

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/225

TITLE: Shinagawa Thermal Ceramics Port Kembla Agreement 2002

I.R.C. NO: IRC02/3055

DATE APPROVED/COMMENCEMENT: 13 June 2002

TERM: 27 January 2005

NEW AGREEMENT OR VARIATION: Variation. Replaces EA99/289

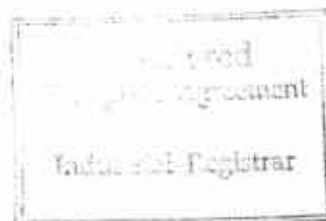
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COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to the employees of Shinagawa Thermal Ceramics Pty Ltd that fall within the coverage of the Refractory Industry (State) Award or the Metal, Engineering and Associated Industries (State) Award at the Company's Port Kembla site.

PARTIES: Shinagawa Thermal Ceramics Pty Ltd -&- Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch, The Australian Workers' Union, New South Wales



ExL A

**SHINAGAWA THERMAL CERAMICS
PORT KEMBLA AGREEMENT 2002**

BETWEEN

SHINAGAWA THERMAL CERAMICS PTY LTD

(A.B.N. 81 082 371 891)

AND

THE AUSTRALIAN WORKERS' UNION, NEW SOUTH WALES

AND

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION, NEW SOUTH WALES
BRANCH**

Registered
Enterprise Agreement

Industrial Registrar

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1. TITLE

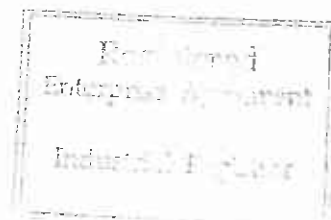
This Agreement will be known as the *Shinagawa Thermal Ceramics Port Kembla Agreement 2002* (Agreement) and will be submitted to the Industrial Relations Commission of New South Wales for approval in accordance with Section 34 of the Industrial Relations Act, 1996.

2. PARTIES BOUND

This Agreement is made between Shinagawa Thermal Ceramics Pty Ltd (ABN 81 082 371 891) (the Company) and the Australian Workers Union, New South Wales and The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union New South Wales Branch and will be binding on Shinagawa Thermal Ceramics Pty Ltd, the Unions, and employees eligible to become members of the Unions who are performing work covered by the Refractory Material Makers and Assistants (State) or the Metal, Engineering and Associated Industries Award at the Company's Port Kembla site.

3. DEFINITIONS

- **'Company'** means Shinagawa Thermal Ceramics Pty Ltd.
- **'Parties'** means the Company, it's employee's, and the unions.
- **'Site'** means the Company's premises at the Old No.1 Open Hearth Building Five Islands Road, Port Kembla.
- **'Site Leadership Team'** or **'SLT'** means the team consisting of management and employee representatives established under Clause 6.
- **'Commission'** means The Industrial Relations Commission of New South Wales.
- **'Work Groups'** means a group of employees associated with a specific area or department



4. STRATEGIC PARTNERSHIP

- 4.1 This Agreement has been prepared by representatives of the Company's employees and management. The Agreement will continue the Company's evolutionary step towards making it the best refractory manufacturing company in the Asia Pacific. The recognition and development of sustained strategic partnerships between all levels of the organisation is fundamental to this agreement. The Parties are committed as a site to the development of the working relationship between all Parties at the Site.
- 4.2 The Parties will continue to develop the working relationship to form a strategic partnership on the site that will be long lasting, robust, and of mutual benefit. The strategic partnership will be based on absolute trust, commitment, and co-operation. The Parties will work in an

environment where they recognise that the effort and performance of individual employees, and the Work Groups to which they belong, will result in growth for the Company, satisfaction and development for individual employees, and achievement of business goals.

- 4.3 The strategic partnership will be developed to actively meet the needs of the business. It is recognised that all employees are part of the Company and will contribute to defining the business needs.
- 4.4 The Parties agree that all facets of work at the Site aim to achieve best international standards of excellence and best practice in all relevant respects including –
- Operational and business performance;
 - Work organisation;
 - Workplace flexibility;
 - Recruitment practices;
 - Continuous improvement;
 - Training and development;
 - Quality;
 - Safety;
 - Harmonious employee relations
- 4.5 It is recognised that any work injury at the Site is totally unacceptable. The SLT will involve all employees in ensuring that there is a continuous improvement in the Company's safety performance. It is an objective of this Agreement to achieve an injury-free workplace by implementing the initiatives identified in Clause 7.
- 4.6 The Parties recognise that the success of the business is based on customer satisfaction and at the Site customer satisfaction is the driving force behind our strategies and daily actions. The most significant impact that the Parties can make on customer satisfaction is for the Company to operate its plants safely, reliably, efficiently, and effectively. The Company has an ongoing commitment to develop a quality process to ensure that all customer needs are met. The Parties are committed to improving the performance of the Company's plants by implementing the improvement initiatives identified in Clause 11.

5. WORK GROUPS

- 5.1 The 'Work Groups' will ensure that employees work as a team with their manager, to meet the goals of the business. The Work Groups will be involved in activities including the development of workplace safety improvement plans, developing employee skill and competency levels, job and skill sharing, resolution of workplace issues.
- 5.2 The Work Groups will assist management in the allocation of work roles to group members, and will be responsible for ensuring that

each team member has access to necessary training and experience to enable the optimal performance of the Work Group.

6. THE SITE LEADERSHIP TEAM

- 6.1 The Parties are committed to the establishment and maintenance of processes through which changes to the Company and performance of work can be discussed and monitored to ensure the interests of all employees and the Company are properly considered.
- 6.2 A 'Site Leadership Team' (SLT) will consist of employee and management representatives and will operate in a consensus mode.
- 6.3 The SLT will meet regularly to monitor performance against measures stated in clause 4.4 and discuss any significant workplace issue that affects the business as a whole and which is unable to be resolved through normal channels of communication.

7. OCCUPATIONAL HEALTH AND SAFETY

- 7.1 The employees covered by this Agreement recognise that each employee is responsible and accountable for working at all times in a safe manner in compliance with applicable occupational health and safety legislation and the 'safe working' policies and practices developed by the Company.
- 7.2 The SLT will develop and support the implementation of safety initiatives aimed at significantly improving the safety of the Site and reducing the incidence of workplace injuries.

8. EQUAL EMPLOYMENT OPPORTUNITY

- 8.1 The Parties acknowledge that all employees have the right to work in an environment free of discrimination and harassment. The Parties will not condone such behaviour or a work environment that gives rise to such behaviour, and any allegations of workplace harassment or discrimination will be taken seriously and investigated by the Company.
- 8.2 Recruitment, selection for specific jobs, and career progression and promotion, will be determined on the basis of merit, competency, and potential to effectively perform the job. All new and vacated positions, if appropriate, will be advertised internally. All things being equal, seniority applies.

9. HOURS OF WORK

- 9.1 The ordinary hours of work will be thirty eight (38) hours per week, Monday to Friday, eight (8) hours a day averaged over a nineteen (19) day four (4) week cycle.



- 9.2 The spread of normal hours is Day work 5.00 am to 6.00 pm and Shift work 7.00 am to 3.00 pm and 3.00 pm to 11.00 pm and 11.00 pm to 7.00 am. These may be changed by mutual agreement.
- 9.3 The Work Groups will maintain their own rosters ensuring an agreed complement to safely meet the needs of the Business and the Work Group and in accordance with leave legislation requirements.
- 9.4 Overtime shall be worked as required and managed by the Work Group without any extra payment by the Company in excess of the annualised salary for each employee.

10. TRANSFERS

10.1 Temporary Internal Transfers

10.1.1 Employees may be transferred within areas (Casting, Monolithics) at the Site to meet Business needs and Work Group requirements. Transfers will be for a minimum period of 8 hours and for longer periods if the business so requires it.

10.2 Permanent Internal Transfers

10.2.1 If the Company's business needs and/or Work Group requirements result in an employee transferring to another area (Casting, Monolithics) permanently the following shall apply:

- (i) The positions will be advertised internally.
- (ii) If the business needs require an employee to permanently transfer to a new work area on site. The employee will retain their current rate of pay for a period of 12 months and receive due rate increases as per this agreement.
- (iii) During this time the employee must endeavour to acquire and demonstrate the skill and knowledge associated with the level 5 & 6 assessments in the area to which they are located in order to maintain their current pay rate.
- (iv) After 12 months each individual case will be reviewed.
- (v) In the event of an employee making no attempt to acquire and demonstrate the skill and knowledge associated with the level 5 & 6 assessments in the area to which they are located, their case will be reviewed by the Site Leadership Team.

10.2.2 The above steps only applies to level 5 & 6 positions, these are levels generally available to all employees based on the appropriate competency level assessments.

10.2.3 This does not apply to level 7 positions as these are not generally available to the wider work force, and are appointed positions. Level 7 employees will retain their current level 7 pay rate (green inked) but will not receive pay increases as per agreement until such time as level 6 pay rate is equal to their green inked level 7 rate. During this time the employee must endeavour to acquire and demonstrate the skill and knowledge associated with the level 6 assessment in the area to which they are located in order to maintain their current pay rate. Cases will be individually reviewed by the Site Leadership Team.

10.3 Transfers to Berkeley Road and Glastonbury Avenue Plants

10.3.1 There will be no short-term transfers between the Site, the Berkeley Road Plant and the Glastonbury Avenue Plant. Transfers will be on a permanent basis only and the employee will work in accordance with the terms of the Enterprise Agreement applying to employees at the respective plants.

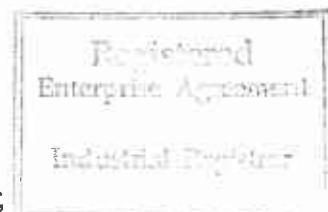
10.3.2 The Company, in consultation with the Unions, will aim to resolve the conditions of permanent transfer to the mutual benefit of both parties.

11. CUSTOMER SATISFACTION

11.1 The Parties are committed to developing and implementing ongoing quality, reliability, and other improvement initiatives with the aim of improving customer satisfaction.

11.2 The improvement initiatives may include:

- Targeted employee training;
- Active employee participation in improvement teams;
- Active employee participation in the development and implementation of 'up time' measurements and subsequent improvement initiatives;
- Changing the focus from 'breakdown' maintenance to 'reliability' maintenance (Total Productive Maintenance – TPM).



12. SALARIED WORKING CONDITIONS

The annualised salaries set out in Schedule 5 include components in recognition of the requirement for employees to perform overtime. Employees must be available to perform work outside the ordinary hours set out in sub-clause 9.1.

13. ANNUALISED SALARIES

13.1 Employees will be paid an annualised salary. The relevant salaries for each employee classification are those set out in Schedule 5 of this agreement. The classification definitions are set out in Schedule 1, Schedule 1A and Schedule 7.

The annualised salaries will be inclusive of the following entitlements:

- (i) all Award entitlements including but not limited to:
- base weekly wage and safety net adjustments
 - overtime payments including payments for call-ins
 - allowances including Leading Hand, Meal, Industry, Shift, and other special disability allowances (excluding First Aid)
 - penalty payments
 - annual holidays loading
- (ii) any over-award payments or allowances

13.2 Salaries will be paid in equal weekly instalments by means of direct deposit transfer into an account with a financial institution nominated by the employee and acceptable to the Company.

13.3 Employees covered by this Agreement will be entitled to the following increases in the salaries set out in Schedule 5 to this Agreement. Any increases in Award rates of pay, including, but not limited to, increases arising from State Wage Case decisions (including Safety Net Adjustments) will be absorbed into the increases set out below on the 1st pay period commencing on or after:

- 24 April 2002, salaries will be increased by 4.0%
- 30 April 2003, salaries will be increased by 4.0%
- 28 April 2004, salaries will be increased by 4.0%

14. SALARY SACRIFICE

14.1 Employees covered by this Agreement may if they choose to, sacrifice part of their salary into the Superannuation trust of Australia based on Company guidelines as set out in Schedule 8.

14.2 Provided that, effective from date of commencement of an employee salary sacrificing, the annualised salary payable to an employee pursuant to clause 13 will be reduced by the amount nominated by

the employee to be sacrificed in accordance with clause 14.1 and received as an employer superannuation contribution.

15. SUPERANUATION

The Company will make weekly superannuation contributions to Superannuation Trust of Australia on behalf of all employees covered by this Agreement. The Company's contribution rate will be 10% of the employees annualised salary amount.

16. SHORT TERM PRODUCTION EMPLOYEES

16.1 Due to the un-predictability of the Company's business it will be necessary from time to time to use short term employees to manage peak loads. The employment of these short term employees will be based on the needs of the business. Commencing or terminating the employment of a short term employee will be as a result of consultation between all Parties.

16.2 Team Leaders will be continually updated on the forward production schedule and the Work Group in conjunction with management and the Unions shall decide when it is necessary to bring in short term employees.

16.3 The minimum term of employment of any short term employee will be 4 weeks. Short term employees shall be paid at Level 1 rate.

16.4 The maximum term of employment of a short term employee will be 6 months. If the needs of the business require a short term employee for greater than 6 months he/she shall be made a permanent employee of the Company.

16.5 If during the term of this agreement there is a need to bring in short term employees as VER replacements clause 16.4 shall not apply.

17. FIRST AID ALLOWANCE

In addition to the salaries in Clause 12, an annual payment will be made to the annual salary for those people who have a Senior First Aid Certificate or the Occupation Health Certificate. Payment will be made to those nominated by the Company according to the classification of certificate held by the employee. Only one of the payments listed below can be made to the relevant employees in any one year.

Annual First Aid Allowance

Senior First Aid Certificate	\$ 620/annum
Occupation Health Certificate	\$1000/annum



18. CLOTHING

All employees at the Site will be issued with a "voucher" during January each year to the value of \$250.00 (excluding GST), which he or she can redeem at a Company nominated supplier for clothing and foot wear of their choice for wear and use during working hours. The apparel chosen must be suitable for wear in industrial situations. The dollar value of the voucher will be reviewed from time to time (in line with the CPI) and will be a standard amount for all employees.

19. LEAVE

19.1 The Work Group will be responsible for managing the time at which the following leave is taken:

- Annual Leave
- Sick Leave
- Long Service Leave
- Compassionate/Bereavement Leave
- Parental Leave
- Family/Carers Leave
- Special Leave without pay

19.2 Annual Leave

Employees will be entitled to annual leave in accordance with the *Annual Holidays Act 1944 (NSW)*.

- (i) Annual leave must be taken within 6 months post anniversary date. The Company may, at its discretion advance annual leave up to 6 months prior to anniversary date.
- (ii) Annual leave forms must be completed and submitted a minimum 4 weeks prior to the date when leave is requested to commence.
- (iii) Minimum annual leave to be taken is 1 full shift.
- (iv) Annual leave to be taken after the 6 months anniversary date must be approved in accordance with the Annual Holidays Act 1944 (NSW). Application must be made with the Industrial Registrar and the Company in advance.
- (v) Payments made during a period of annual leave or on termination of employment will be paid for at the annual salary rate applying at the time. No annual holidays loading will be payable

Employees with untaken annual leave will be asked if they would like to take their outstanding annual leave or leave it as per *Annual Holidays Act 1944 (NSW)*.

Payments made during a period of annual leave or on termination of employment will be paid for at the annual salary rate applying at the time. No annual holidays loading will be payable.

19.3 Sick Leave

The Company has a discretionary Sick Leave policy. Schedule 6 has details.

19.4 Long Service Leave

The employee is entitled to long service leave in accordance with the Long Service Leave Act 1955 (NSW) at the annualised salary rate applicable to the employee at the time the long service leave is taken.

19.5 Compassionate or Bereavement Leave

This will be granted at the discretion of your Work Group and Management.

19.6 Parental Leave

An employee with 12 months or more continuous service is entitled to a maximum of 52 weeks unpaid, parental leave as per the guidelines set out in the Industrial Relations Act 1996.

Parental leave taken by an employee can be:

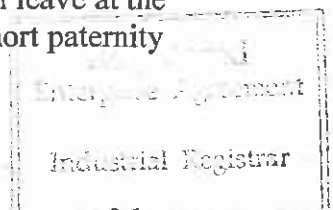
- (i) maternity leave, in connection with a pregnancy or birth of her child.
- (ii) paternity leave, in connection with the birth of his spouse's child.
- (iii) adoption leave, in connection with the adoption of a child under 5 years of age.

All parental leave must be completed before the child's first birthday or anniversary of adoption.

An employee and his or her spouse may not take parental leave at the same time, except where one spouse is on a period of "short paternity leave" or "short adoption leave".

An employee must:

- (i) at least 10 weeks before the anticipated commencement of the parental leave, give written notice of the intention to take parental leave and



- (ii) at least 4 weeks before the anticipated commencement of the parental leave (14 days for adoption leave), give written notice of when they wish to start and end the leave.

19.7 Family/Carers Leave

This will be granted at the discretion of your Work Group and Management.

19.8 Special Leave – Without Pay

An employee may request special leave without pay due to urgent or unforeseen circumstances if the employee has no untaken leave entitlements and no other form of leave is appropriate. The following clauses apply to the granting of special leave:

- (i) There must be good and sufficient reason for the requested leave and the Plant Manager must be satisfied that the employee intends to resume duty with the Company at the expiration of his/her leave.
- (ii) The granting of special leave without pay is at the discretion of the Company.
- (iii) The employee may not accept other employment during special leave without pay, without prior approval of the Company.
- (iv) Annual leave and long service leave will not accrue during periods of special leave without pay, except if the leave is given for reasons of the employee's sickness or ill health.
- (v) During periods of special leave without pay the employee's Company superannuation fund contributions will discontinue until resumption of duties.

20. **EMPLOYMENT SECURITY**

- 20.1 If a downturn in business necessitates a reduction in employees, the Company's priority will be to redeploy employees to the extent possible elsewhere in the Company whose positions are no longer required.
- 20.2 Opportunities for redeployment at any of the Company's sites will be considered by the Company, and the Company will consult with the employees concerned and their representatives regarding redeployment opportunities.
- 20.3 If redeployment opportunities are not available, the Company will invite employees to offer themselves for voluntary early retirement and the Company will observe the following procedure:

- (i) The Company will notify a combined meeting of all site union delegates and relevant district organisers of its intentions to call for applicants for voluntary early retirement.
- (ii) The Company's call for applicants for voluntary early retirement will be conveyed to a mass meeting of all employees covered by this Agreement.
- (iii) Notification of a call for applicants to offer themselves for voluntary early retirement will be circulated two working days after the mass meeting referred to above in sub-clause (ii), no applications will be accepted prior to the circulation of this notification.
- (iv) The call for applicants to offer themselves for voluntary early retirement will be open for a period of 2 weeks.
- (v) If there are more applications for voluntary early retirement than meet the business needs, seniority shall apply.

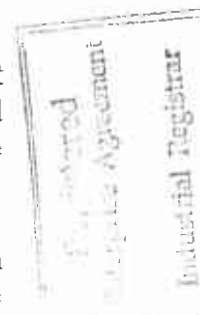
20.4 If the reduction in employees achieved by applying steps in either 20.2 and 20.3 is insufficient to meet the needs of the business then the Company, in consultation with the Unions, will aim to resolve the above to the mutual benefit of both parties.

21. DISCIPLINARY PROCEDURE

21.1 It is the Company's and Unions' intention that any concerns about the behaviour or actions of all employees be resolved in a timely and proactive manner. The objective is to address unacceptable employee behaviour to ensure that it ceases.

21.2 Behavioural concerns regarding employees will be dealt with in accordance with the disciplinary procedure outlined below. The disciplinary procedure is part of the strategic partnership involving the establishment and development of the Work Groups. This disciplinary procedure should be used when the behaviour or actions of an individual is not in accordance with Company policies established by the Company and the Workgroups. The disciplinary procedure is outlined as follows:

- a) It is the intention that behavioural issues are resolved in a timely and pro-active manner. The objective is to correct poor behaviours and to ensure a return to acceptable work practices by the employees concerned.
- b) The Parties shall observe the following procedures in relation to workplace discipline.
 - (i) Issues of ongoing workplace disciplinary concerns should be raised by the Team Leader.
 - (ii) In the event of the Team Leader requiring discipline, the concerns need to be raised by Work Group members. A relevant union representative on site should be contacted in regard to these concerns.



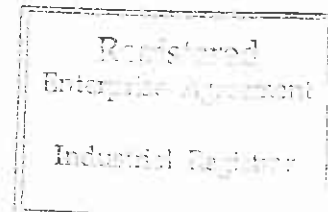
- (iii) It is anticipated that any issues raised in regard to the performance of employees or the Team Leader can be raised and dealt with by the Work Group in accordance with subclauses (i) and (ii).
- (iv) If, however, the issues cannot be resolved, and further assistance to resolve disciplinary concerns is required, the matter shall be referred to an elected Workplace Counsel consisting of 6 members representative of the entire workforce, annually elected by the workforce and the relevant district union representative.
- (v) If the Workplace Council cannot resolve the issue, then it becomes a matter for both the relevant Union and Management to deal with.
- (vi) At this stage, the Workplace Council has the responsibility to issue a formal verbal warning. This warning shall be given after discussion with the relevant Site union representatives.
- (vii) If, at this point there is still no improvement by the employee then disciplinary action is necessary. The disciplinary action taken will be dependent on the severity of the incident and in consultation with the Plant Manager and relevant union delegate.
- (viii) Whilst each case has to be dealt with on its own merits there may be some serious incidents which require instant dismissal. Other considerations for disciplinary action are workplace suspension or transfer out of area "dropping back" a level permanently or temporarily.
- (ix) The workplace council has the responsibility to issue a formal verbal warning. This warning shall be given after discussion with site union representatives.
- (x) If the individual feels disadvantaged or discriminated against at this point, they have recourse to appeal to their district union representative or beyond.

22. UNION DELEGATES

22.1 The Company is committed to the training and development of Union Delegates at the site so that they have appropriate skills to successfully perform the following responsibilities:

- Developing positive relationships between employees and management;

- Facilitating the implementation of this Agreement;
- Assisting in the resolution of employee grievances and disputes;
- Improving communications within the workplace;
- Ensuring leadership in planning future direction;
- Liaising with Union and industry organisations.



22.2 Subject to approval of their Work Group, union delegates will be given suitable time during work hours to resolve disciplinary issues.

The Company will consider requests for paid time off for Union delegates to attend trade union courses.

23. EMPLOYEE LEARNING PROCESS

23.1 The Parties are committed to a continuing process of improving employees' skills, knowledge, and competency. The Parties agree to the implementation of skill sharing, and the removal of any restrictions, bans or limitations on employees performing any work for which they are suitably trained and competent, and which is SAFE, LEGAL, and LOGICAL.

23.2 The Parties are committed to the objective of employees participating in 10 days of Company training per year.

23.3 Training and Development Team

23.3.1 A Project Team has been established to implement a new workplace learning system. The Project Team will work with employee Work Groups focussed on particular components of the projects to encourage employee ownership of the process.

23.3.2 All learning will be competency based where possible, and clearly defined and agreed standards will be set. Both on and off the job training will be provided, and financial support will be given by the Company where appropriate. The Work Groups will be responsible for the scheduling of all employees learning activities.

23.3.3 Roles will be defined and agreed in terms of accountabilities, key tasks, and key performance indicators, ie what the job requires. Roles will be based on Company needs. The key tasks will be aligned with competency standards which will comprise the competency profile, ie how to do the job. The roles will then be linked into career structures.

23.3.4 Employees will have ongoing assessment against job roles and competency profiles. The outcome of the assessment will

be to identify training gaps which will be addressed in the individual development plan.

23.3.5 Each employee will be given an individual development plan to address training gaps. The individual development plan will be an action plan made up of various training and development activities matched to competencies which need to be developed. The development plan will be agreed with the team leader in consultation with the Work Group and will be reviewed regularly. It is the responsibility of the employee, in consultation with the employee's Work Group, to complete development plans. Financial and other support will be given to the employee for this purpose, where appropriate.

24. DISPUTES PROCEDURE

24.1 Step 1 – Issue Resolution

Any employee or a Work Group with a grievance about any issue, should try to resolve the issue within the Work Group. An employee may consult his or her Union delegate and involve the delegate in any discussions. If the Work Group needs time to consider options for resolution, normal work must continue until the matter is resolved by the Work Group or referred to Step 2 of this procedure.

24.2 Step 2 – Issue Resolution

If the matter is not resolved in accordance with Step 1, it will be referred to a combined meeting of the relevant site union representatives, including the relevant district representative. This meeting must take into account the implications of the issue for the entire work site and other Work Groups may be consulted if necessary.

24.3 Step 3 – Issue Settlement

If the issue cannot be resolved at Stage 2 it will be referred to the Commission or an agreed mediator. The Parties will meet their own costs of the mediation.

24.4 Whilst the above procedure is taking place, normal safe work will continue. No party will be prejudiced as to final settlement by the continuance of work in accordance with this clause.

25. PERFORMANCE MEASUREMENT AND IMPROVEMENT

25.1 The Company and the Unions will monitor the implementation of this Agreement by measuring results against identified performance targets.

25.2 Regular performance audits will be conducted by the SLT.

25.3 The performance indicators and targets to be monitored will be agreed by the SLT and will be looking for improvements in such measures as:

- MTI improvement
- Productivity improvements
- Reduction in off-specification production
- Customer satisfaction improvements
- Uptime improvements



26. WORKPLACE CHANGE INITIATIVES

Work Group and individual employees are encouraged to develop ideas and initiatives to improve the performance of the business.

27. TERMINATION OF EMPLOYMENT

27.1 Notice of Termination by the Company

27.1.1 In order to terminate the employment of a employee, the Company will give to the employee the period of notice specified in the table below:

Period of Continuous Service	Period of Notice
One year or less	One week
Over one year and up to the completion of three years	Two weeks
Over three years and up to the completion of five years	Three weeks
Over five years of completed service	Four weeks

27.1.2 In addition to the above notice, employees over 45 years of age at the time of giving of the notice with not less than two years continuous service with the Company will be given an additional week's notice.

27.1.3 The Company may terminate an employee's employment by making a payment of the equivalent week's annualised salary in lieu of notice. The Company may also terminate an employee's employment by requiring the employee to work part of the required period of notice and the Company making payment in lieu for the remainder of the period of notice.

27.1.4 The Company will calculate any payment in lieu of notice at the current rate of the employee's annualised salary.

27.1.5 The periods of notice in this clause will not apply in the case of dismissal for conduct that justifies instant dismissal.

27.2 Notice of Termination by Employee

27.2.1 The notice of termination by an employee required to be given by an employee is the same as that required of the Company, except that there is no requirement for the employee to give additional notice based on his or her age.

27.2.2 If an employee fails to give proper notice, the Company has the right to withhold any salary owing to the employee, to a maximum amount equal to the annualised salary for the relevant period of notice.

28. PERIOD OF OPERATION OF AGREEMENT

This Agreement will operate from the date of its approval by the Commission until 27 January 2005. Negotiations for a new agreement will commence 3 months prior to expiry of this agreement.

29. NO EXTRA CLAIMS

The Union, Company and employees will not make any claims relating to wages, salaries, and conditions of employment during the term of this agreement.

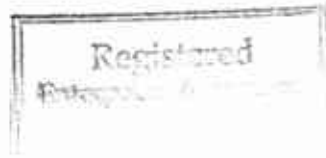
DATED the _____ day of April 2002.

SIGNATORIES:

SIGNED for and on behalf of THE)
AUSTRALIAN WORKERS UNION, NEW)
SOUTH WALES BRANCH)

[Handwritten Signature]
.....
Secretary

Name (printed):



.....
Witness

Name (printed):

D. J. ANDERSON

SIGNED for and on behalf of THE)
AUTOMOTIVE, FOOD, METALS,)
ENGINEERING, PRINTING, AND)
KINDRED INDUSTRIES UNION,)
NEW SOUTH WALES BRANCH)

[Handwritten Signature]
.....
Asst. Secretary

Name (printed): *JOHN PARKIN*

.....
Witness

Name (printed):

C. R. MAYNE

SIGNED for and on behalf of)
SHINAGAWA THERMAL CERAMICS)
PTY LTD)
(ABN 81 082 371 891) in the presence of:)

[Handwritten Signature]
.....
Director

Name (printed):

R. G. HOWIE

.....
Witness

Name (printed): *A. HOWAN*





**SHINAGAWA THERMAL CERAMICS CLASSIFICATION STRUCTURE
PORT KEMBLA SITE**

Level 1-5:

An employees classification to a particular level will be determined by trained Accreditors when he/she has completed one of the competency units at that level, and completed all lower level Plant specific competency units, or as many as required to meet the employee career path or operational needs.

(Refer attached classification structure)

Once an employee is classified to a particular level, he/she will then complete remaining Plant specific competency units at that level if required to meet employee career path or operational needs.

Training priorities will take into account employee career paths and the operational needs of the business.

Level 5 Logistics Operator: (By appointment)

Logistics Operator Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 6 Plant Operator:

All employees will be given the opportunity to seek accreditation to this level of the classification structure. Once an employee is classified as a level 5 operator in one of the Plant specific competency units, he/she can consult with their Team Leader and determine the most appropriate path for Plant Operator Progress. The individuals career path and operational needs will determine this.

(Refer attached Level 6 Plant Operator Progression Structure)

The Work Place Assessment Team will perform assessment, this team will consist of one Training & Development Operator, one Management Representative, the appropriate Team Leader and one employee nominated by the applicant.

Level 6 Liaison Operator: (By appointment)

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 6 Quality Assurance Technician: (By appointment)

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 6 System Operators: (By appointment)

Safety System Operator

Laboratory System Tester

Store's System Operator

Training & Development System Operator

All Level 6 System Operator Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 6 Assistant Team Leader: (By appointment)

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 7 Plant Specialist: (By appointment)

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 7 System Specialist: (By appointment)

Safety System Specialist

Laboratory System Tester Specialist

Training & Development System Specialist

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 7 Team Leader: (By appointment)

Positions will be advertised internally and be subject to selection criteria. After the assessment of applications positions will be by appointment.

Level 7 classification are positions with responsibility and accountability for the following (but not limited to) Team Leader functions.

Safety

Ensure all employees, visitors, and contractors comply with company and Port Kembla site specific safety rules and standard procedures.

Investigate incidents/accidents and complete all required documents and entries.

Environment

Ensure all employees, visitors and contractors comply with the company policy.

Personnel

Oversee the training in accordance with the classification structure and development of operators.

Time keeping.

Communicate with relevant people and organisations.

Production

Manage the running of the business and coordinate his team on a shift basis to meet plant needs.

Ensure plant performance, schedules and uptime targets are met.

Trouble shooting and problem solving.

Quality

Ensure product is made to specifications.

Audit operators against standard operating procedures and AS9001.

Maintain rejection below budget.

Classification Guidelines




1. Employees in Level 6 & 7 positions must maintain their skills to remain in these positions.
2. We need to establish a review process for Level 6 & 7 employees.
3. Competency Level for each Unit will be determined by the Training & Development Department to the standard contained in the Competency Assessment Checklist for the Unit.
4. All employees will be required to participate in training and maintain their proficiency in all the unit functions consistent with their Classification.
5. Job rotation will allow employees to move throughout the Plant for the purpose of training.
6. Management will provide training opportunities for employees in accordance with the Plant business needs and manning requirements.
7. Training and refresher training will be determined by the Training & Development Team, Management, the Work Group and business needs.
8. All Operators will participate in training and the training of others up to their own classification.

TRANSFERABLE TASKS


Transferable tasks are duties that can be performed by employees transferring between departments on a non-permanent basis. These tasks are to a skill level consistent with that of the level 3 description.

SCHEDULE 1 A

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 1</p> <p>OH&S STANDARDS FORKLIFT PERMIT</p>	<p>Undertake Plant Inductions Perform manual tasks Obtain appropriate permits as required</p>	<p>OH&S standards Forklift permit</p> 

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p style="text-align: center;">LEVEL 2</p> <p>A. SLD Plant Operation</p> <p>B. Batching Operations Operate Packing Lines Operate Taphole Extruder Manual Cement & adds weighment</p> <p>C. Operate re-work machine Operate shot blaster Pre-batching</p> <p style="text-align: center;"><u>Progression</u> A, B or C units</p>	<p>Perform simple machine operations and tasks</p> <p>Responsible for own quality, and inventory control</p> <p>Involvement in process improvement activities</p> <p style="text-align: center;"><u>Possess Level 1 skills and knowledge</u></p>	<p>Transferability at Level 2 description tasks</p>

SCHEDULE 1 A

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p style="text-align: center;">LEVEL 3</p> <p>A. Small Casting Operations</p> <p>B. De-bagging Operation Cement machine Operation</p> <p>C. Banding machine Operation Cement machine Operation Core Drill Operation Dragging</p> <p style="text-align: center;"><u>Progression</u> A, B,C or D units</p>	 <p>Operate & set up basic plant and equipment</p> <p>Perform manual tasks</p> <p>Detailed production recording and reports</p> <p style="text-align: center;"><u>Possess Level 1 & 2 skills and knowledge</u></p>	<p>Resical Inspection & Testing</p> <p>Operate Shot Blaster</p> <p>Operate banding Machine</p> <p>Operate Milling & Drilling Machines</p> <p>Operate Grinder</p> <p>Operate SLD Plant</p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 4</p> <p>A. Medium Casting Operations</p> <p>B. Specialty Plant Operation</p> <p>C. Grinding Operation Gas Channel Operation Kiln Car Operation Finishing table Operation</p> <p>D. Dispatch Operation</p> <p><u>Progression</u> A, B, C or D units</p>	<p>Operate & set up basic plant and equipment</p> <p>Perform manual tasks</p> <p>Detailed production recording and reports</p> <p><u>Possess Level 1, 2, & 3 skills and knowledge</u></p>	<p>Resical Inspection & Testing</p> <p>Operate Shot Blaster</p> <p>Operate Banding Machine</p> <p>Operate Milling & Drilling Machines</p> <p>Operate Grinder</p> <p>Operate SLD Plant</p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 5</p> <p>A. Large Casting Operations</p> <p>B. Taphole Mixing Operation Batching Operations</p> <p>C. Press Operation Mixer Operation Heat Treatment Operation Finishing Area Operation</p> <p>D. Raw material Operation</p> <p><u>Progression</u> A, B,C or D units</p>	<p>Operate & set up program complex plant & equipment</p> <p>Co-ordinate production with Team Members</p> <p>Responsible for other Team Members quality</p> <p><u>Possess Level 1, 2, 3 & 4 skills and knowledge</u></p>	<p>Operate Medium Casting Plant</p> <p>Batching Assistant</p> <p>Operate De-bagging</p> <p>Pre batching</p> <p>Dragging</p> <p>Operate Core Drill Machine</p> <p>Finishing Table</p> <p>Setting</p> <p>Operate Small Casting Plant</p> <p>Operate Packing Line</p> <p>Operate Taphole Extruder</p>

SCHEDULE 1 A


PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 5</p> <p>Logistics Operator (By appointment)</p>	<p>As per current job description and selection criteria. <u>Possess Level 1, 2, 3 & 4 skills and knowledge</u></p>	<p><i>As per levels 3-5</i></p>

SCHEDULE 1 A


PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Liaison Operator <i>(By appointment)</i></p>	<p>As per current job description on STC operating system and selection criteria.</p> <p><u>Possess Level 1, 2, 3 & 4 & 5 skills and knowledge</u></p>	<p>As per levels 3-5</p>



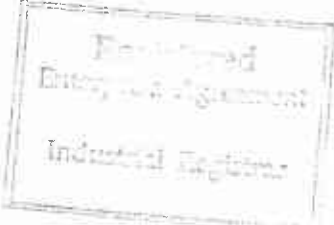
PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Quality Assurance Technician</p> <p><i>(By appointment)</i></p>	<p>As per current job description on STC operating system and selection criteria.</p> <p><u>Possess Level 1, 2, 3 & 4 & 5 skills and knowledge</u></p>	<p><i>As per levels 3-5</i></p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p style="text-align: center;">LEVEL 6</p> <p style="text-align: center;">Plant Operator <i>(By appointment)</i></p>	<p>Perform effectively in stressful and difficult circumstances to achieve positive outcomes.</p> <p>Ability to adapt in changing situations.</p> <p>Takes continuous action to improve personal and team performance.</p> <p>Enduring efforts to overcome obstacles to complete tasks.</p> <p>Thorough knowledge & understanding of plant & process and adopts a proactive approach to solving plant and process issues.</p> <p>Consistently strives to efficiently use company resources.</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills in the appropriate area.</u></p>	<p style="text-align: center;">As per levels 3-5</p> 

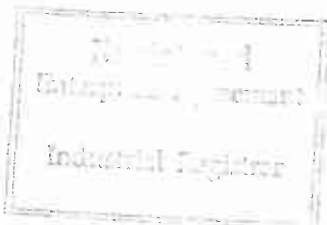
PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Safety System Operator <i>(By appointment)</i></p>	<p>Proactively seeks resolutions of plant safety issues.</p> <p>Thorough knowledge of OH&S Act, Environmental Policy, Dangerous Goods Code of Practice and correct manual handling practices.</p> <p>Possess confined space certificate.</p> <p>Knowledge and understanding of plant systems and regulations to enable the issuing of authority to work clearances.</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills</u></p>	<p><i>As per levels 3-5</i></p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p style="text-align: center;">LEVEL 6</p> <p style="text-align: center;">Laboratory System Tester</p> <p style="text-align: center;">(Transferable competency)</p> <p style="text-align: center;">(By appointment)</p>	<p>Ensure consistent application of quality procedures and systems.</p> <p>Adopts a proactive approach to resolve product and process quality issues.</p> <p>Effectively communicates test results and recommendations to address process and quality issues.</p> <p>Thorough knowledge of plant processes and products.</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills</u></p>	<p style="text-align: center;">As per levels 3-5</p> <div style="text-align: center;">  </div>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Store's System Operator (Transferable competency) <i>(By appointment)</i></p>	<p>Communication & liaison with suppliers, customers & plant personnel.</p> <p>Proactive involvement with improvement to stock & inventory management.</p> <p>Forward thinking and planning skills.</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills</u></p>	<p><i>As per levels 3-5</i></p>


PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Training & Development System Operator <i>(By appointment)</i></p>	<p>Proactively seeks resolution of plant training issues.</p> <p>Thorough knowledge and understanding of classification structure.</p> <p>Qualified work place assessor.</p> <p>Proactively involved with the development and maintenance of training manuals and quality management system documents.</p> <p>Participates in self-development training programs.</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills</u></p>	<p style="text-align: center;">  As per levels 3-5 </p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 6</p> <p>Assistant Team Leader</p> <p><i>(By appointment)</i></p>	<p>Assists in ensuring safety regulations and company policies are adhered to.</p> <p>Assists with efficient management of company systems & resources to achieve maximum quality outputs.</p> <p>Operate, set up & program complex plant & equipment.</p> <p>Co-ordinate production with Team members.</p> <p>Responsible for other team members quality</p> <p>Pursues excellence in line with the organisations values.</p> <p><u>Possess level 1, 2, 3, 4 & 5 skills</u></p>	<p><i>As per levels 3-5</i></p>

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 7</p> <p>Plant Specialist</p> <p><i>(By appointment)</i></p>	<p>Communicates effectively with all levels within the organisation.</p> <p>Able to build persuasive arguments based on logic, data and the objective merits of the situation.</p> <p>Possess in depth computer/ robotics programming and system analysis skills and applies this knowledge to overcome obstacles and/or to complete tasks.</p> <p>Possess confined space certificate and knowledge of plant and machinery to enable the issuing of authority to work clearances.</p> <p>Has in depth knowledge of plant and process.</p> <p>Adopts a pro-active approach.</p>	<p><i>As per levels 3-5</i></p> 

SCHEDULE 1 A

<p>(Plant Specialist continued)</p>	<p>Understands the relationship between data linkages and the mechanical operation of the plant and equipment, has the ability to assess the downstream effects.</p> <p>Participates in self-development training programs.</p> <p><u>Possess level 1,2,3,4, 5 & 6 skills.</u></p>	
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PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p style="text-align: center;">LEVEL 7</p> <p style="text-align: center;">System Specialist</p> <p style="text-align: center;">Safety System Specialist Laboratory System Tester Specialist Training & Development System Specialist <i>(By appointment)</i></p>	<p>Takes the long-term impact into consideration when generating original and imaginative ideas and solutions to resolve plant issues.</p> <p>Communicates effectively with all levels within the organisation.</p> <p>Ability to identify and resolve key issues through application of specialised knowledge and understanding.</p> <p>Ability to alter behaviour and opinions in light of new information or changing situations.</p> <p>Able to build persuasive arguments based on logic, data and the objective merits of the situation.</p> <p><u>Possess level 1, 2, 3, 4, 5 & 6 skills.</u></p>	<p style="text-align: center;"><i>As per levels 3-5</i></p> 

PLANT OPERATION COMPETENCIES	DESCRIPTION	TRANSFERABLE TASKS
<p>LEVEL 7</p> <p>Team Leader</p> <p>(By appointment)</p>	<p>Ensures safety regulations and company policies are adhered to.</p> <p>Efficiently manage company systems and resources to achieve maximum quality outputs.</p> <p>To effectively communicate, manage and develop people.</p> <p><u>Possess level 1,2,3,4,5 & 6 skills.</u></p>	<p>As per levels 3-5</p>

SCHEDULE 2

ALCOHOL & OTHER DRUGS POLICY

The Company is committed to achieving the highest performance in occupational health and safety with the aim of creating and maintaining a safe and healthy working environment throughout its businesses.

Consistent with this, the Company will not permit alcohol or illegal drugs to be brought onto the Site. It will not tolerate the consumption of alcohol and/or illegal drugs on any site, nor will it allow an employee, visitor,

or contractor entry into the sites who are under the influence of alcohol,

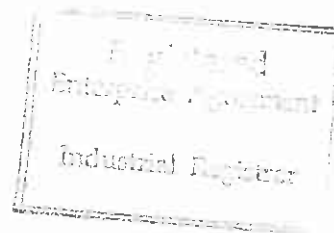
or any illegal drugs.

In support of this position the Company will :-

1. Abide by legal requirements that apply.
2. Ensure that employees, contractors and visitors to the Site are informed of the Company policy, their responsibilities and the consequences of the policy breaches.
3. Ensure employees and contractors are educated concerning the dangers of alcohol and other drugs abuse and the inherent danger of alcohol and other drugs(including prescription drugs) in the workplace.
4. Put management systems in place to ensure that the risks from policy breaches are understood and controlled (including effective challenges/disciplinary procedures and access to information / counseling services).
5. Provide appropriate counselling and support facilities for employees with recognised drug and alcohol problems.

Implementation of this policy will be accompanied by communication, consultation and education by the Company.

Disciplinary action will follow breaches of this policy.



SCHEDULE 3

REDUNDANCY PACKAGE - STC PORT KEMBLA

Standard Payment:

- 1) 4 weeks pay at the annualised salary rate PLUS
- 2) 2.5 weeks pay at the annualised salary rate per year of service.

Supplementary Payment:

Permanent employees with 12 months service or more, 10 weeks pay at the annualised salary rate.

Notice of Termination:

Not less than 4 weeks notice to be given by the Company.

SCHEDULE 4

VOLUNTARY EARLY RETIREMENT PACKAGE - STC PORT KEMBLA

Standard Payment:

- 1) 4 weeks pay at the annualised salary rate PLUS
- 2) 2.5 weeks pay at the annualised salary rate per year of service.

Supplementary Payment:

Permanent employees with 12 months service or more, 10 weeks pay at the annualised salary rate.

Additional Supplementary Payment:

Permanent employees with 12 months service or more, a special payment \$12000.00 (after tax).

Notice of Termination:

Not less than 4 weeks notice to be given by the Company.



SCHEDULE 5

SALARIES – as from 24 April 2002

Operations

Level	Day Work	Shift Work
1	\$39,165.00	\$41,064.00
2	\$45,099.00	\$46,999.00
3	\$48,660.00	\$50,559.00
4	\$52,576.00	\$54,475.00
5	\$56,208.00	\$58,107.00
6	\$61,003.00	\$62,949.00
7	\$67,055.00	\$69,002.00

Mechanical

Level	Salary
Basic	\$49,728.00
1	\$61,596.00
2	\$73,464.00
3	\$79,280.00
4	\$85,214.00
5	\$91,148.00

SCHEDULE 6

DISCRETIONARY SICK LEAVE

- 1.1 The Company regards sick leave as being insurance against loss of salary in time of genuine ill health or injury. The Company's sick leave policy provides for salary being continued for a reasonable period subject to the following conditions:
- (i) Payment of sick leave is ultimately at the discretion of the Company and each case will be treated its merits in consultation with the SLT. No distinction will be made between ordinary illness or personal injury and illness received from outside sporting and other activities.
 - (ii) Sick leave payment is based on the employee's annualised salary.
 - (iii) To receive sick leave payment an employee must arrange for his/her team leader to be advised at least 30minutes prior to normal commencing time, that he/she is unable to attend work and as far as practicable state the nature of the injury or illness and the estimated duration.
 - (iv) If an employee is absent from duties on sick leave for a period of 1 week or more, he/she must obtain a doctor's certificate stating that he/she is fit to return to work or reason for absence.
 - (v) Where an employee's attendance level becomes unacceptable to the Company, the Company will implement the Disciplinary Procedure as specified in this agreement. As part of implementing the Disciplinary Procedure, the employees concerned may be required to provide additional documentation certifying the reasons for the absences to be determined by the company from time to time.



SCHEDULE 7

MECHANICAL TRADE LEVELS (70% of each level is required to progress)

Basic

- Apprenticeship completed
- Basic understanding of production/mechanical plant
- First Aid training
- Confine space training
- Overhead Crane ticket
- Crane Chasing ticket
- Forklift ticket

Level 1

- Competent in Electric Welding
- Competent in Oxy Welding
- Competent in Silver Soldering
- Competent in Brazing
- Competent in Mig Welding/Hard Facing
- Hydraulics Stage 1
- Pneumatics Stage 1
- Understanding plant mechanical operations
- Able to read and understand basic drawings

Level 2

- Hydraulics Stage 2 and /or 2 years experience
- Pneumatics Stage 2 and /or 2 years experience
- Maintain and overhaul hydraulic equipment
- Maintain and overhaul pneumatic equipment
- Metal spraying
- Die building
- Able to supervise contractors effectively on jobs
- Understand the store systems

Level 3

- Competent in PM systems
- Competent in Store system
- Ordering and dispatching
- Able to liaise with reps and contractors
- Problem solving
- Team work

Level 4

- Team Leadership
- Competent on robot operation

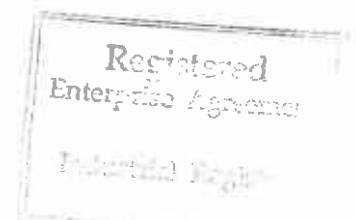
SCHEDULE 7

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- Trained on plant operations
- Modify plant & equipment
- Basic Citect knowledge
- Basic PLC knowledge
- Reliability planning
- Scheduling planned maintenance

Level 5

- Competent in modifying drawings
- Completed an Associate Diploma in Mechanical Engineering
- Technical specialist in given areas



Salary Sacrifice – Company Guidelines

What is Salary Sacrifice? – This is an arrangement between the employer and the employee for which the employee agrees to forgo part of his or her salary or wages in return for particular benefits of similar value. The purpose of this arrangement is to provide the employee to receive income and benefits in a tax-effective manner. In other words, the employee is taxed under the income tax laws only on the reduced salary or wages and that the employer is liable to pay FBT, if any, on the benefits provided (other than superannuation contributions made to a complying superannuation fund).

General Rules

- ❑ **Employees are encouraged to get independent, professional, financial advice about their own particular circumstances before agreeing to any salary sacrifice arrangement.**
- ❑ Only future earnings can be sacrificed.
- ❑ The company will only agree to the employee sacrificing part of their salary or wages as an additional superannuation contribution. All superannuation contributions must be made into the existing employee nominated fund, currently being “Superannuation Trust of Australia” (STA).
- ❑ The employee must agree to a fixed amount \$ for which he or she wishes to sacrifice from each future pay not yet earned as an additional superannuation contribution – based on conditions listed below.
- ❑ The agreement must be in writing.
- ❑ The company has agreed to a settling period of six weeks for which the nominated value can be changed. Once this period expires, the nominated amount can only be reviewed annually by the first pay period in July.
- ❑ Sacrificed amounts are treated as employer contributions so are subject to income tax of up to 15% in the receiving fund and are preserved until retirement.
- ❑ Entitlements such as Long Service Leave, Annual Leave, Leave Loading, Overtime and company superannuation contributions will be paid on the same basis as if there was no salary sacrifice.
- ❑ PAYG tax is calculated on the take home pay (i.e., the gross less the sacrificed amount).
- ❑ Any bonuses, incentive or ex-gratia payments announced may be sacrificed on the condition that there is an agreement made prior to receiving that payment and that the conditions listed below are met.
- ❑ Additional superannuation contribution tax (commonly known as Superannuation Surcharge) of up to 15% may be applicable for high income earners or those with large super balances (refer to your financial advisor for assistance).

Conditions

- Award employees will **not** be allowed to salary sacrifice below an award, industrial instrument or other legal entitlements. That is, they can not sacrifice if this would reduce their gross take home pay below the applicable legal minimum in the relevant award or enterprise agreement governing their employment.
- The total super contribution (including those made pursuant to the Superannuation Guarantee legislation, an award or under a salary sacrifice arrangement) for any employee should not exceed the amount that the paying company can claim as a tax deduction for that employee:

Age	Maximum deductible contribution
Under age 35	\$11,912
35 to 49	\$33,087
Age 50 and over	\$82,054

Note: these maximums are for the 2001/2002 financial year and are indexed each 1 July to the annual positive movements in the fulltime adult Average Weekly Ordinary Time Earnings (AWOTE).

- ALL leave entitlements will be subject to PAYG and cannot be sacrificed.

