

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA03/49

TITLE: Dunlop Flexible Foams (NSW) Enterprise Agreement 2002

I.R.C. NO: IRC2/6529

DATE APPROVED/COMMENCEMENT: 6 December 2002/14 October 2002

TERM: 24 months

**NEW AGREEMENT OR
VARIATION:** Replaces EA01/104

GAZETTAL REFERENCE: 21 March 2003

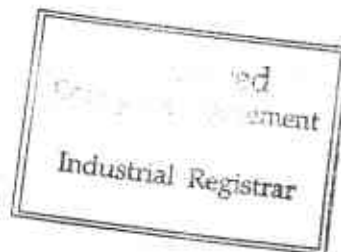
DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees employed at Dunlop Flexible Foams who fall within the coverage of the Rubber Workers (State) Award

PARTIES: Pacific Brands Holdings Pty Ltd -&- the National Union of Workers, New South Wales Branch



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01 NOV 2002

DUNLOP FLEXIBLE FOAMS (NSW)

ENTERPRISE

AGREEMENT 2002



1. TITLE

This agreement shall be known as the Dunlop Flexible Foams (NSW) Enterprise Agreement 2002.

2. ARRANGEMENT

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3. Incidence
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3. INCIDENCE

The incidence of this agreement shall be that prescribed by Clause 47 of the Rubber Workers (State) Award. This agreement supersedes the Dunlop Flexible Foams Enterprise Agreement 2000.

4. APPLICATION

This agreement applies at the single enterprise of Dunlop Flexible Foams located at Lot 103 Frank Street Wetherill Park NSW 2164.

5. PARTIES BOUND

This agreement shall be binding upon:

- (1) Dunlop Flexible Foams, a division of Pacific Brands Holdings Pty. Ltd for their location at Wetherill Park NSW and its employees whether or not members of the organisation listed in (2) of this clause and who are engaged in any of the classifications specified in the Rubber Workers (State) Award.
- (2) The National Union of Workers – New South Wales Branch.

6. DEFINITIONS

In this agreement:

“Agreement” means the Dunlop Flexible Foams (NSW) Enterprise Agreement 2002;

“Company” means Dunlop Flexible Foams (ACN 004085330) of Lot 103 Frank Street Wetherill Park NSW 2164;

“Union” means the National Union of Workers NSW Branch of 3 – 5 Bridge Street Granville 2142;

“Parent Award” means the Rubber Workers (State) Award and any successor thereto;

“Mastery” means able to perform as trained operator and achieve a standard rated performance.

7. OBJECTIVES

The objectives of this agreement are:

- ❖ To promote industrial harmony and co-operation between the Union, the Company and its employees;
- ❖ To provide a framework for the orderly conduct of the business and industrial relations for the purpose of improving efficiency and productivity of the Company;
- ❖ To provide hours of work to maximise efficiency of the Company while providing flexibility for employees; and
- ❖ To provide a framework for grievance resolution at a site level.

8. DATE OF OPERATION

This agreement shall operate from the beginning of the first full pay period, to commence on or after the 14 October 2002 and shall remain operative until 14 October 2004.

9. NO FURTHER CLAIMS

The parties undertake not to pursue any extra claims including National wage case decisions or changes to conditions of employment or any other matters related to the employment of the employees, whether dealt with in the agreement or not, during the period of operation of this agreement.

10. Continuous Improvement Framework:

Objectives:

- (a) to improve productivity through enhanced flexibility and efficiency of employees;



(b) to provide access for all employees to more fulfilling and rewarding jobs through skill acquisition, multi-skilling and removal of restrictive work practices; and

(c) to introduce a manufacturing process which enhances concepts to facilitate the Company's competitiveness.

Continuous Improvement Committee (CIC):

(a) The parties are committed to working for the achievement of productivity improvements at the DFF NSW business. Various employees at the site will participate in the consultative processes relative to their actual work area (either as work groups or as part of a Continuous Improvement Committee) with the objective of improving productivity. These consultative processes will support measures that will make positive progress in the Key Performance Indicators (KPI's) at the site. The areas covered by KPI's, may include but are not limited to:

- Work quality
- Wastage
- Reliability
- Cost effectiveness
- Output
- Time taken to complete tasks
- Safety
- Health and environment measures
- Correct tool usage
- Cost and
- co-ordination of activities so as to minimise time on particular jobs.

These consultative processes will lead to reviewed targets for productivity improvements in the KPIs. The Company will prepare a timetable of fortnightly meetings for the first 12 months with the first meeting scheduled in November 2002.

(b) The parties to this Agreement shall be committed to a continuing process of enhancing efficiency and productivity and through the consultative process, the site will review its operation and implement efficiencies relevant to the business.

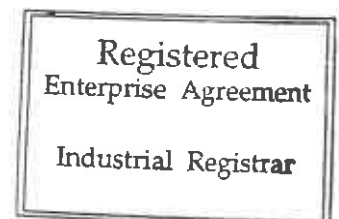
11. HOURS OF WORK

A. Ordinary Hours of Work

The ordinary hours of work Monday to Friday for employees shall be as per the following:

Day Shift:	6.30 am to 3.00 p.m.
Afternoon Shift:	3.00 p.m. to 11.30 p.m.

B Variations to Ordinary Hours of Work



Dunlop Flexible Foam (NSW) Agreement 2002

The ordinary hours of work may be varied as set out below (dependant upon which RDO system is elected) on either an individual or departmental basis across the operation, following consultation between management and employees. Earlier starting times may be agreed for both day and afternoon shift, however later starting times are only applicable to dayshift.

Dayshift 6.00am - 2.30pm
 7.00am - 3.30pm
 7.30am - 4.00pm

Afternoon Shift 2.30pm - 11.00pm

If the hours of work in Clause 11A &/or Clause 11B above cannot be achieved by mutual agreement the company retains the right to move the employee(s) to another operation on site and to train other employee(s) for the vacated position(s)

'Notwithstanding the above during the period of the Agreement the Continuous Improvement Committee (CIC) will discuss a more flexible span of hours for day and afternoon shift in order to better meet the demands of customers and the business.' The changes in hours will be implemented with the agreement of the employees affected.

C. Continuous Shift Work

The Company reserves the right to enter into discussion with employees concerning the introduction of 12-hour shifts in accordance with Clause 16 HOURS OF DUTY of the Rubber Workers (STATE) Award.

12. ROSTERED DAYS OFF

This clause applies only to employees who are covered by this agreement and not engaged as Continuous Shift Workers under section 11C.

(a) No Rostered Days Off during November and December

Rostered days off shall not be scheduled during November and December of any year. Instead such days shall accumulate and, by mutual consent between the Company and the employee, be taken before the end of June in the following year.

(b) Day Shift Only - Right to Elect a 19 Day Month or 20 Day Roster

Day shift employees have the right to elect whether they work 38 ordinary hours per week in either of the following two ways:

- (i) Nineteen (19) days in each four (4) week period with a rostered day off during each period (total 12 RDO days per calendar year); or
- (ii) Twenty (20) days in each 4 week period.



Dunlop Flexible Foam (NSW) Agreement 2002.

Should the employees elect to work in accordance with (ii), the ordinary hours of work shall be either:

- 7.6 hour day on Monday to Friday
for example 6.30 am – 2.36 pm;

or

- Early finish on Friday
For example 6.30 am – 3.00 pm Monday to Thursday
6.30 am – 12.30 pm Friday

(c) Changing From One Arrangement to Another.

Employees are entitled to change their hours of work / RDO arrangements twice each calendar year.

A change in work hours / RDO arrangements, must coincide with the commencement of the work / RDO arrangement cycle.

(d) Rostered Day Off for Day Shift Workers

Rostered days off for day shift workers shall be taken on a Monday, but an alternative day may be rostered by mutual consent between the Company and an employee.

(e) Rostered Day Off for Afternoon Shift Workers

Rostered days off for afternoon shift workers shall be taken on a Friday, but an alternative day may be rostered by mutual consent between the Company and an employee.

(f) Rostered Days off may be Banked

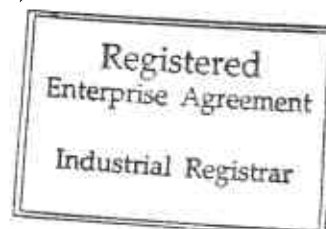
Rostered days off may be banked by agreement up to a maximum of 5 days. Banked Rostered Days Off may be taken at a time mutually agreed to between the Company and the employee.

Banked Rostered Days Off must be taken in the calendar year in which they accrue, and are not to carry over into the next calendar year.

(g) New Employees

New employees will work a 20-day per month work arrangement for the duration of their probationary period from their date of commencement.

When probation has been completed successfully, employees may elect to change to a 19 day cycle by agreement, and have one Rostered Day Off per month,



13. OVERTIME

An employee who is directed to work in excess of ordinary hours may elect, subject to prior agreement between the Company and the employee, either to be paid the appropriate overtime rate or be granted time off in lieu equivalent to the actual hours worked.

Where an employee elects to take time off in lieu of overtime, such time shall be taken within 28 days of accrual, at a time agreed between the company and the employee. Time off in lieu of overtime will not accrue beyond 38 hours. Where time off in lieu of overtime is not taken within the prescribed period, the accrued overtime will instead be paid at the appropriate penalty rate.

14. ELECTRONIC FUNDS TRANSFER

The Company shall pay an employee's wages by electronic funds transfer into a bank or building society account.

15. PAYMENT OF WAGES ON WEDNESDAY OF EACH WEEK

Wages shall be paid each Wednesday night of each week so as to be available the following day.

Any error in payroll to be rectified in cash unless otherwise agreed.

16. AUSTRALIAN STANDARDS

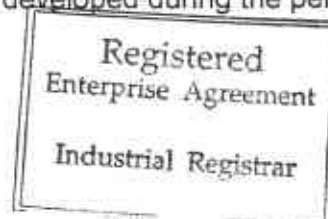
Employees shall fully cooperate with the implementation and maintenance of quality systems in accordance with relevant recognised quality systems or standards (AS/NZ, ISO or other).

17. PRODUCTIVITY OFFSETS

The NUW and employees agree that to the following productivity offsets will commence from 21 October 2002.

- a. Employees will remain on the job until the specified time for morning /afternoon tea break, and will return to work within 10 minutes of commencing the break.
- b. Employees will cease work at the specified mealtime and return to work within 30 minutes.
- c. Nominated employees will cease work 5 minutes before the end of shift for the purposes of cleaning the machines and immediate area.
These offsets mean that employees will pack and wash up in non-paid/working time.
- d. Employees will cease completing the job cards and use the time to Undertake additional productive work as directed.

Additional offsets developed by the Company and /or the CIC will be introduced during the life of the Agreement. The wages increases paid in this agreement are in part compensation for the above offsets and any others developed and no further compensation will be paid in this or subsequent Agreements for offsets developed during the period of this Agreement.



18. CLASSIFICATION STRUCTURE

The following classification levels are to apply at the Company:

Level MP 1 Entry

- ❖ Complete safety and induction training
- ❖ Demonstrate an awareness of safe working practices
- ❖ Demonstrate a basic awareness of products and processes
- ❖ Commence learning basic service skills
 - Housekeeping
 - Manual Handling
 - Identify foam grades
 - Reading tape measures
 - Basic understanding of specification sheet

- ❖ Progress to Level 2 after 3 months service

**Level MP
2 Sub 2a**

- ❖ Show competency in basic service skills of Level 1; and
Commence training in one of the following areas

Off-cut and template selection and storage
Operation of bailing machine
Operation of crumpling and shredding machine
Operation of bull nose bevel and lestro cutting machines
General services duties

Sub 2b

- ❖ Demonstrate mastery in 2 areas of Sub 2a; or
- ❖ Commence training in skills Level 3A

**Level MP 3
Sub3a**



Dunlop Flexible Foam (NSW) Agreement 2002.

- ❖ Demonstrate mastery in 3 or more skill areas of Level 2; or
 - ❖ Have completed training to an acceptable level in one of the following areas:
 - ❖ Mattress and stockinette
 - ❖ Packing
 - ❖ Fabrication
 - ❖ Dispatch loading
 - ❖ Machine assistant

Sub 3b

- ❖ Demonstrate mastery in 2 areas of Sub 3a or
- ❖ Commence training in skill area of Level 4a

Level MP 4

Sub 4a

- ❖ Demonstrate mastery in 3 or more skill areas of Level 3; or
- ❖ Having completed training to an acceptable level in one of the following areas
 - ❖ Vertical cutting machines
 - ❖ Horizontal cutting machines
 - ❖ Contour cutting machines
 - ❖ Forklift operations – Level 2 foam skill a prerequisite
 - ❖ Foam plant assistant
 - ❖ Material planning
 - ❖ Active VDU terminal operations

Level 4b

- ❖ Demonstrate mastery in 2 areas of Sub 4a or
- ❖ Commence training in skill areas of Level 5a

Level MP 5

Sub 5a

- ❖ Demonstrate mastery in 3 or more skill areas of Level 4; or
- ❖ Having completed training to an acceptable level in one of the following skill areas:



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- Multi skilled machine operator – operates all types of cutting machines
- Assistant foam maker (forklift licence a prerequisite)
- Product testing in Foam plant (forklift licence prerequisite)
- Prototype and samples development
- Accredited supervision skills

Sub 5b

- ❖ Demonstrate mastery in 2 areas of Level 5

19.

WAGE INCREASE

- (i) Employees receive three pay increases during the period of operation of this agreement calculated as follows:
 - A \$27 per week increase will be paid by the Company, (which includes the full buy out of the bonus pool) effective from the first full pay period commencing on or after 14 October 2002.
 - A \$20 per week increase will be paid effective from the first full pay period commencing on or after 14 October 2003
 - A \$13 per week will be paid effective the first full pay period commencing on or after 14 April 2004.

Refer attachment A.

20.

CALCULATIONS UNDER PARENT AWARD

The weekly rates of this agreement shall be used for all purposes of the agreement and any applicable provisions of the Parent Award.



21. UNION RECOGNITION

The Company recognises the constructive role that unions have to play within the framework of the enterprise. It also recognises and values freedom of association of individuals.

If employees employed by Dunlop Flexible Foams at the Wetherill Park site wish to join or be represented by the National Union of Workers-New South Wales Branch, the company will recognise this Union as the principle union on this site.

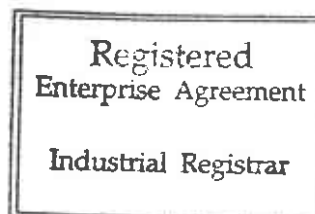
The Company undertakes to introduce all new employees to the local Union Delegate within the employee's induction period.

The Company undertakes to deduct via our payroll and remit Union membership contributions from member's weekly pay on behalf of the Union.

22. GRIEVANCE SOLVING PROCEDURES

The following procedures are designed to resolve grievances at their source.

- (i) Where a grievance arises, the employee shall raise the issue of the grievance with his or her immediate supervisor. The supervisor shall take all reasonable action in an attempt to resolve the grievance.
- (ii) If the supervisor has taken all reasonable action, but the grievance has not been resolved, then as soon as practicable the supervisor shall raise the grievance with the department manager. The department manager shall take all reasonable action to resolve the grievance.
- (iii) If the department manager has taken reasonable action but the grievance still exists, the matter shall be referred to the department executive. The department executive shall do all reasonable things to resolve the grievance and this may include requesting the assistance of a union official and the Human Resources Manager
- (iv) The Industrial Commission of NSW shall be notified if the above steps have not resolved the grievance.
- (v) Employees shall work in accordance with this Agreement and the Parent Award while the procedures in the clause are followed.



RELATIONSHIP OF AGREEMENT AND PARENT AWARD

23.

This Agreement shall be read and interpreted wholly in conjunction with the Parent Award, provided that where there is any inconsistency between this Agreement and the Parent Award, this Agreement shall prevail to the extent of that inconsistency.

24.

SUPERANNUATION

The present agreement between the Company and the NUW regarding employee choice of LUCRF or Pacific Brands Superannuation membership will continue for the life of the agreement.

Fund" - In this clause all references to "fund" shall mean the Labour Union Cooperative Retirement Fund (LUCRF) or the Pacific Brands Superannuation Plan.

At the time they join the company, employees will advise the company of their choice of fund

The employees have the option to change funds should they elect to do so. This can only be done once in any financial year.

D. Belan

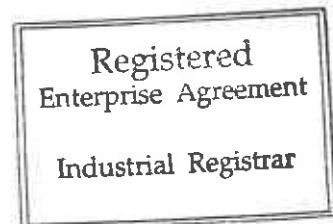
Signed for and on behalf of:
The National Union of Workers.

Date: 5 NOVEMBER 2002

Laura Stain

Signed for and on behalf of:
Dunlop Flexible Foams

Date: 16 October 2002



Dunlop Flexible Foam (NSW) Agreement 2002.

Attachment A.

Rates of pay applicable from the first full pay period commencing on or after 14th October 2002.

Level: MP1	\$516.93
MP2a	\$541.92
MP2b	\$556.98
MP3a	\$575.94
MP3b	\$590.99
MP4a	\$607.41
MP4b	\$622.47
MP5a	\$637.73
MP5b	\$655.14

Rates of pay applicable from the first full pay period commencing on or after 14th October 2003.

Level: MP1	\$536.93
MP2a	\$561.92
MP2b	\$576.98
MP3a	\$595.94
MP3b	\$610.99
MP4a	\$627.41
MP4b	\$642.47
MP5a	\$657.73
MP5b	\$675.14

Rates of pay applicable from the first full pay period commencing on or after 14th April 2004.

Level: MP1	\$549.93
MP2a	\$574.92
MP2b	\$589.98
MP3a	\$608.94
MP3b	\$623.99
MP4a	\$640.41
MP4b	\$655.47
MP5a	\$670.73
MP5b	\$688.14

