

## **REGISTER OF ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA04/266

**TITLE: Masterfoods Australia New Zealand Bathurst  
Operations Agreement 2004**

**I.R.C. NO:** IRC4/4139

**DATE APPROVED/COMMENCEMENT:** 29 July 2004

**TERM:** 17

**NEW AGREEMENT OR  
VARIATION:** New

**GAZETTAL REFERENCE:** 8 October 2004

**DATE TERMINATED:**

**NUMBER OF PAGES:** 10

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** The agreement applies to all Production and Clerical employees employed by Masterfoods Australia New Zealand at its Bathurst premises who fall within the coverage of the Pet Food Manufactures (State) Award and the Clerical and Administrative Employees (State) Award

**PARTIES:** Masterfoods Australia New Zealand -&- the National Union of Workers, New South Wales Branch

# **MASTERFOODS AUSTRALIA NEW ZEALAND BATHURST OPERATIONS AGREEMENT (2004)**

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### **1. Application of Agreement**

This agreement replaces the former Industrial Agreement made on 10th September 1986 between Uncle Ben's of Australia and the Federated Millers & Mill Employees Association of Australasia (New South Wales Branch).

This agreement is to be read in conjunction with the Pet Food Manufacturer's (State) Award. Provided that, where there is any inconsistency, this Agreement shall prevail, as it now stands.

### **2. Parties Bound**

- (a) MasterFoods Australia New Zealand ("MFANZ"), Adrienne Street, Bathurst;
- (b) The National Union of Workers (New South Wales Branch) on behalf of all Production and Clerical employees employed by MFANZ at its Bathurst premises who are a member of that Union or entitled to be a member of the Union (the "Associates").

### **3. Agreement Review**

This agreement will apply until 31st December 2005 1st January 199. This Agreement will be reviewed on 1st October 2005.

### **4. Stakeholders' Commitments**

MFANZ has the Five Principles of Mars as its core values. These values encourage each Associate to understand the Business aims and objectives, to be committed to attaining these goals and to contribute to the vision of above average individual and business performances.

The culture encourages Associates to maintain open communications and accept high levels of accountability. Business effectiveness requires responsible Associates at all levels constantly reviewing and improving systems, structures and work practices.

The Business is committed to a philosophy of continuous improvement. This is a total involvement process by all Associates that maximises company results, personal rewards and satisfaction.

### **5. Conditions of Employment**

Attachment one sets out the terms and conditions of employment of Associates as agreed by the parties which form part of this Agreement.

These terms and conditions for Associates, together with current MFANZ policies and procedures, are also set out in the Associate Handbook.

### **6. Objective of This Agreement**

- (a) The key element to this objective is the need for Associates to use all of their talents (present and future) in a flexible, constructive, open environment. Associates are encouraged to maximise their personal contributions through the upgrade of their skills, knowledge and behaviours. These needs can be driven by self assessment or Company requirement. MFANZ therefore is committed to a constant upgrade and review process as well as providing efficient and effective support policies.
- (b) To improve all aspects of productivity including cost, quality, waste, technology, utilisation, work organisation, product delivery and education/training through continuous learning. Also provide basis for:
  - 1. Encouraging Associates to achieve personal goals;
  - 2. Continually improving business performance;
  - 3. The enhancement of the Mars Culture and way of doing business.

### **7. Not to be Used as a Precedent**

This agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefit in any other plant or enterprise.

### **8. Entry Into the Agreement**

The parties to the agreement declare that they have not entered into this agreement under duress.

# ATTACHMENT 1

## TERMS AND CONDITIONS

### 1. Hours of Work

The ordinary hours of work shall be an average of 38 hours per week and may be worked on any or all of the days of the week.

Associates will be engaged on continuous shift work or on day work.

The ordinary hours of work of Associates working continuous shifts shall be worked continuously except for meal breaks and shall not exceed 12 hours on any day or shift.

Associates shall not work more than one shift in each 24 hours.

### 2. Shift Allowances

Day shifts are shifts which commence at 7.00am and conclude at 3.00pm.

Afternoon Shifts are shifts which commence at 3.00pm and conclude at 11.00pm.

Night shifts are shifts which commence at 11.00pm and conclude at 7.00am.

Shift allowances which apply between Monday and Friday are as follows:

Day Shift	Nil
Afternoon Shift	15%
Night Shift	30%

The normal start and finish times may be varied with mutual agreement between all parties.

### 3. Weekend Work

Penalty payments for work on weekends will be in lieu of and not in addition to week day shift allowances and are as follows:-

Where the shift commences on a Saturday	premium of x 1.5 (time and a half)
Where the shift commences on a Sunday	premium of x 2 (double time)

### 4. Rosters

All shift Associates will have a copy of the Shift roster and shift rosters will be displayed in prominent positions for Associates' attention and shall specify starting and finishing times for the ordinary hours of each shift.

The shift roster may cycle over a duration greater than 28 days but no longer than 168 days as long as the ordinary rostered hours average 38 hours per week. The current roster is attached.

Associates instructed by their employer to change their shift pattern outside their normal roster shall be paid in accordance with Clause 5 (iv) of the Pet food Manufacturers (State) Award.

Associates who change shifts outside their normal roster by arrangement with other associates shall attract no additional payment.

### 5. Overtime

Associates may be required to work reasonable overtime.

Associates required to work overtime shall be paid at double time for all time worked in excess of the normal rostered working week.

This overtime rate will be in lieu of and not in addition to penalty rates and shift allowances which might otherwise apply.

This overtime rate will be based on the Associate's base rate of pay.

When an Associate is required to work overtime the request is to be made by the Associate's Line Manager and payment will be made when the time has been authorised by the Line Manager.

When overtime work is necessary it shall be arranged so that Associates have at least 10 consecutive hours off duty between the work of consecutive days.

## **6. Call in**

Associates will be entitled to a minimum 4 hours pay at overtime rates in the following circumstances:-

the Associate is called in to work outside of the Associate's ordinary rostered hours;

the time at which the Associate is required to come in to work is more than one hour before or after a normal rostered shift.

## **7. Average Pay**

Subject to overtime or other irregular events, MFANZ will average the pay of an Associate over the period of the roster, taking into account the shift allowances and penalty rates an Associate would receive, so that the pay the Associate receives does not vary from week to week.

An additional 10 minutes at overtime rates in recognition of a period of handover at the end of each shift will be included in this calculation of average pay. Associates will be entitled to payment for overtime in accordance with paragraph 5 in respect of handover periods only if the Associate has been required to remain at his or her work station for more than 10 minutes at the end of his or her shift.

## **8. Wage Increases**

### **i) Wages Survey**

MFANZ and a nominated group of Associates will undertake an annual wage survey of similar business' in the Bathurst area to determine the community average. This may also include a comparison to similar businesses in Sydney.

After undertaking this wage survey, MFANZ will provide Associates with a pay level (payable from January 1 each year) which is the greater of:

community average plus 15% and forecast movement; or

current wage level plus CPI;

taking into account Good Time Keeping Bonus

ii) Productivity Incentive Scheme

MFANZ and its Associates agree to work together to develop a productivity incentive scheme which we envisage will pay a weeks wages at year end according to the following principles:-

the scheme is to involve a wage incentive payment for improvements, such as Attendance, Hygiene/Housekeeping, Safety, Quality and Waste and the criteria may be reviewed from year to year;

the scheme is to be self funding

iii) Current Pay Schedules

Current pay schedules are available for reference from the Plant P&O Manager.

### **9. Good Time Keeping Bonus**

A good time keeping bonus ("GTB") of 10% of the Associate's average pay for the day will be paid to all permanent Associates if the Associate clocks on ready to start work on or before their nominated starting time. GTB in all cases applies to paid hours.

GTB will be paid for statutory holidays, annual leave, long service leave and for periods of certified jury service or community service volunteer work, days on which an Associates is away from their normal place of work on Company business where the Associate's name and contact information appears on a Travel Advice.

GTB will not be paid for any other absence.

### **10. Meal Breaks**

Associates working continuous shifts shall receive a paid meal break of 30 minutes duration plus two 20 minute paid meal breaks in each shift.

Associates not working continuous shifts shall receive a paid meal break of 30 minutes duration plus two 15 minute paid meal breaks in each 8 hour shift.

These meal breaks will be at times agreed from time to time between the associates and the associates' line manager.

Associates required to work an additional two hours or more overtime will be supplied with a meal voucher.

### **11. Annual Leave**

All Associates are expected to take their annual leave which has accrued within one year of such accrual. With their Line Managers permission they may 'carry over' up to 1 week into the next calendar year.

Associates will normally take whatever leave is required, to maximum of their entitlement to cover plant shut-down periods. Should an Associate have insufficient accrued leave to cover these periods, every effort will be made to find work during this time. As a last resort, leave in advance may be granted.

Associates engaged in continuous shift work are entitled to 5 weeks of annual leave per year of continuous service.

During a period of annual leave an associate shall receive in addition to their average pay a loading of 17½%.

Associates engaged in day work are entitled to 4 weeks of annual leave per year of continuous service.

## 12. Public Holidays

The public holidays in New South Wales, relevant to Associates at the Bathurst Plant are:

New Year's Day;

Australia Day;

Good Friday;

\* Easter Saturday;

Easter Monday;

Anzac Day;

Queen's Birthday;

Labour Day;

Industry Picnic Day;

Christmas Day; and

Boxing Day

We will by agreement, on occasions re-position some public holidays when this is to the convenience of both Associates and the Business.

\* Applies to continuous shift workers.

An Associate who is rostered on and works on a public holiday will receive, in addition to his or her average pay for the day:

Double time for the public holiday or single time plus credit of one shift towards the Associate's annual leave entitlement.

An Associate who is rostered on and does not work will be paid:

The Associate's average pay for the day.

An Associate not rostered to work will be paid:

An additional shift at single time.

An Associate who has a Rostered Day Off (RDO) on a Public Holiday, and has the day off:

Will be paid an additional shift for the Public Holiday at single time and receive credit of one shift towards the Associate's annual leave entitlement.

An Associate who has a Rostered Day Off (RDO) on a Public Holiday, but works on that day:

Will be paid double time, in addition to his or her average pay for the day (effectively triple time) and will receive credit of one shift towards the Associate's annual leave entitlement.

A Rostered Day Off at the Bathurst site is designated on the roster during the shut periods.

### **13. Long Service Leave**

For service prior to 1st January 2003, Associates will be provided with 13 weeks long service leave at average pay after 15 years of continuous service (equivalent to 0.8667 weeks per year).

For service after 1st January 2003, Associates will be provided with 13 weeks long service leave at average pay after 10 years of continuous service (equivalent to 1.3 weeks per year).

Pro rata long service leave will be granted after 5 years continuous service. Payment shall be at the average pay rate current at the time long service leave is taken plus GTB.

Applications for long service leave should be made through the Associate's Line Manager at least one month prior to the time proposed for taking leave.

### **14. Paid Maternity Leave**

Female Associates will be eligible for six weeks paid maternity leave after two years continuous service and 13 weeks paid maternity leave after five years continuous service.

Associates must complete the qualifying period of continuous service before commencing the period of paid maternity leave.

Payment for periods of paid maternity leave will be at the Associate's current average pay at the time the leave is taken excluding GTB.

This clause will be read in conjunction with entitlements for Maternity Leave under the *Industrial Relations Act* 1996 No 17.

### **15. Paid Training Leave**

Paid training leave will be available to Associates for appropriate training. Training leave will normally be scheduled to best suit the crewing needs of the shift affected. Associates should provide the maximum possible notice in making applications for paid training leave. This also applies to relevant union training.

### **16. Sick Leave**

Any time an Associate is sick the Associate must report the illness to the Associate's Line Manager, the Medical Centre or a Personnel Associate. If possible, Associates should give an indication of how long he or she is likely to be absent and the reason.

Any absence of more than two days must be verified by a medical certificate from a qualified doctor.

Associates will be allowed sick leave paid at his or her average pay (but not including GTB) for periods of up to 13 weeks for any period of certified illness.

On return to work the Associate must advise his or her Line Manager of his or her condition, and the reason for the Associate's absence. The Associate will fill out details on the "Yellow Leave Card" and the Associates' Manager will sign it.

If it is not done, the absence will not be paid for.

If an Associate is sick on an RDO or during annual leave and the Associate provides a medical certificate from a qualified doctor then the certified period will be reimbursed to annual leave.

### **17. Family and Compassionate Leave**

Associates will be granted compassionate leave of up to 5 days, arising from personal circumstances such as the death (within Australia) of a wife, husband, father, mother, child, brother, sister or grandparent (including these relationships created by in-law and step situations). Pay will be the same as for sick leave. Requests for



paternity leave, adoption leave or any emergency or unplanned event will be considered on application through the Associate's Line Managers to the Personnel Department.

### **18. MFANZ Fair Treatment Procedure**

The following procedure is to be observed in the case of grievance by an individual Associate arising out of this agreement. At all stages an Associate is entitled to have a third party present (who could include a friend, family member, union delegate,).

A grievance or dispute will not be referred to the next level until a genuine attempt to resolve the matter has been made at the appropriate level.

Step 1: The Associate must notify his or her line Manager of the substance of the grievance or dispute and the remedy sought.

Step 2: The Line Manager will attempt to find a satisfactory solution and advise the Associate as quickly as possible but not later than within 24 hours.

If, after the discussion with the Line Manager, an Associate still feels in need of help or that the answer has not been satisfactory:

Step 3: The Associate may meet with the Personnel Manager or the Department Manager

If the matter is not resolved at this level

Step 4: The Associate may meet with the Plant Manager.

If the matter is not resolved at this level

Step 5: The Associate may meet with the P&O Director or General Manager

If the matter is not resolved at this level

Step 6: The issue may then be referred to a mutually agreed third party for mediation. This may also include the Union Organiser or the State Secretary as appropriate.

If the matter is not resolved at this level

Step 7: If the issue is still not resolved at the conclusion of Step 6 either party to this agreement may refer the matter to the Industrial Relations Commission of NSW. When a party decides to notify the Industrial Commission under this step they must give the other party at least five (5) working days notice of their intention to notify.

In the event that a dispute occurs involving a group of Associates the procedure set out above shall be followed.

Work must continue while the steps outlined above are being pursued.

### **19. Superannuation**

Effem Foods Retirement Plan (EFRP) - a non-contributory defined benefits scheme.

This scheme satisfies the requirements of the Superannuation Guarantee.

Supplementary Retirement Plan (SRP) - a monetary sacrifice defined contribution scheme and is an additional benefit available for all permanent Associates .

## **20. Appraisal and Skills Status**

Each year, an Associate will undertake an appraisal with their Line Manager. This process is designed to review the year's performance and also, to discuss the Associate's ongoing development needs.

In conjunction with the annual appraisal, Associates in relevant roles will progress through the Associate Development Model as they complete the requisite modules. The Associate Development Model will be updated from time to time. Any changes to the Associate Development Model will be communicated to Associates in advance of their implementation.

A copy of the relevant appraisal documentation and the Associate Development Model are available from an Associate's Line Manager or P&O.

## **21. Travel Policy**

An Associate required to travel away from their normal place of work shall be paid at the appropriate rate from the time they clock on until the time they clock off.

## **Memorandum of Understanding**

The below provision for redundancy payments have been agreed to by the undersigned in negotiations concerning the establishment of the "Uncle Ben's of Bathurst Operations Agreement (2000)". In the case of redundancy these provisions shall apply during the duration of the agreement.

### **1. Redundancy Payments**

Where it becomes necessary to terminate the employment of an Associate by reason of redundancy, the Associate will be entitled to four weeks notice of the impending termination of employment if the Associate has not less than one years continuous service.

If the Associate has less than one years continuous service the Associate will be entitled to one weeks notice.

An additional weeks notice will apply to Associates who are over 45 years old.

Employment may be terminated by giving part of the period of notice and part payment in lieu of notice.

Where it becomes necessary to terminate the employment of an Associate by way of redundancy, the following severance pay will be provided in respect of a continuous period of service:

Period or continuous service	Entitlement
Less than one year	4 weeks pay
More than one year	4 weeks pay per year of service (pro rata)

"Weeks pay" means the average pay for the Associate concerned at the date of termination.

Associates over the age of 45 years will be entitled to payment of an additional 20% of his or her severance payment entitlement according to the above table.

Superannuation benefits, payments for unused annual leave and payment for pro rata long service leave for employees with more than 12 months continuous service will also be provided.

Signed for and on behalf of:

MASTERFOODS AUSTRALIA NEW ZEALAND (A division of Effem Foods Pty Ltd)

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Personnel Manager

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Plant Manager

Signed for

The National Union Of Workers' (New South Wales Branch)

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Signature

22nd day of April 2004