

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/334

TITLE: Mitre 10 Australia Limited (New South Wales) Registered Enterprise Bargaining Agreement 2002/2004

I.R.C. NO: IRC02/5225

DATE APPROVED/COMMENCEMENT: 17 October 2002/1 August 2002

TERM: 31 July 2004

NEW AGREEMENT OR VARIATION: New

GAZETTAL REFERENCE: 22 November 2002

DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees at Mitre 10 Australia Limited's distribution centre at Newton Road, Wetherill Park, NSW, who fall within the coverage of the Storemen and Packers, General (State) Award

PARTIES: Mitre 10 Australia Ltd -&- National Union of Workers, New South Wales Branch



Ex 2
17/10

MITRE 10 AUSTRALIA LIMITED
(NEW SOUTH WALES)

REGISTERED ENTERPRISE BARGAINING AGREEMENT
2002/4



MITRE 10 AUSTRALIA LIMITED
Registered Enterprise Bargaining Agreement

Part 1 Application and Operation of Agreement

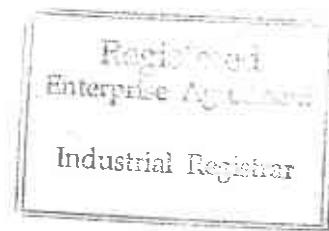
1.1 Agreement Title

This Agreement shall be known as the Mitre 10 Australia Limited (New South Wales) Registered Enterprise Bargaining Agreement 2002/2004.

1.2 Arrangement

This Agreement is arranged as follows:

- 1.1 Agreement Title
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- 1.4 Re-negotiation of Agreement
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- 1.4.2 Collective negotiations
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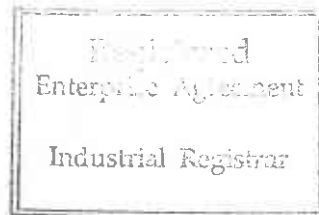
Part 6 Leave of Absence and Public Holidays

- 6.1 Holidays
- 6.1.2 Make up time

Part 7 Union Related Matters

- 7.1 Union Representation
- 7.2 Union Membership
- 7.3 Deduction of Fees

Part 8 Sick Leave Incentive.



1.3 Period of Operation

This registered agreement shall take effect from the 1st day of August, 2002 and shall apply until the 31st July 2004 and thereafter until rescinded or replaced.

1.4 Re-negotiation of Agreement

1.4.1 Re-negotiation: The parties agree to commence negotiations for a new collective arrangement to succeed this agreement at least 3 months before the nominal expiry date of this agreement. The parties intend to conclude these negotiations prior to the nominal expiry date.

1.4.2 Collective negotiations: The negotiations will be conducted on a collective basis between the parties with the negotiated outcome being subject for approval to a vote of the employees collectively.

1.5 Area and Incidence of Agreement

This Agreement shall apply to all employees at the company's distribution centre at Newton Road, Wetherill Park (NSW) during the life of the Agreement and whose employment is governed by the Storemen and Packers General (State) Award.

1.6 Parties Bound

The parties to this Agreement are:-

- (i) **The National Union of Workers, New South Wales branch;**
- (ii) **Mitre 10 Australia Limited**
- (iii) **All employees referred to in Clause 1.5.**



1.7 Relationship to Parent Award

This Agreement shall be read in conjunction with the Storemen and Packers General (State) Award but shall override it to the extent of any inconsistencies.

PART 2 AGREEMENT OBJECTIVES

2.1 Objective

The parties to this Agreement are committed to achieving improvements in productivity, efficiency and flexibility which in turn will increase the company's competitiveness and offer secure and worthwhile employment for employees.

It is recognised that both Mitre 10 Australia Limited employees and the National Union of Workers, NSW Branch need to adopt a consultative and participative approach to increase efficiency and sustained productivity across the Warehouse operations.

All employees covered by this Agreement should apply themselves in a responsible manner to ensure they are available for work at the times required, with a positive attitude to perform the duties as allocated.

2.1.1 Measures to achieve gains in productivity, efficiency and flexibility

This Agreement is aimed at the promotion of efficiency, flexibility and productivity gain in the workplace. This Agreement facilitates and has as its foundation the acceptance by all parties that continuous improvement of the workplace, the product and the

workforce should be pursued through the development of a Consultative Enterprise Culture.

The parties accept that the provisions of this Agreement will establish the framework for the implementation of a modern efficient enterprise.

The parties agree that the objective is to achieve sustainable improvements by:

- (i) Encouraging high levels of skill, innovation and excellence amongst all employees.
- (ii) Improvement in the issues of quality, technology, work organisation, management practices, product deliveries, time and cost performance, education and training
- (iii) Maintenance of harmonious and productive working relationships which include commitment and success.
- (iv) Promotion of measures to eliminate disputation, employee turnover, absenteeism and safety issues or injuries.
- (v) Elimination of waste in materials, time, energy and equipment.

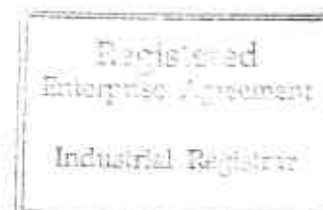
The parties agree to develop/implement, monitor and review the type of performance indicators and productivity definitions required to facilitate the continuous improvement process. This will require the use of information from various sources; ie historical data, measured work data and input from employees.

They may take the following forms, i.e.

- (i) Direct labour costs; - accurate recording of stock locations and correct storage of stock
- (ii) Waste; - Reduction in picking errors and in broken and damaged stock
- (iii) Fuel economy; -Efficient and safe use of Forklift and other motorised equipment
- (iv) Maintenance and durable item costs; - Consistent achievement of warehouse housekeeping standards;
- (v) Recording data; - Accurate recording and efficient administrative procedures;
- (vi) Delivery efficiencies etc; - Ensure all orders are supplied in full and on time to customers.

The parties agree that, in an attempt to address Employee "concerns" regarding equipment within the warehouse, the following procedures shall apply:

- (i) Where an employee identifies a work issue which either impedes his/her work progress or can improve efficiency, then this issue will be raised with the employee's Supervisor.
- (ii) A response will be provided within five (5) working days, however if this response is deemed unsatisfactory, the issue will be raised with the Logistics Centre Manager.
- (iii) Failure to resolve the matter at this level will then result in the issue being addressed by the Site Consultative Committee.
- (iv) A grievance arising at any stage during the process will be handled under the Dispute Resolution Clause contained in Clause 3.1.



PART 3 COMMUNICATION, CONSULTATION AND DISPUTE RESOLUTION

3.1 Dispute Resolution

- (i) Any dispute arising out of employment shall be referred by the Shop Steward or an individual employee to the nominated Supervisor/Manager as appointed by Mitre10 Australia Limited for this purpose, with a view to resolution of the dispute.
- (ii) Failing settlement at this level between the Company and the Shop Steward on the job, the Shop Steward shall refer the dispute within 24 hours to the Union organiser who will take the matter up with the Operations Manager of the Mitre 10 Australia Distribution Centre at Newton Road, Wetherill Park

All reasonable efforts shall be made by the Operations Manager and the Union Organiser to settle the matter but failing settlement the Union organiser shall refer the dispute to the Union Secretary to take up with the State Manager, of Mitre 10 Australia Limited NSW.

- (iii) At any time either party shall have the right to notify the dispute to the Industrial Registrar, and the parties agree, subject to any right of appeal approved by the Industrial Relations Act 1996 (NSW), to be bound by any arbitrated decision of the Industrial Relations Commission of NSW.

3.2 Consultative Committee

The Committee shall comprise of 3 representatives from the Storeworkers and 2 representatives from Mitre10 Australia management. The Committee shall meet every 3 months during the life of the Agreement to discuss on-going improvements in the distribution centre and other matters arising under the Agreement.

PART 4 EMPLOYER AND EMPLOYEE'S DUTIES, EMPLOYMENT RELATIONSHIP AND RELATED ARRANGEMENTS - WAGES AND RELATED MATTERS

4.1 Classifications

4.1.1 It is expressly intended by the parties that this Clause will displace Clauses 4 and 5 of the Award ("Classification" and "Transitional Provisions / Classification Objectives").

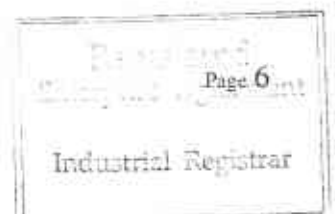
4.1.2 General:

The parties acknowledge that where an employee ceases to meet performance requirements of his/her current classification, the employee's classification may be lowered.

Mitre 10 Australia Limited agrees:

- (i) that this will not occur without consultation with the employees and at the employers request , the union shop steward or organizer and unless:
- (ii) A ninety (90) days trial be provided by the employer to ascertain competency at current Level, of the employee
- (iii) With twenty-eight (28) day's notice provided before any action would be taken.
- (iv) In the final event of a dispute, then the dispute procedure would apply.

All storeworkers covered by this Agreement shall be classified as follows:-

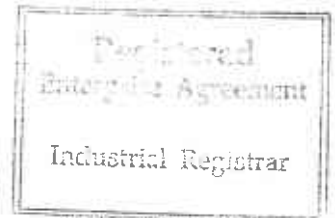


**Storeworker 1 - (All storeworkers will be employed initially on Storeworker 1 level.)
Induction Level - to be worked for a minimum of 2 weeks.**

- **duties requiring limited skill levels.**
 - basic cleaning
 - sorting
 - replenishment
 - packing
- Storeworkers who only perform the above basic duties, could remain at level 1
- **training program to prepare storeworkers for level 2**
 - Inducted in a training program which will enable progress to Storeworker 2 level. (refer to Storeworker 2 duties).
 - The length of time a storeworker will remain at level 1 will be determined by his/her ability to learn and perform functions to the required level of competency, and will be for a minimum of three (3) months.

Storeworker 2 - (can cover the following functions)

- picking
- packing
- checking
- putaways
- bringdowns



- (a) Is responsible for quality of his/her own work and is able to understand and satisfactorily complete detailed instructions from his/her supervisor.
- (b) Is able to work in a team environment to achieve a set goal
- (c) Undertakes duties in a safe and responsible manner
- (d) Is able to maintain equipment under his/her control in a safe and workable condition, at all times
- (e) Has the necessary skills and licence to operate one or more of the following:
 - a high rise picker
 - pallet truck
 - ride and reach
 - electric fork liftin a safe manner in at least one area or work
- (f) Has the consistency and competency to maintain the productivity benchmark (Refer to Appendix A) in the area he/she works. (Benchmark to be determined and agreed to by both management and committee)

Storeworker 3 - (is multi-skilled in an area)

Definition of multi-skilling:

Multi skilling is where a person shows willingness to be trained in a number of functions.. The person will be given the opportunity to learn and become skilled at these functions. After a nominated period, he/she will be assessed in relation to a competency level (to be determined). When this level is reached, it will be recorded in his/her training file. When the person has been trained in all skills for a specific area, e.g. 'receiving', and assessed as competent, he/she will be identified as **multi-skilled**" and will be recognised as a **Storeworker, Level 3.**

- (a) Able to carry out all duties as set out in Storeworker Level 2
- (b) Is able to complete and perform duties in a given area, consistently and competently at the benchmark or above, of that area

- (c) Perform all functions to a high degree of efficiency, e.g. minimum errors, prevention of damage, able to perform the function the 'first time' with limited supervision
- (d) Is competent in operating all machinery in an efficient manner, with minimum damage to product and racking
- (e) Is competent in performing all functions in receiving, e.g. checker, putaway, bringdown, or shipping, e.g. packing and despatch
- (f) Understands and is responsible for quality control standards.

Storeworker 3.5 – The content to be determined by the Consultative Committee, by October 31st 2002. The new level will enable progression of level 3 workers who have the agreed level 3.5 competencies, to progress to level 3.5.

Storeworker 4 - (accepts a responsible role)

Storeworker 4 level is one or more of the following:

- multi skilled in all areas
 - a specialist in an area
 - a supervisory position, e.g. captain or leading hand
- (a) Is competent in all areas associated with Storeworker 3
 - (b) Has a high level of interpersonal communication skills which he/she can use to:
 - communicate instructions
 - train staff
 - (c) Able to implement quality control techniques
 - (d) Accepts and is responsible for an area within the warehouse in relation to standard of housekeeping, error rate, damaged stock, warehouse layouts
 - (e) Has the ability to liaise with outside personnel in relation to receiving, despatching and inventory matters
 - (f) Has an appreciation of all aspects of the operation in relation to safety and staff welfare
 - (g) Has a high level of competency in a specific area of responsibility within the warehouse operation (specialist area)
 - (h) capable of doing relief work in other areas of responsibility

Storeworker 5 - (is a specialist role, accepting full responsibility for the position within the warehouse operation)

- Is able to train and develop other storeworkers to perform their functions.
- Has a sound working knowledge of the whole operation
- Is able to converse with customers (Mitre 10 and True Value Members) and suppliers.
- Is able to solve problems where necessary
- Advise management of situations which require attention.

4.2 Skill Enhancement

The parties agree to:

- the process of skills development to enhance the competency and relevant knowledge/skills of the employer's workforce.

- the development of meaningful, challenging and responsible work roles which allows employees the freedom to act and accept accountability for agreed objectives.

4.3 Wage Rates and Classifications

4.3.1 The wages payable to employees covered by this Agreement shall be based on the agreed rates listed below.

4.3.2 The benchmarks Provided on the APPENDIX ' A ' Page 13 shall be set at the 2001/2002 agreed levels, and can only be changed by the consultative committee, these benchmarks will be reviewed by the consultative committee after six (6) months of the introduction of new RF technology, and new benchmarks set, with a review at the start of the second year of the agreement.

Seniors:

Classification Level	Agreement Rate - As of 01/08/02 -	Agreement Rate - As of 01/08/03 -
Induction	5%	5%
<u>Storeworker 1</u>	573.78	602.47
<u>Storeworker 2</u>	591.55	621.13
<u>Storeworker 3</u>	609.85	640.34
Storeworker 3.5	618.99	649.94
<u>Storeworker 4</u>	628.14	659.55
<u>Storeworker 5</u>	646.99	679.34



PART 5 HOURS OF WORK

5.1 Hours

5.1.1 Hours of Work: Day work

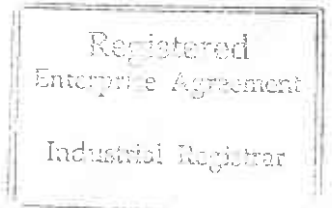
- (i) The ordinary working hours, exclusive of meal times, shall be 38 hours per week, Monday to Friday, worked as follows:
 - (a) The hours to be worked will be between the span of hours, 6.00 a.m. to 6.00p.m.
 - (b) Once having been fixed, the time for commencing and finishing work shall not be altered without at least 7 days notice unless by mutual agreement between the employer and such employees. Where an employee and the employer so agree, the starting time may be varied to an earlier time, to meet the operational requirements of Mitre 10 Australia Limited. Employees required to prepare the Warehouse for the picking process will be required to commence work at 5.00a.m. These hours will form part of the ordinary 38-hour week and will not incur a penalty rate.
 - (c) On rostering employees to commence work at 5.00a.m. Mitre 10 Australia Limited will make its best endeavour to avoid imposing hardship on employees particularly in relation to family responsibilities.

5.1.2 Method of Implementation of 38 hour week:

- (i) The 38 hour week will be implemented in the following way:
Employees shall work 8 hours per day Monday to Thursday and 6 hours on Friday as follows:

Starting and Finishing times:

Monday to Thursday	6.00a.m. to 2.30p.m. or 7.00a.m. to 3.30p.m.
Friday	6.00a.m. to 12 noon or 7.00a.m. to 1.00 p.m.



On Friday, it is agreed that employees forego the usual entitlement to a half hour meal break to enable them to leave the half hour early. A 10 minute paid morning tea break is included in the six hours.

5.1.3 Hours of work : Shift Work

- (i) The ordinary working hours, exclusive of meal times, shall be 38 hours per week, Monday to Friday, worked as follows:
- (a) The hours to be worked will be between the span of hours, 12.00 midday to 12.00 midnight.
- (b) The method of working shifts may in any case be varied by agreement between the employer and the union organizer to suit the circumstances of the establishment. The time of commencing and finishing shifts once having been determined may be varied by agreement between the employer and the employees involved, provided that 28 days notice of alteration is given by the employer to the employees.

5.1.4 Method of Implementation of 38 hour week:

- (i) The 38 hour week will be implemented in the following way:
Employees shall work 8 hours per day Monday to Thursday and 6 hours on Friday as follows:

Starting and Finishing times:

Monday to Thursday	2.20p.m. to 10.20p.m.
Friday	12.00 noon to 6.00p.m.

- (ii) On Monday to Thursday it is agreed that the 30 minute paid cribb break plus a 10 minute paid tea break will take the place of the 30 minute meal break provided for in the award, to enable employees to finish half an hour earlier than would be otherwise necessary to complete the 38 hour week.

On Friday, it is agreed that employees forego the half hour meal break to enable them to leave the half-hour early. A 10 minute paid morning tea break is included in the six hours.

- 5.1.5** For employees working shift, the level of shift penalty as provided for in the Award will apply. The penalty rate will be applied to the wage rates referred to in Clause 4.3 above.

PART 6 LEAVE OF ABSENCE AND PUBLIC HOLIDAYS

6.1 Holidays

- (i) Any day gazetted or proclaimed as a public holiday for the district in which the employee is employed, shall be a holiday.
- (iii) In addition to the holidays specified in subclause (i), of this clause and in lieu of the Picnic Day as specified in the Award, one additional paid holiday shall apply in each calendar year to all permanent full time employees. Such holiday shall be on a day to be decided by the Joint Consultative Committee.

6.1.2 Make-up Time

- (a) Permanent employees may elect, with the approval of the Logistics Manager to work "make-up time", under which the employee takes time off during ordinary hours, and works those hours at a later time, during the spread of ordinary hours provided in Clause 5 above, at the ordinary rate of pay. The amount of make up time will be a minimum of one hour and a maximum of four hours. A record of make up time should be on file and be finalised within a four-week period.
- (b) Shift penalties, additional cribb or tea breaks and allowances are not payable during make-up time, unless they would have applied for the employee's ordinary shift.

PART 7 UNION RELATED MATTERS

7.1 Union Representation

For the duration of the Agreement, Mitre 10 Australia Limited recognises the National Union of Workers NSW Branch, as being the Union that shall have exclusive representation of all employees who are covered by this Agreement. This exclusive representation shall extend to all terms and conditions of the Agreement.

7.2 Union Membership

It is the policy of Mitre 10 Australia Limited that it recommends that all employees covered by the Agreement shall join the NUW,NSW Branch. This includes promoting union membership at the point of recruitment and recommending that all employees remain members of the NUW, NSW Branch.

- 7.2.1** All new employees covered by this Agreement, shall upon induction, be given an application form to join the NUW,NSW Branch and any appropriate literature provided by the NUW,NSW Branch.

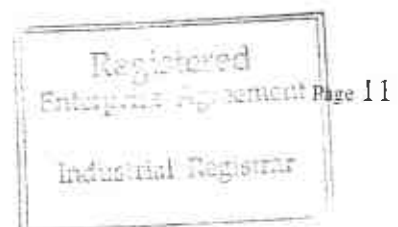
7.3 Deduction of Fees

Mitre 10 Australia Limited undertakes upon authorisation to deduct union membership dues, as levied by the Union in accordance with its rules, from the pay of employees who are members of the Union. Such monies collected shall be forwarded to the Union at the beginning of each month together with all necessary information to enable the reconciliation of crediting of subscriptions to members' accounts.

8.0 Sick leave Incentive:

A 25% Bonus is to be paid on unused annual sick leave providing not more than 50% of an employee's annual sick leave entitlement is taken during twelve-month periods. Paid out days will remain to the employees credit. The employee's Bonus each year is calculated on a stand-alone basis for that year only.

The commencement of the scheme will be from November 1st 2002. This will allow for payment prior to Christmas 2003.



Signatories

SIGNED for and on behalf of
Mitre 10 Australia Limited

M G SPISTEAD
Print name in full

LOGISTICS MANAGER
Title

M G Spistead
Signature

In the presence of:

Michael Sayers
Print name in full

SIGNED for and on behalf of
**National Union of Workers (New South
Wales Branch)**

D Belan
Branch Secretary

In the presence of -

JENNIFER LORD
Print Name in Full



APPENDIX 'A'

Benchmarks:

Performance indicators and measurement:

The parties commit themselves to a process of continuous improvement and set performance indicators and performance standards as a means of measuring what has been achieved and the need for any further improvements.

Receiving Benchmarks :

Function	2002/2003	To be Reviewed in accordance referred to in Clause 4.3.2
Checking	95	
Putaways	45	
Bringdowns	32	
Average	57	

Checking takes into consideration, products sorted before checking commences.

Putaways and Bringdowns take into consideration, travel time between locations.

Shipping Benchmarks :

Zone	2002/2003	To be Reviewed in accordance referred to in Clause 4.3.2
H - Trolley Pick - Mez.	110	
M-Trolley Pick-Ground	110	
T-Pallet Pick-Normal	79	
U-Pallet Pick-Uglies	60	
D-Pallet Pick-D.Goods	95	
X-Pallet Pick-D. Goods	107	
Z-Pallet Pick-D. Goods	100	
P-Pallet Pick-Prom.	62	
Average	90	

The pick rate benchmarks are at the time of signing the agreement and take into consideration the following:

- the RF system
- machinery being used in the particular zone
- travel time in the particular zone
- type of products to be picked from the zone
- housekeeping and error rate

The benchmarks will be reviewed by the Joint Consultative Committee every six months and taking into consideration changes in the workplace such as:

- changes made to warehouse layout and zones
- introduction and deletion of products from the zones
- increased promotional activity and seasonal factors
- improvements in efficiency of RF devices

