

## **REGISTER OF ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA05/158

**TITLE: 3M Australia - Distribution Centre Agreement 2004**

**I.R.C. NO:** IRC5/1003

**DATE APPROVED/COMMENCEMENT:** 22 March 2005 / 22 March 2005

**TERM:** 20

**NEW AGREEMENT OR  
VARIATION:** Replaces EA03/112.

**GAZETTAL REFERENCE:** 15 July 2005

**DATE TERMINATED:**

**NUMBER OF PAGES:** 7

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** The agreement applies to all employees employed by 3M Australia Pty Ltd, located at the St Marys site, and then to the new site at Greystanes, NSW, who fall within the coverage of the Storemen and Packers, General (State) Award.

**PARTIES:** 3M Australia Pty Ltd -&- the National Union of Workers, New South Wales Branch

# 3M AUSTRALIA - DISTRIBUTION CENTRE AGREEMENT 2004

## 1. Title

This agreement shall be known as the 3M Australia - Distribution Centre Agreement 2004.

## 2. Arrangement

| Clause No. | Subject Matter   |
|------------|--|
| 3.         | Application and incidence of Agreement                                       |
| 16.        | Anti-Discrimination  |
| 2.         | Arrangement  |
| 15.        | Continuous Improvement   |
| 10.        | Disputes Settlement Procedure  |
| 5.         | Date and Period of Operation   |
| 8.         | Measures to improve Operational Effectiveness<br>Efficiency and Productivity |
| 12.        | No extra claims  |
| 14.        | Not to be used as a Precedent  |
| 7.         | Objective of Agreement   |
| 4.         | Parties Bound & Transmission of Business                                     |
| 9.         | Personal Breaks  |
| 11.        | Redundancy   |
| 6.         | Relationship to Parent Awards  |
| 1.         | Title  |
| 13.        | Wages  |

## 3. Application and Incidence Agreement

This agreement shall apply at the St Marys site of 3M Australia Pty Ltd in the State of New South Wales and then to the new site at Greystanes, NSW (estimated move is mid 2005) and the incidence of the agreement shall be as prescribed by the following State Award:

Storemen & Packers (State) Award

## 4. Parties Bound & Transmission of Business

This agreement shall be binding on:

- (a) 3M Australia Pty Ltd ("The Company")
- (b) All employees whether members of the National Union of Workers ("NUW"), or not, who are engaged in any of the occupations, industries or callings specified in Clause 3.
- (c) This Agreement shall apply to any successor, assignee or transferee of all or any of the work.

## 5. Date and Period of Operation

This Agreement shall operate from the beginning of the first pay period to commence on or after its certification by the NSW Industrial Relations Commission under the terms of the NSW *Industrial Relations Act* 1996 and shall remain in force until November 6, 2006.

## 6. Relationship to Parent Award

This Agreement shall be read and interpreted wholly in conjunction with the following Parent Award, (Storemen & Packers State Award) as applicable, provided that where there is any inconsistency, this agreement shall take precedence to the extent of this inconsistency.

## 7. Objective of Agreement

In this ninth Agreement the parties continue to acknowledge and support the need for the Distribution Centre to become an internationally competitive facility through continually improving its levels of customer satisfaction, employee satisfaction, product quality, safety and productivity.

The parties of this Agreement acknowledge the need to ensure that the Distribution Centre at St Marys (Greystanes from 2005) continues to operate in an effective, efficient and co-operative manner.

## 8. Measures to Improve Operational Effectiveness, Efficiency and Productivity

A range of measures consistent with improving the operational performance of the Site have been implemented. These include but are not limited to the following:

### 8.1 Probationary Period - (Permanent and Part-Time Permanent)

This clause establishes a probationary period of employment. Employment shall be probationary for the first three (3) months. Termination by either party shall be on a week's notice. At the completion of the probationary period the Company will confirm permanent employment status. Previous casual or contract employment shall not count towards this three (3) months.

### 8.2 Payment for Skills Possessed Clause

This clause outlines the conditions to apply for the payment of skills possessed in circumstances where an employee is INVOLUNTARILY transferred to a lower paid position.

#### 8.2.1 No retrospectivity is to apply

8.2.2 Payment for skills possessed will apply when an employee is INVOLUNTARILY transferred (except as detailed in clause 8.2.3 and 8.2.4) to a position of lower responsibility and wage. In such circumstances the employee will continue to receive their current rate of pay (classified skill level) for a maximum of two (2) years, unless they find work of the same or higher level during such time.

HOWEVER, in the case of current employees (defined as permanent employees at the date of agreement) then this maximum will be waived and the employee will maintain their rate of pay for their skill level for the duration of their employment (unless circumstances arise as detailed in Clause 8.2.3 and 8.2.4)

8.2.3 Payment for skills possessed is NOT applicable in circumstances where the employee VOLUNTARILY (including personal necessity) CHOOSES to transfer to a lower paid position.

8.2.4 Payment for skills possessed is NOT applicable in circumstances where, after proper counselling, retraining or other corrective action, disciplinary action for unacceptable performance/behaviour results in an employee being transferred to a position of lower responsibility and pay.

8.2.5 An employee who retains their "rate" under this arrangement cannot refuse to do duties at their skill level. If an employee does so refuse either temporary duties or an alternate permanent position at their skill level, then the employee will forfeit the "protection" of their wage rate afforded under this arrangement and will immediately revert to the rate of pay for the skill level which they currently occupy.

No offers of alternate employment whether temporary or permanent will be made for which the employee is not medically able to perform.

8.2.6 This arrangement is not intended to be used for Workers' Compensation matters. All "loss of earnings" claims arising from workplace injuries must be pursued through the appropriate Workers' Compensation/Insurance procedures.

**9. Personal Breaks**

There is a need to reduce the number of personal/smoke breaks. The Company believes personal/smoke breaks should be taken as follows:

Personal/smoke breaks shall only be taken during those formal breaks as prescribed by our various Awards and/or previous negotiated agreements.

i.e. morning tea, lunch, afternoon tea

This provision excludes toilet breaks and designated occupational health and safety breaks.

Where designated occupational health and safety breaks are required, then they shall be taken at the work area.

**10. Disputes Settlement Procedure**

Any disputes or grievances are to e handled in accordance with the following procedures:

The parties to this Agreement shall observe the procedure for avoidance of industrial disputes as set out in the following:

10.1 Dispute Settlement Procedure

10.1.1. The Company and its employees agree to support an Industrial Relations Code of Practice based on the following:

- (a) A commitment to the fundamental principle that our employee relations should be based on a co-operative and harmonious approach that seeks the mutual benefit of all parties.
- (b) Recognition that Management and employees may, from time to time, have areas of disagreement.
- (c) A commitment to working out these disagreements through the Grievance Procedure, which our Award provides for, that allows for meaningful discussion directed at resolving our differences as quickly as possible, and which acknowledges a mutual respect and understanding of the needs of the parties involved.

10.1.2 What this means is that in the case of a grievance being raised then:

|                                      |   |
|--------------------------------------|---|
| (a) Employee approaches Supervisor   | In first instance.                        |
| (b) Area delegate approaches         | if agreement is not                       |
| Department Supervisor                | resolved within the Department            |
| (c) Head delegate approaches         | only if matter not resolved within        |
| Human Resources                      | the Department                            |
| (d) Local Union Organiser approaches | most major issues should be resolved at   |
| Human Resources request Review by    | this stage                                |
| Management                           |   |
| e) Dispute referred to Arbitration   | As most issues are resolved on site, this |
|                                      | Is an infrequent step                     |

10.1.3 Paid combined department or group meetings will occur in circumstances where Management agrees there is a need for discussion or to report back

- (a) That this process recognises the availability of the Commission for assistance in conciliation and arbitration as and when required.
- (b) That each party recognise that in the circumstances where it is deemed necessary for employees to invoke their "right to strike", management will consistently apply the principle of "no work no pay".
- (c) The recognition that it is in our own mutual interest to work together to resolve our differences to ensure our survival as a healthy growing organisation.

## **11. Redundancy**

### 11.1 Conditions of Clause

The operation of the Clause is subject to the following conditions being observed:

11.1.1. It is agreed between the parties that, to the extent permissible by law, the scale of redundancy payments prescribed in this Clause shall override and be in complete substitution for the provisions in any applicable Award or statute in relation to periods of notice of termination, payment in lieu of such notice, severance payments or redundancy payments.

11.1.2. The parties agree that the benefits prescribed by this Clause do not apply to casual employees, persons hired for a fixed term or to employees who are offered but refuse an acceptable comparative position as defined herein, or who resign or are dismissed for reasons other than redundancy. Such persons shall have no entitlements to redundancy benefits determined in accordance with this clause.

### 11.2. Definition of Redundancy

11.2.1 Where it becomes necessary to terminate the employment of an employee because the Company has made a definite decision that the Company no longer wishes the job the employee has been doing, done by anybody and this is not due to the ordinary and customary turnover of labour, AND the company has not been able to offer to that employee an acceptable comparative position, then the provisions of the following paragraphs shall apply.

11.2.2. For the purpose of this Clause an "acceptable comparative position" shall mean any position which in the Company's sole opinion would be reasonably in keeping with the employee's capabilities, based on the requirements for that alternative position as stated in the job description and the employee's skill, experience and capability of performing that job if training were provided, and includes any position offered encompassing work covered by the applicable Industrial Award.

If any disagreement arises from the application of this sub-clause then the matter shall be dealt with in accordance with the dispute settlement procedures contained in this Agreement.

11.2.3. Note - as a consequence of this Clause, an employee transferred to an acceptable comparative position shall not suffer a reduction in his/her base rate of pay (3M Shop Rate).

11.2.4. In the event of an employee accepting a position outside of his or her existing award, the employee shall be allowed a three (3) month trial in the new position and may at any time during that trial elect to take redundancy.

### 11.3 Procedure to be Followed and Selection Criteria

The company at all times retains the right to make staffing decisions in respect of all work areas based on current or projected business results, operational requirements or corporate business direction and may determine the particular position(s) or a particular work area is no longer required or redundant.

In these situations, the following procedures will apply:

11.3.1 The Company will immediately notify representatives of the Unions representing employees whose jobs are affected to advise the basis of such determination and will consult consistent with the requirements of the NSW Industrial Relations Act 1996 and the Awards.

11.3.2 Volunteers will be called from the work area affected. If these are not sufficient, applications for voluntary redundancy shall be called from the rest of the distribution workforce.

11.3.3 Where there are too many volunteers or insufficient volunteers, (and forced redundancies must occur) then the criteria for selection shall be seniority on the bases of service with the Company.

The parties shall negotiate to ensure that this process causes a minimum of disruption and/or dislocation to the Site and to employees of longer service.

#### 11.4 Period of Notice

The Company will give four (4) weeks notice of termination of employment of an employee or payment in lieu of that notice.

The period of notice is increased by one week if the employee is over 45 years old and has completed at least two(2) years continuous service with the employer.

#### 11.5 Redundancy Payment

Employees shall receive four (4) weeks pay for each completed year of service and on a pro rate basis per completed month during the final year of service. "Weeks pay" shall mean the 3M shop rate of pay for the employee's classification payable in respect of ordinary hours of work (excluding shift and overtime payments).

Service is defined as the period of continuous permanent employment with the Company.

##### 11.5.1 Maximum Payment

The maximum payment to be made to an employee as a consequence of the prescribed payments in this Clause shall be 64 weeks of ordinary pay, except in the case of an involuntary redundancy, where the maximum payment shall be 86 weeks of ordinary pay.

Ordinary pay shall mean the 3M Shop Rate for the employee's classification payable in respect of ordinary hours of work (excluding shift and overtime payments).

#### 11.6 Pro Rata Annual Leave

The Company will pay 17.5% annual leave loading on accrued pro-rata annual leave to employees who are retrenched.

#### 11.7 Long Service Leave

Long Service Leave will be paid upon retrenchment in the same terms as those provided in the *Long Service Act 1955* (NSW).

#### 11.8 Superannuation

Employees will receive their superannuation entitlement in accordance with the Trust Deed of the 3M Hourly Paid Superannuation Plan or the 3M Retirement Plan, whichever is applicable.

#### 11.9 Sick Leave

All accrued Award Sick Leave will be paid out at the ordinary rate of pay.

#### 11.10 E.A.P.

Access to service of 3M's Employee Assistance Plan (EAP) providers will continue for a period of three (3) months from the date of termination for the employee and/or their immediate family.

#### 11.11 2nd Wage Increase

In the event that a redundancy occurs prior to the effective date for the second increase under this agreement, then such increase will be factored into the employees' 3M shop rate of pay for the purposes of the calculation of redundancy payments.

### **12. No Extra Claim**

The Unions undertake for the duration of the Agreement, not to pursue any extra claims, award or over award except where consistent with a National Wage Case decision.

### **13. Wages**

Employees who are bound by this Agreement shall be paid a wage increase of two 4% increases over 24 months.

The first increase of 4% will take effect from the first pay period on or after 6 November 2004. The second increase of 4% will take effect from the first pay period on or after 6 November 2005.

The wage increase specified in this Clause shall be payable in addition to the current agreed rates of pay at the Site.

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

This Agreement shall not be used in any matter whatsoever to obtain similar arrangements or benefits in any other plant or enterprise.

### **15. Continuous Improvement**

Management and its employees covered by this Agreement are committed to searching for areas where improvements can be made and implementing such improvements as part of this Agreement.

### **16. Anti-Discrimination**

- (1) It is the intention of the parties bound by this award to seek to achieve the object in section 3(f) of the *Industrial Relations Act 1996* to prevent and eliminate discrimination in the workplace. This includes discrimination on the grounds of race, sex, marital status, disability, homosexuality, transgender identity, age and responsibilities as a carer.
- (2) It follows that in fulfilling their obligations under the dispute resolution procedure prescribed by this award, the parties have obligations to take all reasonable steps to ensure that the operation of the provisions of this award are not directly or indirectly discriminatory in their effects. It will be consistent with the fulfilment of these obligations for the parties to make application to vary any provision of the award which, by its terms or operation, has a direct or indirect discriminatory effect.
- (3) Under the *Anti-Discrimination Act 1977*, it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.
- (4) Nothing in this clause is to be taken to affect:
  - (a) any conduct or act which is specifically exempted from anti-discrimination legislation;
  - (b) offering or providing junior rates of pay to persons under 21 years of age;

- (c) any act or practice of a body established to propagate religion which is exempted under section 56(d) of the *Anti-Discrimination Act 1977*;
  - (d) a party to this award from pursuing matters of unlawful discrimination in any State or Federal jurisdiction.
- (5) This clause does not create legal rights or obligations in addition to those imposed upon the parties by legislation referred to in this clause.

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NOTES -

- (a) Employers and employees may also be subject to Commonwealth anti-discrimination legislation.
- (b) Section 56(d) of the *Anti-Discrimination Act 1977* provides:  
  
“Nothing in this Act affects ... any other act or practice of a body established to propagate religion that conforms to the doctrines of that religion or is necessary to avoid injury to the religious susceptibilities of the adherents of that religion.”

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On behalf of National Union of Workers

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NSW State Secretary

On behalf of 3M Australia Pty Limited

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Logistics Manager

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Human Resources Manager

DATED THIS