, the terms of Milk Treatment and Distribution (State) Award (Part B) and the Electricians & c. (State) Award will apply. In the event of any inconsistency between the award and the agreement, the agreement shall take precedence to the extent of the inconsistency.

6. CONTINUITY OF OPERATIONS

Any dispute arising out of employment shall be resolved amicably without disruption to normal work. Any claim or grievance shall be referred to the Engineering and Maintenance Manager or Operations Manager. Where an issue cannot be resolved at this level, a meeting shall be held with an official of the union. If the issue remains unresolved, the matter shall be referred to the Industrial Relations Commission (NSW) for resolution. Whilst this process is being followed, work shall continue as normal provided that Occupational Health and Safety shall not be compromised. (As "normal" means the situation in place immediately prior to the dispute).

7. CONSULTATION

Site management will meet with employees on a regular basis (at least quarterly) to review customer service levels, site operations and the effectiveness of this agreement, including employee numbers. Any operational changes that will have an impact on the site and on employees will be raised in this forum. Where agreement cannot be reached on any matter, external facilitation may be relied upon.

8. CLASSIFICATIONS SYSTEM AND SALARIES

- a) The allocation and carrying out of work shall be determined by an employees level of skill, competency and training and shall include other such matters pertaining to safety and legislative requirements.
- b) All salaries are paid on an annual basis, without reference to hours worked. The appendix to the agreement contains the Statement of Principles of Annual Salaries as agreed by the parties to this agreement. This statement is to be referred to in the event that there is any disagreement arising out of this clause.

Registered
Enterprise Agreement

Industrial Registrar₂

- c) The parties recognise that the intent of this agreement is not to increase the current number of hours worked, but is to reduce them, as the company works toward becoming a world class manufacturer.

Under normal circumstances, but consistent with Appendix Two, the company will not require any employee to work more than twelve (12) hours on any day or more than fifty (50) hours in any week, except in exceptional circumstances such as emergencies or major breakdowns.

Employees and site management will continue to monitor the hours worked with a view to identifying problem areas and putting in place processes or systems to eradicate root causes permanently.

- d) All salaries shall be paid by EFT to a bank account nominated by the employee.
- e) Salaries are inclusive of all statutory licence requirements.
- f) Employees shall be classified in one of the following classifications:-

Electrical Tradesperson (Grade 1)

An employee holding or working towards completing a trades certificate in the electrical field.

Electrical Tradesperson (Grade 2)

An employee holding a trades certificate in the electrical field who is obtaining industry experience and works under supervision.

All new employees with previous electrical industry experience will commence on this rate while completing their three month probationary period.

Electrical Tradesperson (Grade 3)

An employee holding a trades certificate in the electrical field who has proven industry experience that enables them to work on a variety of the site maintenance requirements with some supervision.



Electrical Tradesperson (Grade 4)

An employee who, in addition to satisfying the requirements of Electrical Tradesperson (Grade 3), has completed additional competency based training that enables them to work with minimal supervision and perform the majority of key maintenance requirements on the site.

Electrical Tradesperson - (Grade 5)

An employee who in addition to satisfying the requirements of Electrical Tradesperson (Grade 4) has completed additional competency based training that enables them to work without supervision and perform the majority of maintenance requirements on the site and can demonstrate they are proficient in one of the competencies listed below.

Electrical Tradesperson (Grade 6)

An employee who, in addition to satisfying the requirements of Electrical Tradesperson (Grade 5), has undertaken additional competency based training that enables them to work without supervision and perform all maintenance requirements on the site and can demonstrate they are proficient in two of the competencies listed below.

Electrical Tradesperson (Grade 7)

An employee who, in addition to satisfying the requirements of Electrical Tradesperson (Grade 6), has undertaken additional competency based training that enables them to work without supervision, perform all maintenance requirements on the site and can demonstrate they are proficient in three or more of the competencies listed below.

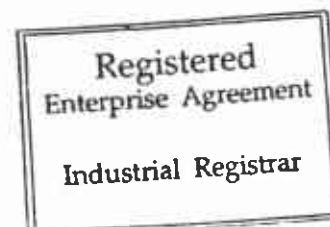
Competencies

i) *Instrumentation* - Able to install, calibrate and fault find flow metres, level probes and conductivity meters, etc. without supervision.

ii) *Project Management* - Able to manage a project, organise resources, labour and program work from initiation to completion with minimal assistance.

iii) *PLC* - Able to de bug, fault find and reprogram PLC's for all equipment except CITEC without supervision.

iv) *CITEC* - Able to fault find and modify program of CITEC as required with minimal supervision.



- g) The following shift allowance shall be paid weekly to employees to compensate for working under flexible rotating shift rostering arrangements:

Shift allowance of \$61.25 per week.

9. SUPERANNUATION

- a) All employees are required to become and remain members of an agreed industry superannuation fund. Contributions to the industry scheme will be as required by Legislation.
- b) Employees who are already members of the National Foods Limited Superannuation Fund may remain in that fund or any successor.

10. ANNUAL LEAVE

Annual Leave shall accrue on the basis of four weeks per annum, except shift workers who are regularly rostered to work weekends will receive five weeks annual leave per annum. A loading of 17.5% will be paid upon taking leave. Accrued leave will be paid at the rates contained in this agreement.

The additional one (1) week of annual leave is to be taken and cannot be paid out except on termination.

11. REDUNDANCY

Redundancy provisions are as follows:

- a) The company will provide four (4) weeks notice of a proposed redundancy date or payment in lieu. Employees with two or more years service who are aged 45 years or more will receive an additional one (1) week of notice.
- b) Severance pay shall be four weeks pay for each year of service. This shall be calculated on a pro rata basis to completed quarters, capped at a total of 52 weeks pay.
- c) Annual leave loading shall be paid out on accrued leave only i.e. not pro rata leave.

Registered
Enterprise Agreement
Industrial Registrar

- d) This redundancy provision shall not apply where employment is terminated as a consequence of anything other than redundancy ie. conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, or in the case of casual employees, or employees engaged for a specific period of time or for a specified task or tasks, for a period of less than twelve months.

12. DURATION

This agreement shall come into force on 21 June 1999 and conclude on 31 December 2001.

13. PRECEDENT

This agreement is not to be used as a precedent for any claim on any other site or business operated by National Foods Limited or its subsidiaries.

14. EXECUTION

Signed on behalf of National Foods Limited:



Ron Della Vedova
Regional General Manager

22 May 2000
Date

Signed on behalf of the Electrical Trades Union of Australia, NSW Branch:



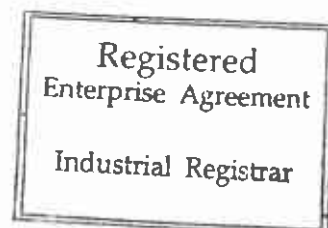
State Secretary

6.6.2000
Date



APPENDIX ONE

Classification	Annual Salary		
	<u>21 June 1999</u>	<u>21 June 2000</u> (4% increase)	<u>21 June 2001</u> (3% increase)
Electrical Tradesperson Grade 1	\$48,600	\$50,544	\$52,060
Electrical Tradesperson Grade 2	\$54,432	\$56,609	\$58,307
Electrical Tradesperson Grade 3	\$62,521	\$65,022	\$66,972
Electrical Tradesperson Grade 4	\$71,900	\$74,776	\$77,019
Electrical Tradesperson Grade 5	\$75,495	\$78,515	\$80,870
Electrical Tradesperson Grade 6	\$77,760	\$80,870	\$83,296
Electrical Tradesperson Grade 7	\$80,093	\$83,297	\$85,796



APPENDIX TWO

STATEMENT OF PRINCIPLES FOR ANNUALISED SALARIES

1. Traditional award systems pay employees on the basis of a fixed rate for 38 or 40 hours per week, with loadings of 50% and 100% paid in addition to the base rate for all hours worked in excess of standard hours.

The pay system is therefore explicitly encouraging and rewarding employees for spending more time at work, without taking into account more important performance criteria such as quality, service, process time, inventory cost, waste, unplanned maintenance and rates of improvement.

This situation is compounded in circumstances where a site starts to implement world-class manufacturing systems, and the outcome is that less overtime is required because work is carried out right first time, and preventative maintenance and quality management techniques start to eliminate unplanned events.

One solution to this problem is to eliminate the concept of fixed weekly hours, and to pay engineering staff a fixed annual salary that is calculated on the basis of historical ordinary and overtime hours, together with an allowance component that recognises acquired skills that are agreed requirements for the Penrith site.

The objective of this remuneration system is to reward engineering staff for their skills and for their involvement in improving site performance.

2. The regulation of work, including attendance is managed by agreement between engineering staff and management. This will include the requirement that there must be maintenance cover available whenever the site is operating. There will also be agreed performance measures introduced to determine the effectiveness of the maintenance services provided by the engineering staff. These will include the introduction of preventative maintenance, reduced down time by line/process, reliability of utilities services, and continued training of operators in routine maintenance items such as lubrication, set-up, and basic trouble shooting.
3. The engineering staff and management will meet not less than quarterly to review performance measures and to review staffing levels. In the event of significant change to the nature of the business, the engineering group will meet to discuss the issues.

