

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA01/84

TITLE: Shinagawa Thermal Ceramics, Glastonbury Avenue, Unanderra Works, (Variation) Enterprise Agreement 2001

I.R.C. NO: 2001/654

DATE APPROVED/COMMENCEMENT: 3 April 2001/23 February 2001

TERM: _____ 4 months

**NEW AGREEMENT OR
VARIATION:** Variation to EA99/23

GAZETTAL REFERENCE: 27 April 2001

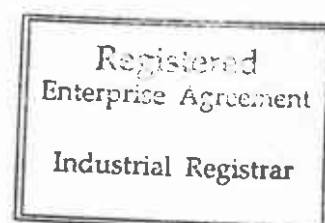
DATE TERMINATED:

NUMBER OF PAGES: 11

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees of the Company at its Glastonbury Avenue, Unanderra, plant who are employed under the Refractory Material Makers and Assistants (State) Award

PARTIES: Shinagawa Thermal Ceramics Pty Ltd -&- The Federated Brick, Tile and Pottery Industrial Union of Australia, New South Wales Branch



SHINAGAWA THERMAL CERAMICS PTY LTD

and

**THE FEDERATED BRICK, TILE & POTTERY INDUSTRIAL UNION OF AUSTRALIA,
NEW SOUTH WALES BRANCH**

ENTERPRISE AGREEMENT

Registered
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ENTERPRISE AGREEMENT

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ATTACHMENT 1

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AGREEMENT made on the day of January 2001

BETWEEN:

SHINAGAWA THERMAL CERAMICS PTY LTD (ACN 082 371 891) of Glastonbury Avenue, Unanderra in the State of New South Wales (the "**Company**");

AND

THE FEDERATED BRICK, TILE & POTTERY INDUSTRIAL UNION OF AUSTRALIA, NEW SOUTH WALES BRANCH of Level 2, 15 Wentworth Avenue, Sydney, in the State of New South Wales (the "**Union**");

1. TITLE

This agreement shall be known as the Shinagawa Thermal Ceramics, Glastonbury Avenue, Unanderra Works, (Variation) Enterprise Agreement 2001.

2. PREAMBLE

- (a) The Company employs employees under the Refractory Material Makers and Assistants (State) Award ('the Award').
- (b) The Company is the successor of parts of the business of Thermal Ceramics Australia Pty Limited, including the part covered by this agreement. This agreement extends the operation of working arrangements contained in the Thermal Ceramics Australia, Unanderra Works, Enterprise Agreement 1995, subject to the qualifications and modifications contained in this agreement.
- (c) It is intended that this agreement be submitted for approval under Division 2 of Part 2, Chapter 2, of the Industrial Relations Act 1996.

3. SCOPE

This agreement applies to all employees of the Company at its Glastonbury Avenue, Unanderra, plant who are employed under the Award.

4. WORK ARRANGEMENTS

- 4.1 The parties agree to implement the arrangements specified in Items 1 - 11 of Attachment 1.
- 4.2 Subject to subclause 4.3, the following provisions in the Thermal Ceramics Australia, Unanderra Works, Enterprise Agreement 1995 will continue to apply:
 - (i) Attachment 1 - Sections 1-4
 - (ii) Attachment 2 - Clauses 1-3 of Schedule 1
 - (iii) Attachment 3 - All provisions (with the exception of rates of pay)



- 4.3 If there is any inconsistency between the provisions in Attachment 1 of this agreement and the provisions referred to in subclause 4.2, the provisions in Attachment 1 will prevail to the extent of the inconsistency.

5. HOURS OF WORK

- 5.1 The ordinary hours of work for all employees will be 38 hours per week or 76 hours per fortnight.
- 5.2 Each employee will be entitled to one roster day off each fortnight, which will be taken on a Monday for the duration of this agreement.
- 5.3 The Company agrees that all employees covered by this agreement will be entitled to one roster day off each fortnight for the duration of their working life with the Company.

6. OVERTIME

All overtime will be paid at the appropriate hourly rate of pay specified in the Award for the relevant classification.

7. WAGES

- 7.1 The weekly rates of pay payable pursuant to this agreement as from the first pay period to commence on or after 1 July 1998 are those specified in column 1 of Table 1 below.
- 7.2 The weekly rates of pay payable pursuant to this agreement as from 1 July 1999 are those specified in column 2 of Table 1 below.
- 7.3 The weekly rates of pay payable pursuant to this agreement as from 1 July 2000 are those specified in column 3 of Table 1 below.
- 7.4 The weekly rates of pay payable pursuant to this agreement as specified in columns 1, 2 and 3 of Table 1 below, include the following amounts:
- (i) a premium hourly rate for 2 hours of \$11.17 per hour in recognition of the 38 hour week as set out in the letter dated 28 August 1998 from Peter Malins circulated to all staff; and
 - (ii) an annual wage increase of 4 1/2% during the term of this agreement to take effect from the first pay period on or after 1 July of each year, commencing 1 July 1998.
- 7.5 During the term of this agreement variations to Award rates of pay pursuant to State Wage Case decisions will be absorbed in the wage increases provided by this agreement.

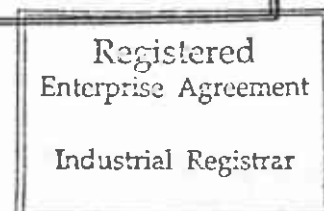
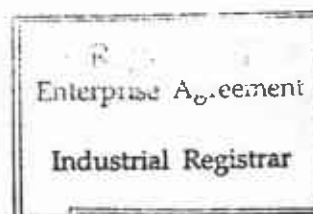


TABLE 1

		Column 1	Column 2	Column 3
	Current rate excluding service payment	Payment rate from 1.7.1998	Payment rate from 1.7.1999	Payment rate from 1.7.2000
Basic Entry Level	\$489.30	\$560.84	\$586.08	\$612.45
Operator Level 1	\$605.78	\$689.04	\$720.05	\$752.45
Operator Level 2	\$624.98	\$710.16	\$742.12	\$775.51
Operator Level 3	\$645.26	\$732.48	\$765.44	\$799.89

8. SUPERANNUATION

The Company agrees to make superannuation contributions to Superannuation Trust of Australia on behalf of all employees covered by this agreement at the rate of 10% of the employee's base wage from 1 July 2000 onwards.

9. AWARDS

The terms of this agreement prevail over the terms of the Award that deal with the same matters.

10. DISPUTE SETTLEMENT

(a) The parties to this Agreement shall observe the following disciplinary procedure:

- (i) Initial warning by supervisor (documented).
- (ii) Formal warning by supervisor in presence of delegate (documented).
- (iii) Warning in presence of consultative committee.
- (iv) Dismissal.

(b) The parties to this Agreement shall observe the following dispute settlement procedures:

Step 1

If an employee or employees have a problem, they are to take it to their immediate supervisor, or foreman, and attempt to solve it within that shift or the first or second hour of their next shift.

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Step 2

Should step 1 fail, the problem is then to be referred to the production superintendent, or the production manager, and discussed with the employee and the employee's nominated representative within 24 hours.

Step 3

Should steps 1 and 2 fail, the employee and / or the employee's nominated representative should pursue the discussion with the production manager in conjunction with the works committee, again within 24 hours.

The company and the employee may bring in outside assistance, company adviser, or union organiser, at any point following step 3.

WORK SHALL CONTINUE NORMALLY DURING THE PROCEDURES OUTLINED ABOVE.

In the event of an alleged serious dispute, the supervisor has the authority to sit the employee involved in the crib room until senior management and committee members are contacted.

Should the dispute remain unresolved, it may be notified to the Industrial Relations Commission of New South Wales for resolution.

11. CONSULTATIVE COMMITTEE

A consultative committee of management and employee representatives has been established to consider matters involving changes to the organisation or performance of work at the plant.

12. NO EXTRA CLAIMS

The Union and employees will not make or pursue any extra wage or other claims against the Company until the expiration of this agreement.

13. TERM

This agreement shall operate from the date of approval by the Commission until 30 June 2001.

14. FURTHER AGREEMENT

- 14.1 The parties agree that on or before 30 June 2001, the Company and the Union will enter into a further enterprise agreement for a term of no less than twelve (12) months and lodge an application for approval of the further agreement by the Commission.

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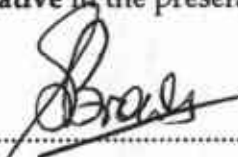
14.2 The parties agree that the terms and conditions of the further agreement will be the same as those contained in this agreement, except for wage rates which will be as follows:

	Payment rate from 1.7.2001
Basic Entry Level	\$640.01
Operator Level 1	\$786.31
Operator Level 2	\$810.41
Operator Level 3	\$835.88

14.3 The weekly rates of pay payable as from 1 July 2001 include a 4 1/2% wage increase.

14.4 The commencement of the further agreement will be subject to the approval of the Commission.

SIGNED for and on behalf of)
 SHINAGAWA THERMAL CERAMICS)
 PTY LIMITED by its authorised)
 representative in the presence of:)




 Witness

Name (printed): S.T. BROWN



Name (printed): R.C. HOWIE

SIGNED for and on behalf of THE)
 FEDERATED BRICK, TILE & POTTERY)
 INDUSTRIAL UNION OF AUSTRALIA,)
 NEW SOUTH WALES BRANCH in the)
 presence of:



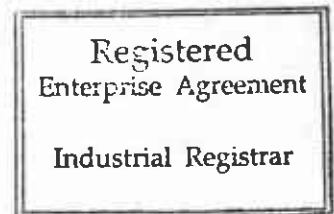
 Witness

Name (printed): Tasminka Murgic



TREVOR MELKSHAM

Name (printed): 19.01.01



ATTACHMENT 1

ITEM 1 - FUNCTION OF KILN OPERATORS

The Company has undertaken a program to upgrade and automate the combustion control systems on kilns at the Glastonbury Avenue plant. The existing systems utilise technology from the late 1960's which is no longer appropriate for the business. The benefits to be derived from this project, which will cost in excess of \$400,000 are:

- (i) Improved combustion control with reduced product variation.
- (ii) An estimated reduction in energy consumption.
- (iii) A reduction in emissions to atmosphere.
- (iv) Removal of the need for manual monitoring of the firing cycle as it proceeds.
- (v) Inclusion of an alarm system to call an operator from another location if manual corrective action becomes necessary.

The operating procedure will become,

- (i) The operator loads the kiln and starts the automatic firing cycle.
- (ii) The operator carries out the designated inspection procedure to ensure that the loading and light-up has been satisfactorily completed.
- (iii) For the duration of the firing and cooling cycle (approximately 50-60 hours, depending on the product) the operators shall carry out production tasks for which they have the necessary skills and training and as required for proper functioning of the scheduled business of the plant.
- (iv) It is intended that, whenever possible, the operator will unload fired product from kiln cars, either manually or using the automated unloading system. An automatic alarm system will indicate any need for manual intervention wherever the operator is working.
- (v) Operators shall be involved in commissioning of the modified control systems and in a series of firing trials to verify the operation of the new systems. The information gained shall be used to ensure future trouble-free operation of the equipment.

ITEM 2: GARDENING

It is agreed that all gardening duties be performed by an outside service provider so that STC employees can be focussed on the productive work in the refractory industry, for which they have been trained.

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ITEM 3: PRODUCTIVITY MEASURES

The normal operating plan for the monolithics department is, wherever possible, to aggregate orders to allow for full shift production. The market does not always allow this to happen. As a result, a range of measures relating to work methods and procedures have been identified as providing opportunity for improved plant productivity, especially with small production runs in the plant. The agreed measures are listed below:

- 3.1 Employees will be flexible in the operations of the Wet and Dry Clay Specialities Systems:

When small quantities of different products are required to be produced. *As a guide, one operator should produce 6 tonnes for the cost to be competitive.*

In the setting up and continuing of the operations if an operator is indisposed.

- 3.2 Employees agree to review performance in the dragging area, cooperatively with Management, to help improve performance levels.
- 3.3 The Bricklayer shall perform his tasks using a Labourer on an agreed needs basis, leaving the labourer available to perform duties in other areas of the plant.
- 3.4 Rotary Dryer Operators who are trained loader operators can use the loader to fill feed hoppers and empty the dryer bay on overtime shifts. The feed conveyor will be turned off while the hopper is reloaded.
- 3.5 Grinding Plant Operators who are trained loader operators can use the loader to fill feed hoppers for the grinding mills on overtime shifts. The feed conveyor will be turned off while the hopper is reloaded.
- If multiple equipment is being operated under points 3.4 and 3.5 another qualified person will operate the loader.
- 3.6 All Clay Ball Mill operations and its sieve analysis requirements shall be carried out in conjunction with the use of the clay grinding system. *Training is to be provided as appropriate for the operators.*
- 3.7 No restrictions apply for the replacement of the Night Shift Grinding Operator, *covering replacement of annual leave or sick leave.*

ITEM 4: METHOD OF PAYMENT

It is agreed that the EFT payment system be broadened to include all employees. The Company will make an annual payment in the second pay period of December in each year of \$50 to all employees subject to this agreement to facilitate the full implementation of the EFT payment system.

ITEM 5: PAYMENT FOR SICK LEAVE

It is agreed that employees who have accumulated a sick leave provision of more than ten (10) days may elect to have the surplus paid as salary in the second pay period of December each year.



ITEM 6: SECURITY OF EMPLOYMENT

For the duration of this agreement, the Company is prepared to give an undertaking that security of employment will not be reduced at Glastonbury Avenue as a result of this agreement.

However, the Company reserves its right to make changes at any time in the level of the workforce, if required as a result of changes in the market-place. As is the practice at Glastonbury Avenue any such changes will be advised and discussed prior to any action being taken.

ITEM 7: ANNUAL LEAVE LOADING

The Company shall increase the annual leave loading, that applies to four (4) weeks annual leave each year, from 17.5% to 20.0%.

ITEM 8: AWARD CONDITIONS AND FUTURE E.B.A. NEGOTIATIONS

The Company agrees that, for the nominal term of this agreement, it will maintain the provisions of the federal Metal Industry Award 1984 (as they were prior to the award simplification decision made on 11 March 1998 in Print P9311), and the Refractory Material Makers and Assistants (State) Award, for employees respectively covered by those awards, except where they are inconsistent with any provisions of this agreement.

ITEM 9: ELECTRICAL WORK

Electrical work at the Company's three (3) facilities in the Illawarra area, including the Glastonbury Avenue plant, will be carried out by a team of electrical employees of the Company. This will come into effect from 1 June 2000. The Company will review the operation of this system before the end of 2001.

This system of utilising one team of employees to carry out work at all of the Company's three (3) facilities will not be introduced for any other category of employees.

ITEM 10: REDUNDANCY PAY

It is agreed that, for the duration of this agreement, an employee who is retrenched will be entitled to receive a redundancy payment, as follows:

- (i) 4 weeks pay at ordinary weekly rate of pay in lieu of notice;
- (ii) 2.5 weeks pay at ordinary weekly rate of pay for each full year of continuous service;
- (iii) an additional payment equivalent to 1 week's pay at ordinary weekly rate of pay for each full year of continuous service up to a maximum of 15 weeks (eg, 8 weeks pay for 8 full years continuous service, and 15 weeks pay for 17 full years continuous service);
- (iv) accrued statutory entitlements including accumulated sick leave, in accordance with company policy;
- (v) in addition, employees will be entitled to a minimum of 4 weeks actual notice of termination, or 5 weeks in the case of employees over 45 years of age; and

- (vi) in all other respects, redundancies will be handled in accordance with company policy (for example, consultation and redeployment).

ITEM 11: NO FORCED REDUNDANCIES

It is agreed that from 8 March 2000 to May 2001 the company will only offer voluntary redundancies to employees and there will be no forced redundancies, except in exceptional circumstances. Exceptional circumstances will include events such as a major national manufacturer closing down all steel or aluminium production.

