

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/26

TITLE: Pirelli Telecom Cables and Systems Australia Pty Ltd Enterprise Agreement 2001-2003

I.R.C. NO: 2001/7613

DATE APPROVED/COMMENCEMENT: 12 December 2001/31 May 2001

TERM: 31 May 2003

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 15 March 2002

DATE TERMINATED:

NUMBER OF PAGES: 24

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees located at 1 Thew Parade Dee Why, NSW and who are engaged pursuant to the Federal Rubber Plastic and Cable Making Industry General Award 1988 or the Metal, Engineering and Associated Industries Award 1988.

PARTIES: Pirelli Cables Australia Limited -&- the Electrical Trades Union of Australia, New South Wales Branch, National Union of Workers, New South Wales Branch

DATED:

2001

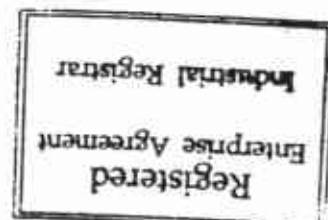
PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD (Pirelli)

ENTERPRISE AGREEMENT

2001 - 2003

WITHOUT PREJUDICE

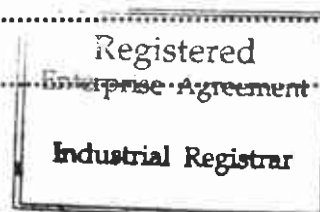
DATED: 31 August 2001



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

Clause		Page
1.	Title	1
2.	Preamble	1
3.	Application and Incident of Agreement.....	1
4.	Parties	1
5.	Date and Period of Operation	1
6.	Relationship to Awards and Certified Agreement.....	1
7.	Objective of this Agreement	1
8.	Flexibility.....	2
9.	Continuous Improvement	4
10.	Measures to Achieve Gains in Productivity, Efficiency and Flexibility.....	4
11.	Training and Multi-skilling.....	4
12.	Deduction of Union Membership Fees	5
13.	Trade Union Training Leave.....	5
14.	Leave for Participation in Delegates Meeting	7
15.	Entry of Union Officials to Site	7
16.	Freedom of Choice in Superannuation	7
17.	Income Protection Insurance Scheme	7
18.	Payment of Overtime for Employees Engaged on 12 Hour Shift Rosters	8
19.	Payment for Shift Workers Not Required to Work on Public Holiday	8
20.	Shift Loading Whilst on Annual Leave	8
21.	Continuation of Income Whilst Workers Compensation Claim is Being Processed.....	8
22.	Contracting Out of Activities	8
23.	Utilisation Of Temporary Labour	8
24.	Apprentices.....	9
25.	Clothing.....	9
26.	Redundancy	9



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

Clause		Page
27.	Dispute Resolution Procedures.....	12
28.	Changes in Rates and Allowances.....	14
29.	Absorption	15
30.	No extra claims	16

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PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

1. Title

This Agreement shall be referred to as the Pirelli Telecom Cables and Systems Australia Pty Ltd Enterprise Agreement 2001-2003 (the **Agreement**).

2. Preamble

The Agreement reflects the understandings of the parties and the need to continue the high level of cooperation in identifying and implementing opportunities to reduce cost, improve operational efficiencies, the reduction in waste and competitive business performance.

3. Application and Incident of Agreement

The Agreement shall apply at the establishment of Pirelli Telecom Cables and Systems Australia Pty Limited at 1 Thew Parade Dee Why, NSW in respect of all employees who are engaged in any of the occupations or callings specified in the Federal Rubber Plastic and Cable Making Industry General Award 1998 or Part 1 of the Metal, Engineering and Associated Industries Award 1998 (electrical field only).

4. Parties

The parties to this Agreement are Pirelli Telecommunications Cables and Systems Limited (**Pirelli**), all employees of Pirelli whether or not members of any of the following employee organizations (the **Unions**):

- 4.1 The National Union of Workers(NSW Branch) (**NUW**);
- 4.2 Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical Division (NSW Divisional Branch)(**CEPU**).

5. Date and Period of Operation

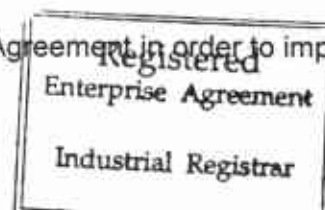
This Agreement shall come into operation on the first pay day on or after 31 May 2001 and shall remain in force until 31 May 2003. Negotiations for a replacement Agreement shall commence at the formal request of any party after 1 April 2003.

6. Relationship to Awards and Certified Agreement

- 6.1 The Agreement replaces all previous agreements howsoever called. Where there is no specific reference to conditions contained in this Agreement, relevant Awards will be referred to. The relevant awards applicable are the Federal Rubber Plastic and Cable Making Industry General Award 1998 and the Metal Engineering and Associated Industries Award 1998.
- 6.2 Where there is any inconsistency between any relevant Awards and the Agreement, the Agreement shall apply to the extent of the inconsistency.

7. Objective of this Agreement

- 7.1 Pirelli and its employees have entered into the Agreement in order to improve the



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

performance and thus sustain the long-term viability of Pirelli by:

- (a) being recognised as a supplier of choice for high quality telecommunications cable and systems at a market competitive price,
- (b) providing an acceptable return to shareholders and employees with investments in Pirelli through productivity and efficiency gains, and
- (c) enhancing an environment of continuous improvement and cost reduction that provides a sound basis for successful competition in the market place,
- (d) implementing reforms in the roles and duties of team leaders and where necessary other classification levels, co-ordinating the essential training requirements to support efficiency and skills, by promoting trust and job security for employees and by employees and unions supporting change which will ensure the viability of the Pirelli's operations and the ability to create a skilled, trained and motivated workforce.

8. Flexibility

8.1 Manning on Machines

Where feasible, operators will be required to operate more than one machine. The process to be used is as follows:

- (a) Management will define the project to the Consultative Committee; and
- (b) The Consultative Committee will appoint a project team to develop the strategy for implementation. The employees in the area where changes are proposed will nominate a representative to be on the project team. The project team will also include a relevant union delegate. Consultation will take place with operators in the specific areas and the project team will work through any barriers to implementation. The relevant union official can be called upon at any stage of this process; and
- (c) In order to resolve any outstanding barriers which cause concern, there will be a trial period of up to two months. At the end of the trial period the issue will be brought back to the Consultative Committee by the project team to determine the final outcome at which time the employee representing the operators in the area of proposed change will advise if the proposal has the agreement of the operators concerned; and
- (d) Any issues arising through this process will be dealt with through the normal dispute resolution procedure.
- (e) When agreement has been reached, the change will be implemented and will become standard practice.

PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

8.2 Introduction of Technology

All parties will support the introduction of new technology. This will be supported by training to ensure a smooth transition. This technology includes but is not limited to the introduction of computers onto the shop floor to record data which has previously been done manually.

8.3 Team Leader Role

The duties of the team leader role will be enhanced to incorporate the following:

- (a) Implementation of the Production Plan by:
 - (i) Facilitating TPM Meetings;
 - (ii) Scheduling all forms of leave consistent with business needs;
 - (iii) Understanding basics of cable making;
 - (iv) Conducting team briefing sessions; and
 - (v) Assisting with the management of employee training programs at shop floor level.

- (b) There will be a reduction in the number of team leaders required. The process for the transition to the new enhanced role will be as follows:
 - (i) The number of vacancies will be determined by management and an internal advertisement will be posted, giving a description of the new role and the attributes required for the role;
 - (ii) Interviews will be conducted and successful applicants will be appointed;
 - (iii) Training plans will be developed and training will commence on appointment;
 - (iv) Following successful assessment, the team leader role will attract an all purpose allowance of \$100.00 (gross) per week. If at any time in the future, due to performance issues, the employee is unable to meet the requirements of the team leader role, the employee will revert back to the rate for the appropriate grade at which they are competent. If there is a performance issue, the performance counselling procedure will be followed before this decision is made;
 - (v) Any current team leaders who are unsuccessful, will have the team leader allowance phased out over a period of six months. Following advice that they have been unsuccessful, the allowance will remain in place for a period of three months and they will then receive half the allowance for the following three months; and
 - (vi) Consideration will be given to training an additional number of team leaders than required to allow for coverage of leave. On

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ENTERPRISE AGREEMENT 2001-2003

such occasions, the employee will be paid \$100.00 per week as a stand alone allowance while performing the team leader duties.

8.4 Basic Skills Sharing in Maintenance Area

The parties recognise that there are some basic duties in the trades area which can be performed by both Electrical and Mechanical tradespeople and some sharing of skill is required. The parties agree to investigate this issue using the process outlined in 8.1 above.

8.5 Integration of Sheathing/Final Test/Logistics

Training will occur to promote multi-skilling in this area. This will enable an operator to produce the cable, test it, package it and perform other logistics functions which include but are not limited to finish goods transactions and stock placement.

9. Continuous Improvement

This process requires the involvement of employees participating in training and the implementation of practical and commonsense improvements utilising employee skills, knowledge and expertise. The parties acknowledge there is a genuine commitment to facilitate a free-flow of ideas from employees through processes and across processes.

At times it may be appropriate for new arrangements to be trialed prior to implementation. Such trials will be conducted following consultation with and agreement from the appropriate Consultative Committee, and where required the appropriate Union, on the most effective means of implementing the change. The Consultative Committee and the unions will not unreasonably withhold their agreement to new arrangements.

During the life of this Agreement new technology and efficiency measures are likely to be introduced. The parties support the introduction of new technology and efficiency following consultation with the appropriate Consultative Committee and where appropriate relevant training.

10. Measures to Achieve Gains in Productivity, Efficiency and Flexibility

The parties are committed to initiatives that achieve real and demonstrable gains in productivity, efficiency and workplace flexibility which are developed and implemented as key aspects of this Agreement and future reforms.

Initiatives to be included will be drawn from, but not limited to, review of training needs, skill sets and the alignment of those skill sets to the current classification levels, reduction of scrap, review of machine manning, strategies for the reduction of employee absenteeism, extension of labour flexibility and multi-skilling and improvement of machine Overall Equipment Effectiveness (OEE). OEE is the measurement used to determine losses on the effectiveness of machinery which then identifies which areas need to be looked at to gain improvements.

11. Training and Multi-skilling

11.1 The parties recognise the importance of training and multi-skilling to the future of

PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

Pirelli Telecommunications. Pirelli is committed to the maintenance of competency based training and skill based career paths and on these aspects Pirelli will consult with the Training or Consultative Committee and the relevant Union/s.

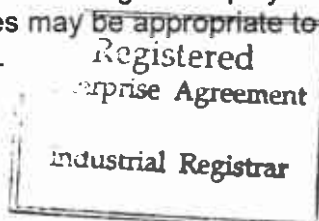
- 11.2 Employees shall be given every opportunity to participate in training initiative programmes. Employees shall not unreasonably refuse to participate in training initiatives and programs. Employees who unreasonably refuse to participate in training initiatives and programmes will be dealt with through the dispute settling procedure.
- 11.3 The training within Pirelli shall be consistent with the following principles:
- (a) training shall be consistent with a training plan;
 - (b) the training plan will be structured and will be discussed with each individual;
 - (c) the assessment of employee's skills will be competency based. If there is a disagreement it will be referred to the relevant Training or Consultative Committee; and
 - (d) work change where possible shall occur to ensure that employees' skills are utilised to the maximum extent.
- 11.4 Pirelli training conducted outside ordinary hours shall be paid for at ordinary rates for the actual time spent training. Pirelli will make every effort to conduct training during normal working hours.
- 11.5 Pirelli may direct employees to carry out all duties that are within the limits of the employee's skills, competence and training - such duties will not be intended to promote de-skilling.
- 11.6 Pirelli may direct employees to carry out such duties and use such tools and equipment as may be required and employees shall comply with any such direction provided that the employee has been properly trained in the use of such tools and equipment.
- 11.7 Directions issued by Pirelli pursuant to this clause shall be consistent with its responsibilities to provide a safe and healthy working environment.

12. Deduction of Union Membership Fees

Pirelli will continue, upon employee written authorisation, the practice of deducting union membership fees, as levied by the union in accordance with its rules, from the pay of employees who are members thereof. Such monies will be forwarded to the union at the end of each accounting period with all necessary information to enable the reconciliation and crediting of subscription to the members' accounts.

13. Trade Union Training Leave

The parties to this award recognise that the provision of training for employees and members of the site Consultative Committees and Union Delegates may be appropriate to further the objectives of a sound industrial relations environment.



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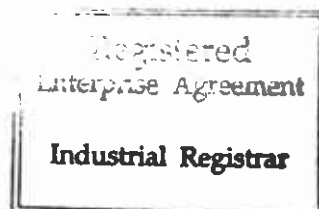
ENTERPRISE AGREEMENT 2001-2003

Subject to the limitations below the Union delegate or the elected work place representative with more than six months continuous service, with approval of the Union and upon application in writing shall be granted up to 5 days leave with pay each calendar year, not cumulative, to attend courses conducted or approved by the Trade Union Training Authority, which are designed to promote good industrial relations and industrial efficiency within the industry.

The application to the employer must be in writing and include the nature, content and duration of the course to be attended.

Up to 5 days leave per eligible employee in any calendar year will be provided for training subject to the following limitations:

- (a) Where the Union has coverage of more than 3 but not more than 50 employees under this Agreement 2 employees may be granted leave.
- (b) Where the Union has coverage of more than 50 but not more than 100 employees under this Agreement 3 employees may be granted leave.
- (c) Where the Union has coverage of more than 100 employees under this award Agreement 4 employees may be granted leave.
- (d) The granting of leave, pursuant to this clause, shall be subject to the employee or the Union giving not less than 25 working days notice of the intention to attend such course, or such lesser period of notice as may be agreed by Pirelli.
- (e) The granting of leave pursuant to this Clause shall be subject to the Process Owner being able to make adequate staffing arrangements amongst current employees during the period of such leave.
- (f) Leave of absence granted pursuant to this clause shall count as service for all purposes of the relevant Award.
- (g) Each employee on leave approved in accordance with this clause shall be paid all ordinary time earnings. For the purpose of this sub-clause, "ordinary time earnings" for an employee means the base rate of pay, superannuation and shift loading which otherwise would have been site payable but excludes overtime.
- (h) All expenses (such as travel, accommodation and meals) associated with or incurred by the employee attending a training course as provided in this clause shall be the responsibility of the employee or the Union.
- (i) An employee may be required to satisfy Pirelli of attendance at the course to qualify for payment of leave, unless the employee would otherwise have been entitled to payment of Annual Leave. The employee who attended the course must complete the required training record documentation.
- (j) In the event a scheduled rostered day off falls within a period of leave approved pursuant to this clause, an alternative day of leave shall be substituted in lieu.



14. Leave for Participation in Delegates Meeting

Subject to the limitations in Clause 13 above the Union delegate or the elected work place representative with more than six months continuous service, with approval of the Union and upon application in writing to Pirelli shall be granted up to 32 hours leave with pay each calendar year, not cumulative, to attend Union Delegates Meetings with Union Officials.

15. Entry of Union Officials to Site

15.1 Any Secretary of the Union or any official authorised by the Union and registered in accordance with the NSW Industrial Relations Act 1996 shall not be prevented by Pirelli from visiting and conversing with the employees working under the Agreement in the dining room at meal times or in change rooms before or after the hours of work provided the union/s have complied with the conditions below. They will also have the right to visit and discuss issues with the Union Delegate provided they have complied with the conditions below:

- (a) On arrival, the Union official shall advise Security and Security shall contact the Union Delegate's manager. In the absence of the Union Delegate's manager, the Plant Manager, Human Resources Manager or other management representative shall be informed. If the Delegate is attending to urgent duties, the Official may be requested to wait.
- (b) The Union official agrees to comply with all safety requirements whilst the Union official remains on Pirelli premises;
- (c) The Union official agrees not to unduly interfere with the continuation of work in progress;

16. Freedom of Choice in Superannuation

16.1 Employees may direct Pirelli to pay the Superannuation Guarantee Levy (Employers Contribution) and personal contributions to a Fund of Choice. The employee shall advise Pirelli in writing of the employees Fund of Choice no more than once in any year.

16.2 The following funds are available to employees for the purpose of this clause:

- (a) Labour Union Cooperative Retirement Fund;
- (b) Superannuation Trust of Australia;
- (c) Life Track Superannuation Fund (AM Corporation); and
- (d) BT Funds Management.

17. Income Protection Insurance Scheme

Pirelli will continue to provide an administrative framework which allows employees to have automatic deductions from their pay to occur so as to allow employees to contribute a proportion of their income to an insurer of their choice for the purpose of effecting income protection insurance.

PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

Contributions may be made on a salary sacrifice basis.

18. Payment of Overtime for Employees Engaged on 12 Hour Shift Rosters

Overtime for employees engaged on 12-hour shift rosters shall be paid at the rate of double time and shall continue as implemented on 28 April 1999.

19. Payment for Shift Workers Not Required to Work on Public Holiday

Where Pirelli requires a shift worker to take a Public Holiday on the day the Holiday occurs the shift worker shall be paid their normal earnings, including shift allowances, for the shift (excluding overtime).

20. Shift Loading Whilst on Annual Leave

Whilst on Annual Leave an employee shall be paid as if rostered to work. If the shift allowance applicable to the roster at the time of the Annual Leave exceeds the Annual Leave Loading the shift allowance shall substitute the Annual Leave Loading. The employee is only entitled to be paid one of these allowances.

21. Continuation of Income Whilst Workers Compensation Claim is Being Processed

Employees injured during the course of their employment shall be allowed to draw on accrued sick, annual and Long Service leave whilst a claim for Workers Compensation is being processed so that continuation of income is not disrupted.

On acceptance of liability for the claim by the Workers Compensation Insurer the employee will be re-credited with the accrued leave utilized to maintain income continuity. Pirelli will endeavour to ensure that Workers Compensation claims are processed promptly.

22. Contracting Out of Activities

Pirelli's stated policy is to maintain a core competent maintenance workforce. The maintenance workforce will actively participate in the improvement of operator competencies so that the full benefits of autonomous preventative maintenance can be achieved with particular focus on TPM, continuous improvement activities and training, autonomous preventative maintenance and an increased knowledge of machine operating procedures.

In the event of the need to contract out any activities performed by employees covered by this Agreement, the issue will be discussed with the union and employee representatives.

23. Utilisation Of Temporary Labour

In all businesses there are peak periods of operation. These peak periods result from specific projects that need to be undertaken, extraordinary production and distribution requirements and peak loading of the permanent workforce. The parties acknowledge that good business practice is to meet these peak demands through the utilisation of temporary labour either engaged directly on Pirelli's payroll or through a business registered in the provision of

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ENTERPRISE AGREEMENT 2001-2003

temporary labour.

When Pirelli has the need to utilise temporary labour the temporary employee will be paid no less than the appropriate Pirelli site rate for the work that they are performing.

Pirelli management will advise the appropriate union delegate when temporary labour is required to meet operational requirements. In cases where temporary labour is being utilised at short notice to cover the absence of an employee due to illness, annual leave or unauthorised absence the parties agree that advice to the union delegate prior to commencement of the temporary employee may not in all cases be possible. However, every effort will be made to give this advice.

24. Apprentices

Pirelli is committed to the development of skilled tradespeople for the maintenance of its plant and equipment. As part of this process the company will investigate re-introducing apprentices into the business. The number and trade type of the apprentices will be determined during this investigation.

Apprentices will continue to receive paid training. Apprentices will be indentured through a contract of training governed by vocational training orders as determined by the NSW Department of Training and Education Co-ordination. The payment of wages shall follow the principles of the Federal Metal Industry Award, however the percentage will be based on the Pirelli C10 rate rather than the award rate. Training delivered will be training recognised by the appropriate Industry Training Advisory Board and be of a nationally consistent and portable nature.

The company shall reimburse all TAFE fees and prescribed text book costs of the Apprentice subject to the appropriate competency achievement and receipts being produced.

25. Clothing

Measurements for company clothing will be finalised by the end of February each year to allow orders to be placed and issues to be completed by mid April. The timing of the issue will be subject to supplier availability.

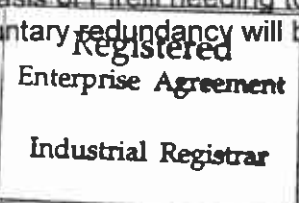
26. Redundancy

26.1 Identification of Redundant Positions

A position will be identified as redundant when it has been determined that the work being performed by the position is no longer required in its current form.

26.2 Selection Of Redundant Employee Where There Is More Than One Employee In Identical Positions

The selection of employees to be redundant will be on the basis of Pirelli needing to retain skills and experience for its ongoing viability. Applications for voluntary redundancy will be



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ENTERPRISE AGREEMENT 2001-2003

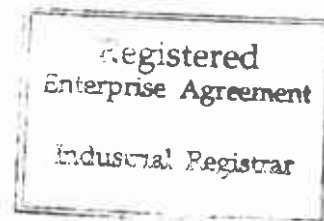
considered in light of Pirelli's need to retain skills and experience.

26.3 Termination Of Employment Based On Redundancy

When an employee is advised that their services are to be terminated on the basis of redundancy the advice will be provided to the employee along with an estimate of redundancy payment.

26.4 Severance Payments

- (a) When the Company terminates an employee's services on the basis of redundancy the employee will be paid a redundancy benefit based on the employee's salary applicable at the time the employee is advised of their retrenchment. The benefit will consist of:
- (i) If the employee is not required to work out the notice period, a payment of 4 weeks in lieu of notice will be made or the appropriate pro-rata proportion;
 - (ii) a number of weeks pay, per completed year of service in accordance with the Redundancy Payment Table, plus;
 - (iii) pro-rata payment for completed months of service in accordance with the pro-rata Payment Table, plus;
 - (iv) Annual Leave Loading, where loading is paid in addition to the base salary, for all untaken (entitlement and pro-rata) Annual Leave;
 - (v) Untaken accrued Sick Leave;
 - (vi) where an employee has in excess of 12 months continuous service, a pro-rata or full payment equivalent to the employee's accrued Long Service Leave, if any, based on the formula of 13 weeks Long Service Leave after 15 years continuous service.



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD
ENTERPRISE AGREEMENT 2001-2003

(b) **Redundancy Payment Table**

1	Complete Years of Service	1	2	3	4	5
	Weeks Payment	7	10	13	16	20
2	Complete Years of Service	6	7	8	9	10
	Weeks Payment	24	28	32	36	40
3	Complete Years of Service	11	12	13	14	15
	Weeks Payment	44	48	52	56	60
4	Complete Years of Service	16	17	18	19	20
	Weeks Payment	64	68	72	76	80
5	Complete Years of Service	21	22	23	24	25
	Weeks Payment	80	80	80	80	80
6	Complete Years of Service	26	26+			
	Weeks Payment	82	3 Weeks for each additional years service			

26.5 Pro-rata Payment Table

Retrenched employees will be entitled to pro-rata payments for completed months of service in accordance with the following scale:

Period	Additional Weeks Payment for Each Completed Month of Service
Less than 4 years continuous service	0.25 weeks
4 to less than 20 years continuous service	0.33 weeks
20 to less than 25 years continuous service	0.00 weeks
25 to less than 26 years continuous service	0.16 weeks
26 or more years of continuous service	0.33 weeks

PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

26.6 Outplacement

Employee's terminated on the basis of redundancy with more than two years service will be offered the services of an Outplacement Consultant at the time they are advised of the termination of their employment. The Company will meet the cost of the Outplacement Consultant selected by the Company up to a maximum fee of \$2,000.00.

27. Dispute Resolution Procedures

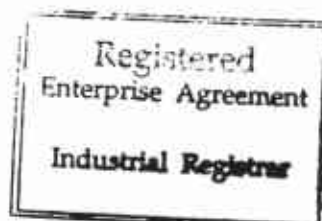
27.1 The following procedures shall be observed for handling grievances and settling of disputes.

- (a) In the first instance, the employee shall discuss matters with their Process Owner.
- (b) If the matter is not resolved, the accredited Union Delegate shall discuss matters affecting the employee they represent with the Process Owner of those employee.
- (c) If the matter is not resolved at this level, the accredited Union Delegate shall ask for it to be referred to the Plant Manger, and the Process Owner shall do so. The site Plant Manager shall arrange a conference to discuss the matter within 24 hours or such other period as is reasonable with the accredited Union Delegate.
- (d) If the matter remains unresolved after the conference convened under Sub-clause 26.1(c), the accredited Union Delegate shall advise the appropriate local official of the Union of the matter. A conference on the matter will then be arranged, to be attended by such official or officials and the Union Delegate concerned, (as the Union may decide) and by the Human Resources Manager, Process Owner and such other representatives of Pirelli as the Plant Manager may decide.
- (e) If the matter has not been resolved and the procedures referred to above have been availed of, Pirelli and the Union should enter into consultation about it at a higher level, with the employer and the Union, as the parties consider appropriate.
- (f) At any stage in the procedures after consultation between the parties has taken place as required by the procedures, either party may ask for and be entitled to receive a response to their representations within a reasonable time. If there is undue delay on the part of the other party in responding to representations, the party complaining of delay may, after giving notice of intention to do so, take the matter to the next level.
- (g) Without prejudice to either party, and except where a bona fide safety issue is involved, work shall continue in accordance with the status quo while matters in dispute are being discussed in good faith. Where a bona fide safety issue is involved, Pirelli Management must be notified immediately of employee concerns and employees shall work as redirected by Pirelli.

PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

- (h) The parties may only seek the assistance of the New South Wales Industrial Relations Commission at any stage after the steps up to and including 26.1(g) have been completed. The Commission may conciliate and where necessary arbitrate on the issue in dispute. A decision of the Commission is binding on the parties saving ordinary rights to appeal the decision.



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

28. Changes in Rates and Allowances

28.1 Rates of pay will be increased during the life of this Agreement as follows:

NUW

	Award Rate	Pay Rate as at 31 May 2001	Pay Rate as at 1 June 2001 (5% increase)	Pay Rate as at 1 June 2002 (5% increase)
Grade 1	413.40	572.20	600.85	630.90
Grade 2	430.00	584.35	613.60	644.30
Grade 3	452.60	608.70	639.15	671.10
Grade 4	473.50	627.00	658.35	691.30
Grade 5	492.70	657.35	690.25	724.80
Grade 6	507.20	706.10	741.40	778.50

CEPU

	Award Rate	Pay Rate as at 31 May 2001	Pay Rate as at first pay period on or after 1 June 2001 (5% increase)	Pay Rate as at first pay period on or after 1 June 2002 (5% increase)
C5 Elec	\$630.40	\$934.85	\$981.60	\$1030.70
C6	\$609.50	\$884.20	\$928.40	\$974.85
C7	\$567.80	\$832.70	\$874.35	\$918.10
C8 Elec	\$548.90	\$806.45	\$846.80	\$889.15
C9	\$528.10	\$758.76	\$796.70	\$836.55
C10 Elec	\$507.20	\$752.29	\$789.90	\$829.40
C12		\$658.65	\$691.60	\$726.20

The above rates are the rates applying after 1 year's service. New recruits commence on a rate which is \$10 per week less with an increment of \$5 after six months and an additional \$5 six months later.



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ENTERPRISE AGREEMENT 2001-2003

28.2 A new allowance of \$20 per week will be introduced to acknowledge the duties of an Occupational First Aid Officer. In order to be eligible to receive this allowance, employees need to have successfully completed the Occupational First Aid course. The number of officers required to be trained at this level will be determined by Pirelli and eligibility to receive the allowance is reliant on the employees performing the following duties:

- ◆ The first aid room is to be regularly maintained as required (weekly as a minimum), this will include but not be limited to :
 - ◆ Neat and tidy appearance of first aid room
 - ◆ Equipment in correct locations
 - ◆ First aid log book in order with sufficient availability of pages for the log book and accident/incident report forms
 - ◆ Ensuring accident/incident report forms left in the first aid room are forwarded to the relevant Process Owner
- ◆ Meet with first-aid supplier when required
- ◆ Monitoring and maintenance of stock levels of first aid kits and first aid room

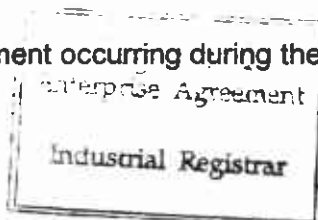
28.3 The shift allowance for permanent afternoon shift employees covered by the Rubber Workers State Award will be amended to 15% of their ordinary base pay as opposed to 15% of the Award rate.

28.4 The parties agree that over the life of the Agreement that the following allowances will be increased by same percentage rate as is agreed upon for any pay percentage increase under this agreement and will commence on the same effective days:

- (i) First Aid and Occupational First Aid
- (ii) Meal Allowance
- (iii) Motor Vehicle Allowance
- (iv) Meal Allowance Holidays and Sundays
- (v) Tool Allowance - Tradesmen and Apprentices
- (vi) Team Leader Allowance
- (vii) Forklift Allowance.

29. Absorption

Any National Wage and/or Living Wage adjustment occurring during the term of this Agreement



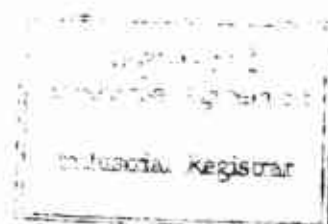
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will not be applied to rates of pay applying under this Agreement.

30. No extra claims

It is a term of this Agreement that the Parties will not pursue prior to the nominal expiry date of the Agreement any extra claims, pay or allowance increases.



PIRELLI TELECOM CABLES & SYSTEMS AUSTRALIA PTY LTD

ENTERPRISE AGREEMENT 2001-2003

Executed by **Pirelli Telecom Cables & Systems Australia Pty Limited of The Parade Dee Why NSW** by or in the presence of:

Caroleann Forrest

 Signature of Authorised Person

CAROLE ANN FORREST

 Name of Authorised Person

GROUP HUMAN RESOURCES MGR

 Office Held

Henry Allen

 Signature of Witness

HENRY ALLEN

 Name of Witness

22 - 10 - 01

 Date

Executed by **National Union of Workers (NSW Branch) of 3-5 Bridge Street, Granville NSW** by or in the presence of:

Andrew Joseph

 Signature of Authorised Person

ANDREW JOSEPH

 Name of Authorised Person

ACTING STATE SECRETARY

 Office Held

Bob Singh

 Signature of Witness

BOB SINGH

 Name of Witness

24 - 9 - 2001

 Date

Executed by **Communication, Electrical, Electronic, Energy, Information, Postal, Plumbin and Allied Services Union of Australia, Electrical Division, NSW Divisional Branch, of 370 Pitt Street Sydney NSW** by or in the presence of:

B. Riordan

 Signature of Authorised Person

Bernie Riordan

 Name of Authorised Person

Secretary

 Office Held

Rebecca Mifsud

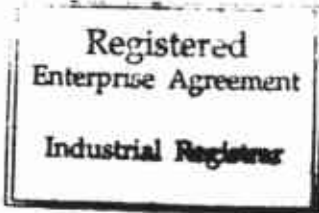
 Signature of Witness

Rebecca Mifsud

 Name of Witness

9 October 2001

 Date



IMPLEMENTATION PLAN

PREAMBLE

The following implementation plan covers the general rules and conditions under which the new classification structure will operate. However, it is acknowledged that further discussions need to take place on the actual criteria for the new structure (ie the skills content for each level). All parties have agreed that discussions will continue on the criteria for a further three months following the Enterprise Agreement being finalised.

If, during the three month period, all parties wish to make improvements on the following Implementation Plan, this can be done but this will require the agreement of all parties.

1. Commitment to Training

Employees shall not unreasonably refuse to participate in training initiatives that will enable workforce flexibility and the implementation of technological change.

2. Reclassification of Employees

- (a) Employees will be classified in accordance with the degree of their skill and responsibility within the Skills Levels. To progress to a higher level, an employee will be required to demonstrate their ability to meet all the assessment criteria for the higher grade.
- (b) Employees will be transitionally allocated a classification level based on their current skill sets. Where employees have been classified at a lower level to their current pay rate then the Employee will have up to two years to gain qualifications to a classification level which represents their current pay rate. This in effect is up to a two year non-reduction provision.
- (c) Should an employee unreasonably refuse to undertake training or to apply new skills then the employee will be classified according to their actual skill set, however, their pay rate will remain unchanged until the classification pay rate for their actual skills overtakes their actual pay rate through EBA increases.
- (d) Pirelli shall provide access to training for employees to enable them to determine their current skills against the new classification levels assessment criteria. Where skills match the new levels then the employee will be reclassified to the new level. Where skill sets are higher than the transitional assessment the employee will

move to the higher classification level. Where skill sets are lower then paragraphs (b) and (c) will apply.

- (e) Employees may be required to perform duties within the skills structure provided that such change in duties shall not be designed to de-skill the employee. Progression to a higher Level within the structure shall be dependent on the employee satisfying Pirelli with respect to their skills level, together with a position being available at the higher Level.

On engagement or thereafter, an employee who wishes to have their previous employment experience taken into account for the purposes of being graded within the Skills Levels, shall have the responsibility for providing proof of such experience, if required, to Pirelli.

The reclassification of employees shall be determined primarily by Pirelli, where a reassessment is sought by an employee then the matter shall be referred to the Training Committee for resolution with the employee. This committee will follow the normal grievance and dispute procedures as contained in the Certified Agreement.

3. Performance Of Duties

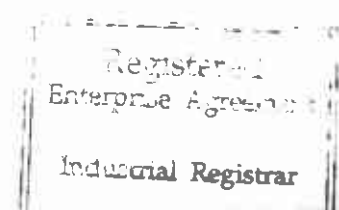
Subject to this Agreement, employees are expected to perform and will be paid for those duties for which they are employed and which are within their competence to perform. All employees must be capable to carry out the work expected at their classification level.

Skills Levels and Mobility

- a) It is understood and accepted by Pirelli and employees that all activities undertaken within and across the Skills levels shall be done so by capable and suitably qualified personnel.
- b) Employees may be required to perform a wide range of duties/tasks. It is not intended employees regularly and consistently perform tasks at one machine or in one location Employees acknowledge that dependant on operational needs they will work as directed by and where directed provided such direction does not result in de-skilling of the employee. Where an employee is directed to move from one process to another process then such a direction will not be taken to be de-skilling of that employee.

3. Review Of Skills, Responsibilities And Performance

The parties agree that periodic reviews of the skills, responsibilities and performance of employees shall be conducted as required to ensure employees know how to apply their skills to operate machinery and use substances safely and correctly.



4. Commitment To Review And Develop Career Paths

- a) Consistent with the development of the new classifications levels, the parties commit to co-operate in the development of new and improved career paths which complement the skills, tasks and responsibilities associated producing the highest quality cables and systems and promote efficiency and productivity gains.
- b) The classification structure and associated career paths reflect the need for flexibility, progressive development of skills, multi-skilling and the performance of incidental and peripheral work by employees.

5. Entry Level Skills

This level identifies the core competencies required for employees. Employees are required to demonstrate the entry-level skills outlined before moving into a process stream for formal training on specific processes.

In Manufacturing there are three main areas that new employees may be assigned to within the first three months. This assignment will be dependent upon the business requirements at the time of commencement. In addition Employees are required to spend one week observing all areas in manufacturing. For Manufacturing it will be a requirement that all new employees have a forklift license prior to joining the company or obtain one within the first three months of employment.

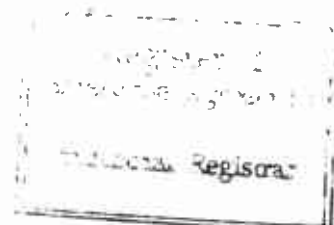
In Logistics the entry level skills have been specifically outlined for all new employees.

6. Common Skills

Common skills have been identified as entry level requirements, however it is expected that ALL employees will need to attend refresher training to maintain current levels of knowledge and understanding in these areas.

There are four main areas that common skills training will cover, these are:

- Occupational Health and Safety
- Environmental Issues
- Quality
- Productivity



7. Requirement for Credit of Skills Criteria

In order to be credited with the specific skills at a particular Cabler level all employees must be able to demonstrate a satisfactory level of competence in ALL of the skills criteria outlined.

At reclassification in the new structure credit will not be given for skills that have not been used in the previous 12 months at the time of assessment. If employees feel they have not been credited with machine skills which they believe they have, they will advise their process owner and will be given the opportunity to be assessed on those skills.

8. Credit of Cross Skills

The issue of credit of cross skills will be reviewed by the Classification Committee over the three month period during which all parties are continuing discussions on the criteria of the structure.

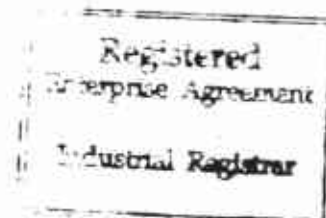
9. Guidelines for the Development of Individual Training Plans

Each employee's training plan will be reviewed annually.

In the initial stage of implementation ALL employees will sit down with their Process Owner and discuss a structured training plan. Training plans will be developed by identifying the following:

- what process stream they are to be allocated to
- what current skills they have
- what is their allocated Cabler level and why
- what training is required
- what training opportunities exist

Employees will be encouraged to participate in the development of their individual training plan. The Employee and Process Owner will then discuss the training program, which best suits the business needs with consideration as to the needs of the employee. The training plan will be issued to the Employee and Process Owner and a copy kept on individual's training files. The process of finalising an individual training plan may involve a number of meetings.



10. Structured and Measurable Training Plan

Each individual training plan will form part of a larger Manufacturing & Logistics training plan. These training plans will be monitored on a monthly basis to ensure that all training targets are being met. The training must be flexible enough to respond to the changing needs of the business.

11. Training Period

Employees will have up to two years from the date that the new classification structure is implemented to undergo training to maintain and increase the skill levels required for the appropriate Cabler level pay rate.

Employees who cannot meet the requirement of the training identified because of personal difficulties will be provided with additional support and/or be considered for assessment into alternate process streams that better suit their capabilities.

Individual training plans will be scheduled so employees will be provided with training opportunities within the two-year training period. Employees who do not complete training within the 2-year period must be able to demonstrate a reasonable barrier to the completion of their training. Otherwise they will revert to the relevant Cabler level pay rate.

Employees who can demonstrate a reasonable barrier to completion of training will be able to revisit their individual training plan with their Process Owner and may be given up to an additional 6-MONTHS to complete their training requirements.

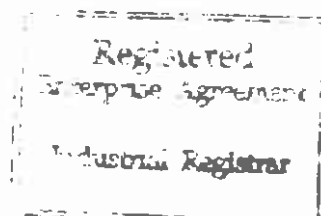
12. Setting Training Priorities

Training will be organised by Process Owners and Process Coordinators to best suit the needs of the business. Every effort will be made to ensure all employees are treated equally when setting training priorities, but priorities will be determined by the business needs.

All employees will continue to be required to show other employees how to perform certain tasks associated with the operation of a machine or with daily work. This is a well-established practice and will continue to be a key feature of everyone's work activity in the future.

However, it is recognised that without any formal training in how to train others the quality of such training will vary from operator to operator. It is therefore intended that as a training priority all employees will be trained in basic methods of how to train others.

During the initial two-year training period employees with skills in another process stream may be called upon to use those skills either for training and/or production purposes.



13. The Scrapping of Machines and/or Area Transfer

Should an Employee be transferred to a new process stream, or if a machine is scrapped, then those skills are no longer applicable and the following will occur:

- a) If a machine is scrapped then employees will be given up to 6- MONTHS to retrain on another machine/task to retain credit for the machine/task that has been scrapped.
- b) The employee will retain their pay rate during this 6-MONTH period. A training schedule will be developed with the Process Owner and the individual and will be based on the business needs and skills required at the time of scrapping a machine.
- c) If a new mix of skills is required in the future due to changing customer needs, opportunities to change process streams will be offered on a voluntary basis, however if there are insufficient volunteers, employees may be directed to transfer to a new process stream. In such cases, employees will be required to undertake training and upskilling in their new area as per the training criteria in accordance with the training timetable. During this training period the employee will retain their pay rate.

14. Payment for New Skills

Payment for new skill levels is to occur on the first pay period on or after the day that the employee has been successfully assessed as competent in all criteria for that level.

15. Rotating to Keep Skills Current

It will be the responsibility of Process Owners to ensure that employees rotate on machines to maintain skill levels within a process stream.

In order to train other employees it will be necessary to move employees from their current area of work. To achieve and maintain flexibility, job rotation must take place.

16. Requirement to Undertake Further Training

In accordance with the current Certified Agreement clause 13.6, 13.7 and 13.8 the Company may direct employees to carry out all duties that are within the limits of the employee's skills, competence and training. Any direction issued by the Company in pursuit of these clauses shall be consistent with the responsibilities to provide a safe and healthy working environment,

Accordingly where a direction is given to undertake training within the agreed criteria of the classification structure, employees acknowledge that they are obliged to undertake that training

When all employees have been trained to the criteria which will be set in the new classification structure, any future training opportunities will be advertised.

17. Resolving Grievances and Disputes

All disputes will be dealt with through the Training Committee. This committee will follow the normal grievance and dispute procedures as per the current and proposed Certified Agreement.

18. Injured Workers

Work related injuries

Where employees injure themselves at work they will continue to be credited with all skills acquired prior to the injury. A rehabilitation plan will be developed with the employees that will assist in the return to pre-injury duties.

Registered
Industrial Registrar