

REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA05/337

TITLE: National Foods Limited Penrith Electrical Services Agreement 2004-2007

I.R.C. NO: IRC5/5420

DATE APPROVED/COMMENCEMENT: 31 October 2005 / 1 July 2005

TERM: 30

**NEW AGREEMENT OR
VARIATION:** Replaces EA02/211.

GAZETTAL REFERENCE: 30 December 2005

DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees employed by National Foods Milk Limited, who are eligible to be members of the Electrical Trades Union of Australia, New South Wales Branch, in relation to electrical employees employed at National Foods Limited's facility at Castlereagh Road, Penrith, NSW, engaged in maintenance associated with the receipt, production and distribution of milk and related products, who fall within the coverage of the Electricians, &c. (State) Award.

PARTIES: National Foods Milk Ltd -&- the Electrical Trades Union of Australia, New South Wales Branch

NATIONAL FOODS MILK LIMITED PENRITH ELECTRICAL SERVICES AGREEMENT 2004-2007

1. TITLE

This Agreement shall be known as the “National Foods Milk Limited Penrith Electrical Services Agreement 2004-2007 (“the Agreement”).

2. ARRANGEMENT

Title	Clause 1
Arrangement	Clause 2
Incidence and Parties Bound	Clause 3
Objective	Clause 4
Relationship to Award	Clause 5
Disputes Resolution	Clause 6
Consultation	Clause 7
Classification System and Salaries	Clause 8
Superannuation	Clause 9
Annual Leave	Clause 10
Redundancy	Clause 11
Duration	Clause 12
Precedent	Clause 13
Execution	Clause 14

3. INCIDENCE AND PARTIES BOUND

This Agreement is made between National Foods Milk Limited(ACN 051 195 272), (“the Company”), and the Electrical Trades Union of Australia, NSW Branch (“the union”) on behalf of all employees who are eligible to be members of the Union in relation to electrical employees employed at the Company’s facility at Castlereagh Road, Penrith New South Wales (“the site”) engaged in maintenance associated with the receipt, production and distribution of milk and related products.

4. OBJECTIVE

The objective of this Agreement is to assist the site in achieving continuous improvement in operational efficiencies, occupational health and safety performance, customer service and waste reduction; and to facilitate employee training.

5. RELATIONSHIP TO AWARD

Where this Agreement is silent, the terms of the “Electricians & C.(State) Award” will apply. In the event of any inconsistency between the award and the Agreement, the Agreement shall take precedence to the extent of the inconsistency.

6. DISPUTES RESOLUTION (CONTINUITY OF OPERATIONS)

Any dispute arising out of employment shall be resolved amicably without disruption to normal work. Any claim or grievance shall be referred to the Engineering and Maintenance Manager or Operations Manager. Where an issue cannot be resolved at this level, a meeting shall be held with an official of the Union. If the issue remains unresolved, the matter shall be referred to the Industrial Relations Commission (NSW) for resolution. Whilst this process is being followed, work shall continue as normal provided that Occupational Health and Safety shall not be compromised. (As “normal” means the situation in place immediately prior to the dispute).

7. CONSULTATION

Site management will meet with employees on a regular basis to review customer service levels, site operations and the effectiveness of this Agreement, including employee numbers. Any operational changes that will have an impact on the site and on employees will be raised in this forum. Where Agreement cannot be reached on any matter, external facilitation may be relied upon.

8. CLASSIFICATIONS SYSTEM AND SALARIES

- a) The allocation and carrying out of work shall be determined by an employees level of skill, competency and training and shall include other such matters pertaining to safety and legislative requirements.
- b) All salaries are paid on an annual basis, without reference to hours worked. The appendix to the Agreement contains the Statement of Principles of Annual Salaries as agreed by the parties to this Agreement. This statement is to be referred to in the event that there is any disagreement arising out of this clause.

Salaries are inclusive of shift penalties, public holidays worked, allowances and on call requirements.

- c) The parties recognise that the intent of this Agreement is not to increase the current number of hours worked, but is to reduce them, as the Company works toward becoming a world class manufacturer.

Under normal circumstances, but consistent with Appendix Two, the Company will not require any employee to work more than twelve (12) hours on any day or more than fifty (50) hours at work in any week, except in exceptional circumstances such as emergencies or major breakdowns.

The company in consultation with employees will develop and modify rosters that are consistent with its operational and production

requirements. Every effort will be made to provide 7 days notice of such change where possible.

Employees and site management will continue to monitor the hours worked with a view to identifying problem areas and putting in place processes or systems to eradicate root causes permanently.

As part of the 2005 Electricians EBA National Foods are willing to offer an adult Electricians apprenticeship to one of our existing Fitters team in order to alter the current ratio of Electricians to fitters.

- d) All salaries shall be paid by EFT to a bank account nominated by the employee.
- e) Salaries are inclusive of all statutory licence requirements.
- f) Employees shall be classified in one of the following classifications:-

Electrical Trades person (Grade 1)

An employee holding a trades certificate and electricians licence in the electrical field who is obtaining industry experience and works under supervision. This level recognises the lack of familiarity with industrial standards, dairy process experience and site knowledge.

All new employees with previous electrical industry experience will commence on this rate while completing their three month probationary period.

Electrical Trades person (Grade 2)

An employee holding a trades certificate and electrical licence in the electrical field who has proven industry experience of at least 3 years.

They provide sustained competent performance and have the skills to:

- Work on a variety of the site maintenance requirements with some supervision.
- Understand site P&ID and electrical drawings
- Diagnose motor faults and replace motors
- Program VSD's
- Order basic parts
- Installation skills

Electrical Trades person (Grade 3)

An employee who, in addition to satisfying the requirements of Electrical Trades person (Grade 2), provide sustained competent performance and have the skills to:

- Work with minimal supervision and perform the majority of key maintenance requirements on the site.
- Implement process improvements
- Involvement with cross functional project teams
- Basic PLC access and fault finding skills on Allen Bradley and Siemens PLC's

In addition to this, the prospective employee must complete competency based training that enables them to demonstrate they are proficient in one of the specialisations listed below (see Appendix 2)

Electrical Trades Person (Grade 4)

An employee who in addition to satisfying the requirements of Electrical Trades Person (Grade 3) provides sustained competent performance and has the skills to work without supervision in the majority of maintenance requirements on the site. This includes:

- Generate critical parts programs and order all parts
- PLC programming skills for Allen Bradley and Siemens PLC's
- Basic instrumentation skills in fault finding and unit replacements
- Assist in the delivery of operator training

In addition to this, the prospective employee must complete competency based training that enables them to demonstrate they are proficient in two of the specialisations listed below (see Appendix 2).

Electrical Trades Person (Grade 5)

An employee who in addition to satisfying the requirements of Electrical Trades Person (Grade 4) provides sustained competent performance and has the skills to work without supervision in the majority of maintenance requirements on the site. This includes:

- Develop PM programs
- Develop and deliver operator training
- Demonstrate basic project management skills in designing requirements and managing resources.

In addition to this, the prospective employee must complete competency based training that enables them to demonstrate they are proficient in three of the specialisations listed below (see Appendix 2)

Electrical Trades Person (Grade 6)

An employee who in addition to satisfying the requirements of Electrical Trades Person (Grade 5) provides sustained competent performance and has the skills to work without supervision in the majority of maintenance requirements on the site. This includes:

- Full process design and implementation
- Manage site electrical maintenance requirements

All members of the electricians team will participate in a yearly assessment to determine their level of demonstrated competency and to determine their correct grade inline with the above grading structure.

One member of the Electricians team will be undergo a Tafe Training course to become a qualified workplace assessor.

The workplace assessor will work in conjunction with the Engineering Manager to determine the competency level of the electricians.

In the event that a competency assessment result indicates that an Electrician is graded above that which they are assessed the following will occur.

All future EBA salary increases will be not be paid until such a time as the actual competency grade is reflected in the salary classification table. For example if an employee is assessed and deemed to be a competency grade 2 but is actually already paid as a grade 3 they will not receive any further EBA salary increases until Grade 2 reflects their actual salary.

A skills gap analysis and a development plan will also be implemented to assist the employee to achieve the desired competency level for their paid grade.

9. SUPERANNUATION

- a) The parties to this agreement understand that the requirements of the governing legislation under the Superannuation Guarantee (Administration) Act 1992 will be met as a minimum.
- b) New employees are required to become members of the Australian Retirement Fund (ARF) or the National Foods Superannuation Plan. All rights and obligations of the Company and the employees in relation to superannuation shall be determined in accordance with the Trust Deed(s) and rules (if any) governing the relevant Fund.

- c) No superannuation contribution shall be made to any other fund. Provided that employees who are already members of the National Foods Superannuation Fund may remain in that fund or any successor.

10. ANNUAL LEAVE

Annual leave shall accrue on the basis of four weeks per annum except shift workers who are regularly rostered to work weekends will receive five weeks annual leave per annum. A loading of 17.5% will be paid upon taking leave. Accrued leave will be paid at the rates contained in this Agreement.

The additional one (1) week of annual leave is to be taken and cannot be paid out except on termination.

The company and employees plan to reduce accumulated back leave. Each affected employee will have an individual programme to reduce their accumulated leave with their Manager.

11. REDUNDANCY

Redundancy provisions are as follows:

- a) The Company will provide four (4) weeks notice of a proposed redundancy date or payment in lieu. Employees with two or more years' service who are aged 45 years or more will receive an additional one (1) week of notice.
- b) Severance pay shall be four weeks pay for each year of service. This shall be calculated on a pro rata basis to completed quarters, capped at a total of 52 weeks pay.
- c) Annual leave loading shall be paid out on accrued leave only ie. not pro rata leave.
- d) This redundancy provision shall not apply where employment is terminated as a consequence of anything other than redundancy ie. conduct that justifies instant dismissal, including neglect of duty, or in the case of casual employees, or employees engaged for a specific period of time or for a specified task or tasks, for a period of less than twelve months.

12. DURATION

This Agreement shall come into force on the 31st December 2004 and conclude on the 31st December 2007. Payment of scheduled increases will occur on the first pay period after the 1st July 2005, the first pay period after the 1st July 2006 and the first pay period after the 1st July 2007

13. PRECEDENT

This Agreement is not to be used as a precedent for any claim on any other site or business operated by National Foods Limited or its subsidiaries.

14. EXECUTION

Signed on behalf of National Foods Limited:

Jacqueline May
Human Resources Manager

Date

Signed on behalf of the Communications, Electrical and Plumbing
Union of Australia - Electrical Division (NSW Branch):

State Secretary

Date

APPENDIX ONE

Grade	Current \$ Amount	1st pay period after the 1st July 2005 2% Increase	1st pay period after the 1st July 2006 2% Increase	1st pay period after the 1st July 2007 2% increase
1	\$67,194	\$68,538	\$69,909	\$71,307
2	\$76,662	\$78,195	\$79,759	\$81,354
3	\$87,641	\$89,394	\$91,182	\$93,006
4	\$91,849	\$93,686	\$95,560	\$97,471
5	\$94,500	\$96,390	\$98,318	\$100,284
6	\$97,232	\$99,177	\$101,160	\$103,183

APPENDIX TWO

Specialisations

- i) Instrumentation - Able to install, calibrate and fault find flow metres, temperature transmitters, level probes and conductivity meters, etc without supervision. Demonstrate understanding and ability to manage site Instrumentation HACCP program.
- ii) Project Management - Able to manage a project, budget, organise resources, labour and program work from initiation to completion with minimal assistance. Demonstrate by providing two complete project files containing all the information required to successfully manage the projects.

The project to be assessed needs to be nominated up front in a project plan to be submitted to the Engineering Manager for approval. The project must be completed on time, within budget and ensuring safety standards are followed.

- iii) PLC - Able to de bug, fault find and reprogram PLC's for all equipment except CITEC without supervision. Demonstrate with attendance at accredited external course, project files of changes undertaken, understanding site network and backup & recovery systems.
- iv) CITEC - Able to fault find and modify program of CITEC as required with minimal supervision. Demonstrate with competency in externally accredited course, project file of changes and understanding of change management process.

APPENDIX THREE

KPI's Electricians EBA



Yearly Performance Objectives

KPI/Area	Target	Comments
<p>Safety</p> <p>Examples</p>	<p>To complete a risk assessment before altering or introducing any plant/equipment or process change.</p> <p>Complete 2 Safe Act Observations per week.</p> <p>Participate as a member of the OH&S committee for 3 months per year.</p>	<p>Incentive = 0.3%</p>
<p>Innovation</p>	<p>Continue to innovate to improve efficiencies</p>	<p>Criteria: Ideas must meet a hurdle rate of one year payback.</p> <p>Incentive =0.3%</p>
<p>Preventative Maintenance</p>	<p>Ensure that all maintenance activity is entered into mainpac.</p>	<p>Incentive = 0.3%</p>

Projects	On time completion of given projects	<p>Complete all projects within agreed time.</p> <p>The agreed time will exclude non-controllable issues.</p> <p>Incentive = 0.3%</p>
Attendance	Absenteeism of four days or less per year.	Incentive= 0.3%

Note: Individual employees will have the above yearly performance objectives and the above incentives for successful attainment of the objectives.