

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/33

TITLE: Delta EMD Australia Pty Ltd Generation 1 Enterprise Agreement

I.R.C. NO: 98/4909

DATE APPROVED/COMMENCEMENT: 18 July 1998

TERM: 27 September 1999

**NEW AGREEMENT OR
VARIATION: New. Replaces EA97/102**

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 52

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees engaged at the Delta EMD Australia Pty Ltd Company working in the classifications prescribed in clause 9, in or in connection with the Company's operations at Newcastle

PARTIES: Delta EMD Australia Pty Ltd -&- The Australian Workers' Union, New South Wales



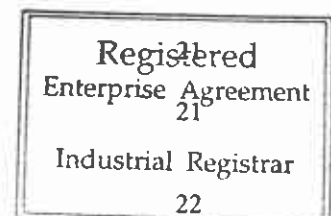


DELTA EMD AUSTRALIA PTY LTD
GENERATION 1
ENTERPRISE AGREEMENT
1998

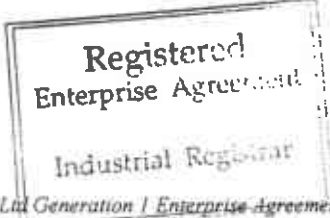
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TITLE

This agreement will be known as the Delta EMD Australia Pty Ltd Generation 1 Enterprise Agreement

PARTIES

Parties to the agreement are:

Delta EMD Australia Pty Ltd;

Australian Workers Union, and

The C.E.P.U. of Australia, New South Wales Branch

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

DEFINITIONS

"Company" or "Employer" means Delta EMD Australia Pty Ltd

"Unions" means the
Australian Workers Union
and/or
C.E.P.U. of Australia, New South Wales Branch

"Commission" means the Industrial Relations Commission of New South Wales.

For twelve (12) hour shift coverage the following shall apply:

"Day Shift" means any shift commencing at or after 6.00 am and finishing before 8.00 pm.

"Night Shift" means any shift commencing at or after 6.00 pm and finishing before 8.00 am.

"Plant" or "Site" means the Delta EMD Australia Newcastle operations including the EMD production plant and Kooragang Island settling ponds.

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CLAUSE 1. JOINT COMMITMENT & OBJECTIVES

It is the joint commitment of the parties to work together to make the Newcastle operations highly competitive, excelling in occupational health and safety awareness, productivity, quality and environmental responsibility through flexibility, skills development, communication and commitment to continuous improvement. The joint vision is to make Delta EMD Australia the world's leading producer of EMD.

The intention is to create an environment which will encourage and support a highly skilled and committed workforce where participation and development of employees will be a priority for the betterment of the individual and the business.

The agreement aims to provide the appropriate framework to develop a flexible and multi-skilled workforce allowing a teamwork approach to all activities. There will be no artificial barriers preventing employees performing tasks defined in their position descriptions.

The parties will continue a process of consultation and negotiation on matters of efficiency, productivity and training.

CLAUSE 2. CONTINUOUS IMPROVEMENT

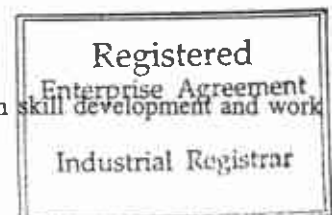
To maintain a leading position in the industry, the parties recognise the importance of a continual improvement in all activities. The outcomes of these improvements will be evident by the reduction in cost of production, the consistency of good quality, reduction of waste and reprocessing and high levels of customer satisfaction.

The parties are committed to continuous improvement in occupational health and safety standards through the implementation of an Organisational framework within the workplace which involves all parties in protecting employee's health and safety. We are committed to implementing the best achievable levels of health and safety.

The focus of activities of improvement will be:

- Occupational health and safety
- Production
- Cost reduction
- Quality
- Maintenance
- Environmental control

To achieve these outcomes the capabilities of all employees will be improved through experience so that a self learning culture can be developed.



CLAUSE 3. PERFORMANCE MEASUREMENT

The parties agree, during the course of this agreement, to jointly develop and implement Performance Measures. These measures will be implemented from 27th February 1999 and will be used for the basis of measuring continuous improvement and to provide a basis for future pay increases as outlined in Clause 9(c).

The key performance targets set will be based on the Delta EMD Business Plan and will be appropriate to the Company's needs .

CLAUSE 4. EQUAL EMPLOYMENT OPPORTUNITY

The parties of this Agreement are committed to developing a workplace that is free from discrimination and harassment. This will be achieved by:

- Fair and open policies and procedures that are implemented consistently
- Providing an acceptable means for employees to lodge a complaint with avenues for investigation and disciplinary procedures based on a fair system as per the Company policy.
- The inclusion in employee and management training of modules on EEO and their direct implementation

CLAUSE 5. SKILLS DEVELOPMENTa) **Introduction**

The parties commit to developing over the life of this agreement the Delta EMD Australia Skills & Development Policy. This will be based on providing for measured efficiency, productivity, competitiveness of the Plant and is outcome based. The commitment is to:

- (i) Develop a more highly skilled workforce through the improvement of current training strategies and the introduction of new developments;
- (ii) Provide employees with career opportunities through appropriate training;
- (iii) Develop and implement a skill development program for each employee consistent with business needs;
- (iv) Maintain employee competency in previously accredited skills.

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b) Development Reviews

The parties recognise development reviews will play an integral part in the overall skills development process. The process for their implementation will be developed over the life of this agreement and will include the introduction of a formal interviewing system, individual training program against the employee's position description and individual improvement measures. The reviews will be used to identify training needs for the individual employee, and to assess development needs according to the individual's performance against measured criteria.

Employees will be trained in the Development Review Process.

CLAUSE 6. HOURS OF WORK

(a) Introduction

- (i) It is important to have in place work arrangements which allow the provision of the highest standards of service in order to meet the continuous 24 hour nature of the business.
- (ii) Employees will not work more than 16 consecutive hours. They will not return to work for another rostered day or shift, until they have had an 8 hour break following their previous day or shift.

(b) Description

- (i) Day Work/Non Continuous Shift Work

Attendance at work will be driven by the requirements of the business and the need to satisfy internal and external customer requirements.

The nominal hours of work for day workers/non continuous shift workers are 7.6 hours per day Monday to Friday between the hours of 6.00am and 5.30pm (exclusive of any gazetted or generally observed public holidays). This may be varied by mutual agreement between the employees and the Company.

Day workers/non continuous shift workers are expected to attend to planned and unplanned demands which may arise outside of the nominal hours of work. It is not the intention of the Employer to create a 7 day per week operation for employees who are generally day workers/non continuous shift workers. However, there will be occasions where employees are expected to work outside of the nominal 7.6 hours per day Monday to Friday and on weekends and public holidays.

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(ii) Continuous Shift Workers

The nominal hours of work for continuous shift workers are 42 hours per week, based on the requirements of a crew roster (operators, fitters, boilermakers & electricians being separate crews), to cover operating plants for 24 hours per day, 7 days per week. Continuous shift workers are required to provide cover of all operating plants in the event of an absence by another continuous shift worker, or if additional labour is required for plant start ups, maintenance, plant cleaning and any other similar event. Guidelines for the plant coverage are contained in appendix 'A'.

(d) Meal Breaks

(i) Continuous Shift Workers

The normal working day is inclusive of a 20 minute meal break, which will be counted as time worked. In addition two ten (10) minute breaks will be allowed and be counted as time worked.

(ii) Day Workers/Non-continuous Shift Workers

An unpaid meal break of thirty minutes shall be allowed for day workers and non-continuous shift workers.

(iii) Meal breaks will be staggered to enable continuity of operations.

(e) Unfair Treatment

If employees believe that they are being unfairly treated with respect to the number of hours they are required to work, having regard for their overall package of salary and other employment related benefits compared with community standards for the position they occupy, they should raise the issue through the Procedure for Resolving Change and Disputes in Clause 21.

CLAUSE 7. CALLOUTS(a) Callout Roster

All employees will be required to take part in a call-out roster. These rosters will be developed and maintained by each work group (operators, fitters, electricians and boilermakers). The roster will contain one employee on call at all times. All coverage of plant vacancies, labour shortages for the plant and or breakdowns will be organised by the employees.

The roster system will be reviewed by the Joint Consultative Committee to enable a standardised system to be used.

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(b) Value of Callouts

Call-outs will be valued at four (4) hours, or time worked if in excess of four hours, and will be deducted from the overtime bank.

(c) Organisation of Callouts

Each operating crew, fitters, boilermakers and the electricians will nominate a representative to advise the Production and Maintenance Superintendents and other crews of the employee(s) on call to cover plant vacancies if they occur. Employees on call will be responsible to make themselves available to cover plant vacancies when requested.

All time worked to cover vacancies is to be recorded, on the appropriate timesheet by the employee and checked by the crew who had the vacancy.

All timesheets are to be presented to the Superintendent at the end of pay period and then forwarded to the Commercial Officer for aggregation. The time worked by the employee in the period and the remaining overtime hours in the bank to be recorded on the employee pay notification.

The crew will decide as to what is an emergency to call a person out. Any refusal to attend work as per roster will be recorded by the employees.

Any refusal by an employee on the call out roster to work when required by the roster will be handled in the first instance by the employee's crew.

(d) Failure To Cover Plant Vacancies

If the crew decides that that the employee is not meeting his/her responsibilities the crew representative will advise the responsible Superintendent who will initiate counseling on the issue. It will be the responsibility of the Superintendent to initiate the disciplinary action.

If the employee decides not to meet his responsibility for coverage, after having been counseled the employee will be transferred off shift to day work for a period of two weeks to consider his future position and responsibilities as a shift worker.

If the employee still fails to meet his responsibilities the Delta Counseling and Discipline Policy will be commenced at Step 3 - First Written Warning.

This clause applies to all plant vacancy situations.

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CLAUSE 8. TRANSFER OF DAY WORKERS AND SHIFT WORKERS

- (a) The Company may require an employee, after consultation with relevant parties, to transfer from one system of work to another system of work prescribed by this agreement and unless reasonable cause exists the employee shall transfer in accordance with such requirement.
- (b) An employee transferred in accordance with this clause who is required to work on a shift or day other than the shift or day on which the employee would ordinarily be rostered shall be given 72 hours notice.

CLAUSE 9. ANNUALISED SALARIES**(a) Structure of Annualised Salaries**

Employees will be paid the nominal rates prescribed in sub clause 9 (b) each year. The amount is payable fortnightly and is in payment of all monies including:

- Base wage rate
- 200 hours overtime
- All allowances, licence payments and other ancillary payments entitled to the employee
- All penalty payments
- Annual leave loading
- Public holiday payments
- Specified training (outlined in attachment 'A')

Any change to the 200 hours overtime must be to the mutual agreement of both parties.

(b) Salaries

The nominal salaries outlined in this agreement are based on the current shift roster pattern worked by the employees. If the roster pattern changed by consultation, the salary rates would be adjusted accordingly. Prior to this occurring, employees will be consulted.

The rates in this agreement reflect the training and progression system as outlined in the AMCL Enterprise Agreement 1996 and the level that employees reached under this system.

During the term of this agreement initial salaries may vary to those listed due to options taken to adjust accrued entitlements for annual leave, long service leave and/or superannuation as outlined in Attachment B. These salaries will be paid until the employees adjustment has been made. All adjustments must be recouped prior to the end of this agreement.

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Operator	42 Hour Shift Work (236.8H) Roster			27/02/99 42 Hour Shift Work (236.8H) Roster		
	Salary	Fortnightly Amount	Daily Rate	Salary	Fortnightly Rate	Daily Rate
Level 1	50,897.13	1,957.58	279.65	51,915.07	1,996.73	285.25
Level 2	60,954.60	2,344.41	334.92	62,173.69	2,391.30	341.61
Level 3	63,196.86	2,430.65	347.24	64,460.79	2,479.26	354.18
Level 4	65,437.25	2,516.82	359.55	66,745.99	2,567.15	366.74
Level 4a	67,677.65	2,602.99	371.86	69,031.21	2,655.05	379.29
Level 5	69,963.06	2,690.89	384.41	71,362.32	2,744.70	392.10
Level 6	74,445.42	2,863.29	409.04	75,934.33	2,920.55	417.22

Operator	38 Hour Day Work			27/02/99 38 Hour Day Work		
	Salary	Fortnightly Rate	Daily Rate	Salary	Fortnightly Rate	Daily Rate
Level 1	33,027.44	1,270.29	127.03	33,687.99	1,295.69	129.57
Level 2	39,612.71	1,523.57	152.36	40,404.97	1,554.04	155.40
Level 3	41,085.41	1,580.21	158.02	41,907.12	1,611.81	161.18
Level 4	42,555.15	1,636.74	163.67	43,406.25	1,669.47	166.95
Level 4a	44,024.35	1,693.24	169.32	44,904.84	1,727.11	172.71
Level 5	45,521.89	1,750.84	175.08	46,432.33	1,785.86	178.59
Level 6	48,460.84	1,863.88	186.39	49,430.06	1,901.16	190.12

Electrician	42 Hour Shift Work (236.8H) Roster			27/02/99 42 Hour Shift Work (236.8H) Roster		
	Salary	Fortnightly Salary	Daily Rate	Salary	Fortnightly Rate	Daily Rate
Base Entry	65,268.90	2,510.34	358.62	66,574.28	2,560.55	365.79
Level 1	66,847.55	2,571.06	367.29	68,184.50	2,622.48	374.64
Level 2	78,717.96	3,027.61	432.52	80,292.32	3,088.17	441.17
Level 2a	80,980.46	3,114.63	444.95	82,600.07	3,176.93	453.85
Level 3	83,245.10	3,201.73	457.39	84,910.00	3,265.77	466.54

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Electrician	38 Hour Day Work			27/02/99 38 Hour Day work		
	Salary	Fortnightly Salary	Daily Rate	Salary	Fortnightly Salary	Daily Rate
	Base Entry	42,988.18	1,653.39	165.34	43,847.94	1,686.46
Level 1	48,893.86	1,880.53	188.05	49,871.74	1,918.14	191.81
Level 2	51,804.30	1,992.47	199.25	52,840.38	2,032.32	203.23
Level 2a	52,634.61	2,024.41	202.44	53,687.30	2,064.90	206.49
Level 3	54,771.28	2,106.59	210.66	55,866.71	2,148.72	214.87

Fitter/ Boilermaker	42 Hour Shift Work (749.6H) Roster			27/02/99 42 Hour Shift Work (749.6H) Roster		
	Salary	Fortnightly Rate	Daily Rate	Salary	Fortnightly Rate	Daily Rate
	Base Entry	58,684.76	2,257.11	322.44	59,858.45	2,302.25
Level 1	66,967.86	2,575.69	367.96	68,307.22	2,627.20	375.31
Level 2	71,049.91	2,732.69	390.38	72,470.91	2,787.34	398.19
Level 2a	73,130.45	2,812.71	401.82	74,593.06	2,868.96	409.85
Level 3	75,211.24	2,892.74	413.25	76,715.47	2,950.60	421.51

Fitter/ Boilermaker	42 Hour Day Work			27/02/99 42 Hour Day Work		
	Salary	Fortnightly Rate	Daily Rate	Salary	Fortnightly Rate	Daily rate
	Base Entry	49,981.10	1,922.35	240.29	50,980.72	1,960.80
Level 1	57,018.58	2,193.02	274.13	58,158.95	2,236.88	279.61
Level 2	60,482.36	2,326.24	290.78	61,692.01	2,372.77	296.60
Level 2a	62,251.37	2,394.28	299.29	63,496.40	2,442.17	305.27
Level 3	64,018.01	2,462.23	307.78	65,298.37	2,511.48	313.93

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Fitter/ Boilermaker	38 Hour Day Work			27/02/99 38 Hour Day Work		
	Salary	Fortnightly Rate	Daily Rate	Salary	Fortnightly Rate	Daily rate
Base Entry	41,666.48	1,602.56	160.26	42,499.81	1,634.61	163.46
Level 1	47,572.39	1,829.71	182.97	48,523.84	1,866.30	186.63
Level 2	50,482.77	1,941.64	194.16	51,492.42	1,980.48	198.05
Level 2a	51,965.49	1,998.67	199.87	53,004.80	2,038.65	203.86
Level 3	53,449.51	2,055.75	205.58	54,518.50	2,096.87	209.69

(c) Salary Administration

During the life of this agreement the parties undertake to develop performance indicators which will allow for improvements in the Business to be quantified and measured on a continuous basis.

The parties recognise the benefits of performance-related remuneration schemes. As such the parties will develop a system over the life of this agreement whereby future increases will be determined by the following factors:

- The Company's financial performance
- Organisational achievements of performance measures
- General economic indicators

A 2% increase will be paid from 27 February 1999.

(d) Part-time Employees

The annual salary for regular part time employees will be determined according to the formula:

$$\frac{\text{Annual Salary} \times \text{No. of hours worked per week}}{\text{Nominated weekly working hours}}$$

(e) Overtime

- (i) An employee is to work overtime as and when required. Overtime under 200 hours will be worked as per the guidelines in attachment 'A' and will be deducted from the employee's overtime bank on an hour for hour basis. Overtime worked on a public holiday will be deducted at the rate of 1.25 hours to each hour of overtime worked.

- (ii) If an employee works in excess of 200 hours per annum he or she will be entitled to claim said overtime at the rate of double time based on the flat rate as set out below or in the case of a Public

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claim said

Holiday double time and one half.

- (iii) If an employee is failing to perform reasonable overtime without an acceptable reason, then disciplinary action may follow as per attachment 'A'.

Operator

	Overtime Rate 42 Hour Shift Work	27/02/99 Overtime Rate 42 Hour Shift Work
Level 1	15.2393	15.5441
Level 2	18.2480	18.6129
Level 3	18.9189	19.2973
Level 4	19.5899	19.9817
Level 4a	20.2608	20.6661
Level 5	20.9447	21.3636
Level 6	22.2866	22.7324

Operator

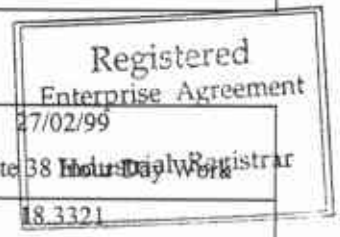
	Overtime Rate 38 Hour Day Work	27/02/99 Overtime Rate 38 Hour Day Work
Level 1	13.7700	14.0454
Level 2	16.5171	16.8474
Level 3	17.1297	17.4723
Level 4	17.7423	18.0971
Level 4a	18.3549	18.7220
Level 5	18.9793	19.3589
Level 6	20.2045	20.6086

Electrician

	Overtime Rate 42 Hour Shift Work	27/02/99 Overtime Rate 42 Hour Shift Work
Base Entry	19.3574	19.7446
Level 1	22.0542	22.4952
Level 2	23.3832	23.8508
Level 2a	24.0602	24.5414
Level 3	24.7380	25.2327

Electrician

	Overtime Rate 38 Hour Day Work	27/02/99 Overtime Rate 38 Hour Day Work
Base Entry	17.9895	18.3321



Level 1	20.4517	20.8435
Level 2	21.6652	22.0813
Level 2a	22.2833	22.7118
Level 3	22.9022	23.3430

Fitter/Boilermaker

		27/02/99
	Overtime Rate 42 Hour Shift Work	Overtime Rate 42 Hour Shift Work
Base Entry	19.0529	19.4339
Level 1	21.7496	22.1846
Level 2	23.0786	23.5402
Level 2a	23.7557	24.2308
Level 3	24.4334	24.9221

Fitter/Boilermaker

		27/02/99
	Overtime Rate 38 Hour Day Work	Overtime Rate 38 Hour Day Work
Base Entry	17.3923	17.7349
Level 1	19.8545	20.2463
Level 2	21.0680	21.4841
Level 2a	21.6861	22.1146
Level 3	22.3050	22.7458

CLAUSE 10. PAYMENT OF WAGES

- (a) All wages shall be paid fortnightly into an account at a bank or other financial institution, nominated by the employee which has a B.S.B. number for electronic transfer.
- (b) Where late payment arises from error or omission by the Company and the financial institution imposes a fee or penalty (proven by written evidence), the Company agrees:
- (i) In the case of fees only, reimbursement of fees charged
 - (ii) In the case of penalties such as interest rate increase, to work with the employee concerned to overturn the penalty imposed.

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CLAUSE 11. PUBLIC HOLIDAYS

The days listed below will be observed as public holidays for the purpose of this agreement:

- . New Years Day
 - . Australia Day
 - . Good Friday
 - . Easter Saturday
 - . Easter Monday
 - . Tuesday following Easter Monday (Company picnic day)
 - . Anzac Day
 - . Labour Day
 - . Queen's Birthday
 - . Christmas Day
 - . Boxing Day; or
 - . any other day appointed by proclamation as a public holiday throughout the State
- are observed, shall be public holidays.

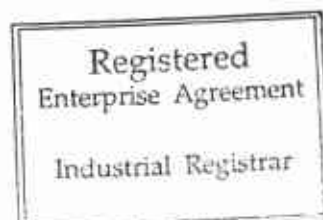
With the introduction of an annualised salary, no additional payment will be made to employees rostered to work on any public holiday. In addition employees rostered off will have no option for payment or for add-on hours to be accumulated. This will be offset by employees receiving an additional week of annual leave (42 hours) - see clause 14.

CLAUSE 12. EMPLOYEE WELFARE LEAVE

The Company policy provides maximum support in all genuine cases of employee illness, or family emergencies. Employees will be entitled to leave of absence without loss of payment where they cannot attend for duty due to personal illness, injury, other family illness, or pressing necessity or a death within the family. Such leave will be granted as per the Delta EMD Australia Pty Ltd Employee Welfare Leave Policy.

CLAUSE 13. PARENTAL LEAVE

Employees are entitled to a maximum of 52 weeks unpaid maternity, paternity or adoption leave. Leave will be granted as per Part 4 Division 1 of the Industrial Relations Act 1996 and the Delta Australia EMD Pty Ltd Parental Leave Policy.

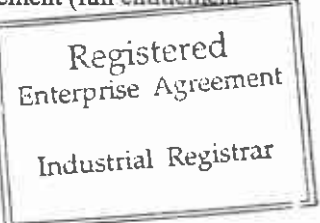


CLAUSE 14. ANNUAL LEAVE

- (a) The provisions of the Annual Holidays Act 1944 apply to all employees. Day Work employees will accrue four (4) weeks Annual Leave per annum. The entitlement will be either 152 hours for 38 hour based employees or 168 hours for 42 hour based employees.
- (b) (i) In addition to the leave prescribed by the Annual Holidays Act 1944, an employee who has served continuously as a continuous seven day shift worker for a period of twelve months shall, in respect of that year be entitled to a period of one week's additional leave. Shift employees working an average 42 hour continuous roster shall accrue Annual Leave at the rate of 252 hours per annum which is inclusive of the additional weeks leave mentioned above and one additional week (42 hours) of leave to compensate for working public holidays.
- (ii) In addition to the leave prescribed by the Annual Holidays Act 1944 an employee who has served as a continuous seven day shift worker for part of a twelve monthly period shall in respect of that period be entitled to pro-rata leave of the additional two week's leave prescribed in subclause (b)(i) above.
- (c) Annual leave entitlements of any year must be taken within 24 months of each anniversary date. All employees will be expected to take their annual leave each year.
- (d) Where the employment of an employee has been terminated and the employee is thereby entitled under the provisions of the Annual Holidays Act to payment in lieu of an annual holiday, with respect to a period of employment, the employee shall be entitled to an additional payment with respect to service as a seven day shift worker which the employee has had during the period.
- (e) No leave loading is paid under this agreement. This has been factored into the annualised salary outlined in clause 9.

CLAUSE 15. LONG SERVICE LEAVE

- (a) The provisions of the Long Service Leave Act, 1955 shall apply to all employees.
- (b) All accrued and future long service leave taken during service and paid out on termination with the exception dismissal, will be paid at the annualised salary rate. Upon dismissal an employee will be entitled only to the base rate which is the annualised rate less the 200 hours overtime and shift penalties.
- (c) An employee eligible to take long service leave may elect to take half the leave entitlement (full entitlement deducted from leave management) with the full payment entitled to the employee.



CLAUSE 16. JURY SERVICE

An employee required to attend for jury service:

- (i) during the employee's ordinary working hours; or
- (ii) immediately following an ordinary night shift or immediately preceding an ordinary night shift on which the employee is rostered to work and as a result of attending for jury service is not reasonably able to report for work on that shift

shall be entitled to an amount equal to the difference between the amount paid by the Court in respect of the attendance at jury service and the employee's rate of pay for the period that would have been worked.

An employee shall notify the Company as soon as possible of the date upon which attendance for jury service is required and shall give the Company proof of attendance, the duration of such attendance and the amount received in respect of such jury service prior to payment being made.

CLAUSE 17. JOB SECURITY

The Company guarantees for the term of this agreement that no retrenchments of permanent employees will occur because of improved efficiency and flexibility (excluding technological improvements or major capital expenditure). Natural attrition and a reduction in the number of contractors will be used should there be any requirement to progressively adjust to increasing skill levels and performance.

The Company cannot predict circumstances such as a loss of market share that might result in redundancies or Plant closure. Before proceeding with any major changes in the workplace, the Company will discuss the changes with the Union in an attempt to determine measures to avoid or minimise any adverse impact on employees. The Company will give as much notice of impending severances as possible in these circumstances.

CLAUSE 18. CONTRACTORS

With the intent of ensuring continuous work for permanent employees, contractors shall be used to meet the peaks of work load. No contractor is to be given preference over a permanent employee. The intention is that contractors will only be used to meet special project needs, or peak work loads and not to disadvantage employees.

CLAUSE 19. SUPERANNUATION

The parties agree to use the Commonwealth Life Superannuation Fund or as agreed through the Committee as their choice of funds for all superannuation payments.



CLAUSE 20. CONTRACT OF EMPLOYMENT

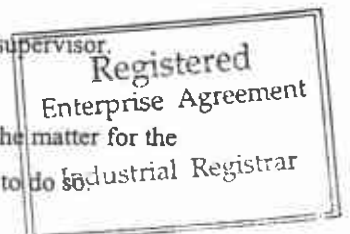
- (a) Subject to the provisions of this agreement, all employees shall be engaged on a fortnightly basis (full time or part time) or on a casual basis.
- (b) (i) Employees shall perform such work as the Company shall reasonably require as defined in the appropriate position descriptions.
- (ii) Permanent employment shall be probationary for a nominal period of three months. This will be calculated from the date of the employee's commencement. During this period, employment can be terminated by one week's notice.
- (iii) Dismissal shall not be harsh, unfair or unreasonable. Subject to this constraint, employment can be terminated by the payment or forfeiture of a week's wages, as the case may be. This shall not limit the Company's right to dismiss an employee without notice for refusal of duty, inefficiency, neglect of duty, misconduct including breach of Company rules and in such cases the wages shall be payable up to the time of dismissal.
- (iv) Any employee taking unauthorised absence from duty shall not be paid for the actual time of such non-attendance and may be subject to further disciplinary action.
- (v) The obligation of the Company and employees to customers and their employees must be respected by ensuring actions of the Company or employees do not adversely affect customers.
- (c) The Company shall have the right to deduct payment for any day or part thereof during which an employee is stood down by the Company as a result of refusal of duty, malingering, neglect of duty or misconduct on the part of the employee or for any day or part thereof, during which the employee cannot be employed usefully because of any strike, natural disaster or through any breakdown of machinery or due to any cause for which the Company cannot reasonably be held responsible.

CLAUSE 21. PROCEDURE FOR RESOLVING CLAIMS AND DISPUTES

The parties of this agreement commit to amicably resolving disagreements or disputes that may arise between them..

An employee is entitled at any stage of this procedure to seek the assistance of any person from the employee's department nominated by the employee or union official to assist in the preparation and presentation of their case.

- (a) An employee who has a matter to raise must at all times first discuss the matter with a supervisor.
- (b) (i) The supervisor will make any necessary enquiries and will attempt to resolve the matter for the employee by providing an answer, if not on the same day, as soon as practical to do so.



- (ii) If any such matter requires time to obtain a final answer, the supervisor will keep the employee informed of progress.
- c) If the employee is not satisfied with the answer provided by the supervisor, the employee may elect to submit a formal written grievance to the supervisor.
- (i) The supervisor shall discuss the formal written grievance with the Department Manager of the employee who will then investigate the matter and provide to the employee and supervisor an answer in writing in respect of that written grievance by the employee.
 - (ii) Where the matter remains unsolved the employee may discuss the matter with the Human Resources Manager in conjunction with the Supervisor and/or Department Manager and if requested a union representative.
 - (iii) If the matter remains unresolved, the employee may involve the appropriate union organiser for further discussions with the General Manager.
- (d) During discussions, work shall be continued in the usual manner and if the matter cannot be resolved through discussions, the circumstances of the grievance be notified to the Industrial Relations Commission with a view to a compulsory conference being convened to settle the grievance. If it is agreed between the parties that no resolution is likely to be resolved steps (b) and (c), either party may notify the Commission with a view to a compulsory conference to settle the grievance.
- (e) Whilst these procedures are continuing there will be no stoppage of work or any other form of limitation.

CLAUSE 22. DISCIPLINARY PROCEDURE

The parties are committed to ensuring an adequate procedure to deal with situations where an employee may need to be counselled or disciplined about their work performance or related issue.

Disciplinary action is aimed at correcting inappropriate behaviour by ensuring that employees are made aware of what they are doing that is inappropriate and of what is expected in the future. The objective is to undertake a defined program of remedial action.

It is recognised that in some instances the inappropriate behaviour may be serious enough to warrant notes to file, written warning, stand down or dismissal. It should also be recognised that any instance of gross misconduct may lead directly to dismissal.

To enable this to happen the Delta EMD Australia Pty Ltd Disciplinary Procedure will be applied as outlined in Appendix 'C'.



CLAUSE 23. JOINT CONSULTATIVE COMMITTEE

Consultation is a critical mechanism to making Delta EMD more flexible, efficient and effective. To ensure this the Parties agree to establish a Joint Consultative Committee to assist the Company and the employees address the aims and objectives of this agreement. The consultative process will involve:

- All parties being prepared to put forward considered views in respect of desired improvements in working arrangements with respect to this agreement.
- An opportunity for all parties to understand the nature and impact of those views before any decisions are made.
- Fair consideration being given to the issues and the concerns raised by the parties before any decision is made.
- Raising any specific concerns, difficulties with proposals for change or other matters in accordance with the agreed dispute settling procedure.

a) Composition of the Committee

- 4 Operator representatives
- 1 Electrician representative
- 1 Fitter or boiler maker representative
- 3 Company representative

b) Conduct of Meetings

- i) Meetings will be held on a quarterly basis or as required:
- Chairperson of the Committee will be an employee representative.
 - The Committee has the right to invite input from other people as required.

CLAUSE 24. PROTECTIVE AND SAFETY EQUIPMENT AND CLOTHING

(a) An employee, to the extent required by the work, shall be provided with gloves, a safety helmet, ear protection, eye protection and where appropriate other protective clothing and equipment. Each employee shall wear such items as required by the Company.

(b) (i) An employee, other than part time employee, shall be entitled free of charge to be issued with the following:

- (1) on commencement an initial issue of five shirts and five pairs of trousers, and five shirts and five pairs of trousers each year thereafter; with the ability to substitute one set of shirt/trousers for a pair of overalls
- (2) on commencement five pairs of woollen socks and five pairs each year thereafter;
- (3) on commencement two pairs of safety boots or shoes and one pair each year thereafter;

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- (4) one winter coat each two years;
 - (5) one personal set of wet weather gear.
- (ii) Part time employees shall be issued with industrial clothing on a pro rata basis.
- (c) Appropriate protective equipment shall be worn during working time.

CLAUSE 25. AREA, INCIDENCE AND DURATION

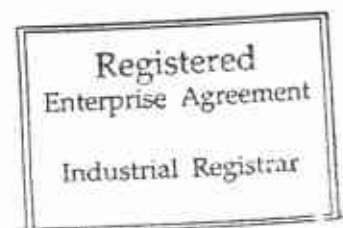
This agreement shall apply to all employees of the Delta EMD Australia Pty Ltd Company working in the classifications prescribed in clause 9 Rates of Pay of this Agreement, in or in connection with the Company's operations at Newcastle.

This agreement shall prevail over the provisions of any Award, former Industrial Agreement or order of the Commission which deals with a matter dealt with in this agreement.

This agreement shall, having regard to the Industrial Relations Act 1996, have effect from the date it is registered or accepted by the workforce and shall operate from the beginning of the first pay period to commence on or after 18 July 1998 and shall remain in force until 27 September 1999.

It is a term of this agreement that the parties undertake, for the duration of this agreement, not to pursue any extra claims, whether settled by this agreement or new matters, including those arising from Stage Wage Case decisions, except when consistent with those principles.

Variation to this agreement can be made in accordance with the Industrial Relations Act 1996.



CLAUSE 26. SIGNATURES

Signed for and on behalf of the
Australian Workers Union:

[Handwritten signature]
.....

Employee Representative(Operators):

[Handwritten signature]
.....

Employee Representative (Fitters):

[Handwritten signature]
.....

Signed for and on behalf of the
Communication, Electrical and
Plumbing Union, New South wales
Branch:

[Handwritten signature]
.....

Employee Representative (Electrician):

[Handwritten signature]
.....

Signed for and on behalf of
Delta EMD Australia Pty Limited:

[Handwritten signature]
.....





GUIDELINES FOR THE OPERATION

ANNUALISED SALARIES

1. INITIAL ADJUSTMENTS TO REFLECT THE MOVE TO ANNUALISED SALARIES

Leave Entitlements

Accrued Annual Leave Position

Accrued annual leave will be treated in the following manner:

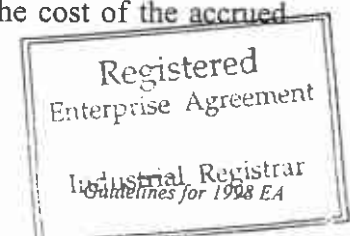
1. Employees can elect to have a further deduction taken from the Company Superannuation payment until cost of accrued leave has been met.
2. Employees can elect to have a weekly deduction taken from their pay until the cost of the accrued leave has been met.
3. Employees can elect to pay the difference as a lump sum to meet the cost of the accrued leave.
4. Seven day shift employees can elect to 'cash in' the fifth week of their entitlement to satisfy the position.
5. Employees can use a combination of any of the above to meet the cost of the accrued leave.

Adjustment made must be concluded during the term of the agreement.

Accrued Long Service Leave Position

The Company agrees to meet 50% of the costs of the accrued long service leave. Employees will be required to meet the additional 50% through any of the following alternatives:

1. Employees can elect to have a further deduction taken from the Company Superannuation payment until cost of accrued leave has been met.
2. Employees can elect to have a weekly deduction taken from their pay until the cost of the accrued leave has been met.
3. Employees can elect to pay the difference as a lump sum to meet the cost of the accrued leave.



4. Employees can use a combination of any of the above to meet the cost of the accrued leave.
5. Seven day shift employees can elect to 'cash in' the fifth week of annual leave entitlement to satisfy the position.

Adjustment made must be concluded during the term of the agreement.

2. SICK LEAVE

The cost of moving to a full staff sick leave policy will be met by the Company. This is outlined in the Company Employee Welfare Leave Policy.

3. SUPERANNUATION

Employee's superannuation contribution made on behalf of the Company will be adjusted in either of the following ways:

- The Company contribution and that of each employee will be adjusted so that the liability of the Company and that of the employee remains unchanged to current arrangements.
- The salary of the individual will be adjusted so that the superannuation payments currently paid remain unchanged.

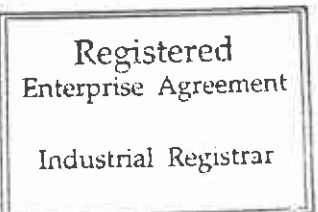
Future increases afforded to the employees will be treated under the current superannuation arrangements.

4. WORKERS COMPENSATION

Employees who participates fully in rehabilitation following an injury will be paid as per annualised salary. This full payment would continue for 26 weeks subject to individual employees being prepared to follow the Company Rehabilitation Policy. Normal review of forward payments and leave arrangements for any individual extending beyond 26 weeks would take place at that time.

The Company has the right to assess the situation at any time and make appropriate arrangements associated with employment continuation or otherwise.

It is not the Company's intention to limit benefits paid under workers compensation.



5. WORKING ARRANGEMENTS FOR OVERTIME

• Allocation Of Overtime Hours

In order to standardise the 200 hours overtime into a set time-frame, the hours will be set as a pro-rata amount of the 200 hours for the initial part of the agreement from the commencement of this agreement up to 27 September 1998. From this date on the annual amount of the 200 hours will apply.

New employees joining Delta under this agreement will have their 200 hours apply on a pro-rata basis.

For the purpose of having a new anniversary date for the agreement, there will be a pro-rata amount established for the overtime bank up to 27th September 1998. This amount will be 36 hours.

• Overtime Bank

Each individual will maintain their own individual bank and will deduct from that bank over an annual basis any overtime which is required to be worked for absenteeism, plant breakdowns, area meetings and agreed plant training.

• Balance of Overtime By Crew

All employees in a team or crew will be required to work an even amount of overtime and that no employee will be allowed to be 24 hours in advance or behind the crew average.

• Transfers to New Crew

When an employee transfers to a new crew he or she will assume the average overtime bank that the rest of the new crew has at that point of time. He or she will forfeit his existing bank whether ahead or behind the new crew average.

• Last 2 Months of The Anniversary Date of the Agreement

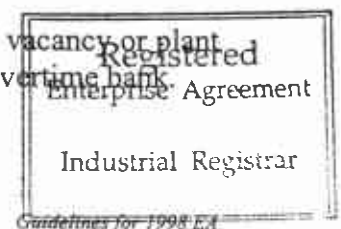
In the last 2 months of the overtime year employees will not be requested by the Company to work more than 24 hours overtime from the bank per month if they have more than these available hours in their overtime bank.

• Overtime Excess of 200 Hours

When the workgroup (defined as shift crew, fitters, boilermakers and electricians being separate groups) average overtime hours exceeds the 200 hours bank overtime and any employee working greater than 200 hours overtime will be paid at the rate of double time.

• Overtime worked on a Public Holiday

When an employee works overtime on a public holiday to cover a sick leave vacancy or plant breakdown, the employee will deduct 1.25 times the hours worked from his overtime bank.



- **Planned Plant Shutdowns/ Activities**

The parties agree that any employee asked by the Maintenance or Production Superintendent to work overtime on a scheduled major plant shutdown or activity will be paid at overtime rates.

Shutdowns/Extended Shutdowns

A shutdown/extended breakdown is an incident where a piece of equipment is de-commissioned and the following circumstances apply:

1. a set period of time greater than 24 hours, and
2. is manned around the clock 24 hours, and/or
3. pre-planned (at least 48 hours notice) with maintenance and production, or where work is continuing on an unplanned incident beyond 48 hours.

Where an employee is required to work on a shutdown/extended breakdown the additional hours worked above their normal rostered hours subject to the above conditions will be paid at penalty rates. These hours are in addition to the employee's overtime bank and will not reduce the bank hours.

- **Provision of Contact Number**

Employees are required to provide the company with a contact number for the purpose of call out arrangements to maintain minimum manning levels. Employees that elect to purchase a mobile phone must provide the company with the phone number. Employees that do not decide to purchase the mobile phone must provide some other means of being contacted when on call.

6. LABOUR ESTABLISHMENT FOR ANNUALISED SALARIES

- **Operators**

Shift Crew:	7 per shift
Dayshift support:	2
Trainee:	1

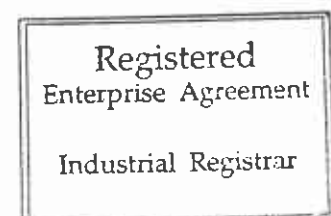
To operate with the above number a flexible workplace and workforce is required.

- **Tradespeople**

Mechanical Fitters

7 Shift positions
2 day positions

Boilermakers



2 day work positions covering Monday to Friday

Electricians

4 shift positions

1 day work

It is agreed that time be made available for fitters, boilermakers and electricians to be involved in the maintenance improvement program.

7. ARRANGEMENT FOR PLANT COVERAGE

The following is the agreed position for working arrangements for introduction of annualised salaries on site.

• Plant Coverage

Under normal operation the plant will require the following coverage each shift:

- Operator 6 per shift (except for special arrangements as outlined below)
- Fitters 1 per shift
- Electricians – minimum plant coverage:
 - 1 electrician on dayshift (7am to 7pm Monday to Monday)
 - 1 electrician on call for the remainder of the week
- Boilermakers - Monday to Friday day work coverage

• Sick Leave Coverage

Sick Leave by an employee will firstly be covered by spare labour on the shift, if available. If no spare labour or change of roster to cover is available then the vacancy will be covered by employees on overtime as per call out roster. A decision will be made within two days by the crew on how the absence will be covered on the long term if required. Coverage of the long term absence may be by one of the following options:

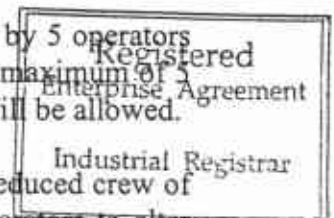
- Spare labour from another shift/day work
- Change of roster
 - Use of supplementary labour eg contractor

• Annual Leave

Operators

To allow annual leave during peak periods the plant operation can be covered by 5 operators per shift (or for those crews with more than seven, two off at one time) with a maximum of 5 days coverage except for the Christmas/New Year period when up to 21 days will be allowed.

Operators will ensure that all normal plant requirements will be met with the reduced crew of 5. This will be achieved by flexible working arrangements and allowing operators to alter duties to provide coverage of all plant equipment.



Employees on Annual Leave are to be covered by labour on the shift crews and overtime is not to be worked to cover Annual Leave.

Tradespeople

Fitters, electricians and boilermakers will be covered by spare labour available on daywork or not covered during their period of leave. In principal there will be only 2 fitters, 1 electrician and/or 1 boilermaker off on annual leave at one time. Annual leave will not be covered by overtime and the tradespeople's roster will be changed by the employees to cover annual leave.

- **Long Service Leave & Parental Leave**

Long Service Leave and Parental Leave is to be covered normally by spare labour but if spare labour is not available coverage will be as per the coverage arrangement for annual leave.

- **Vacancies**

Vacancies below the agreed establishment are to be filled by a permanent replacement within a period of 3 months. During the interim period of the vacancy the position can be covered by supplementary labour.

- **Special Projects Staff Relief**

The appointment of employees to special projects or to do staff relief will be treated as a vacancy below the agreed establishment and will be filled by spare labour if available by a new recruit or supplementary labour.

If an employee is requested to undertake a special project the maximum time that shift rates will be paid for is two weeks. After this the rate will revert to day work rates. The employee may elect to continue on the project at these rates for the duration of the project.

- **Swapped Shifts**

To be arranged between employees to suit employees needs. Any swap shift arrangements must not create a situation where employees work in excess of 16 hours or unable to obtain their 8 hour break between shifts.

- **Training and Employee Development**

The parties agree to continue investigations into reviewing the training system. During the life of the agreement training will be organised as required and is necessary under statutory obligations to meet the business needs.

The Company will continue to support employees committed to external ongoing courses as at 27 February 1998 as per previous arrangements.

The parties agree that training required by the Company should be arranged as follows:

1. Employees to attend in normal working hours with coverage of absence by spare labour.

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2. If the release of the employee for training cannot be covered by spare labour; training to be reorganised.

- first 32 hours as part of overtime bank of hours, effective from 27th September 1998.
- additional hours to be paid at overtime rates

The trainee and operators on dayshift will provide flexibility to allow release of people from normal rostered shifts to attend training sessions.

Once a training system has been completed which allows the development of individual training programs, the parties commit to introducing development reviews to assist in the development of individuals and setting training plans.

- **Meetings**

Operators and tradesmen are to attend up to 16 hours per annum at meetings in their own time. These hours to be regarded as overtime hours and deducted from their bank of hours.

Operators and tradesman are expected to attend area meetings and these will be organised on a 5 weekly basis between the hours of 7.00am to 11.00am on a day that is practical.

Company sponsored meetings such as the OH & S Committee, Joint Consultative Committee, etc. will be planned for normal working hours. If attendance is required outside of the employee normal working hours, the Company will arrange firstly for a change of shift or if this is not possible, payment will be made at overtime rates for attendance, or time off in lieu granted.

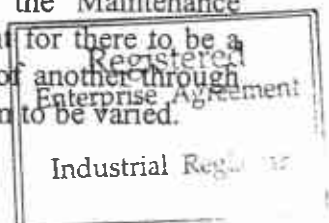
- **Supplementary Labour**

A pool of trained supplementary labour will be established for assistance with Operations. The contractors and/or trainees to be involved in this pool of labour to be managed by the Company after consultation with tradesman and operators.

8. ELECTRICIANS COVERAGE

To provide a 24 hour plant coverage the following trial arrangements have been made with the electrical group. These arrangements are based on electrician salaries for 7 day 24 hour coverage of the plant. Variation to roster arrangements will be made in accordance with and consistent with the Enterprise Agreement.

- A new roster arrangement to be developed in consultation with the company to enable split shifts to be worked. This will enable a wider spread of hours and there be greater coverage of the plant. The roster is to be developed between the Maintenance Superintendent and the electrical group, however there is a requirement for there to be a maximum of 7 hours between the end of one shift and the beginning of another through Monday to Friday. There must be mutual agreement for the roster system to be varied.



- If an electrician is called out during the unmanned hours they may elect to either continue working through as if that was the shift or may elect to defer the time worked as time in lieu and deduct the time from a shift that is suitable to both parties.
- This arrangement is for a trial period of six months and will be reviewed at this point in time. At the end of this trial period the parties agree to either:
 - i) remain under the existing working arrangements or
 - ii) vary the agreement to suit the needs of the business and relevant parties

9. CLASSIFICATIONS FOR ANNUALISED SALARIES

As part of the Company's investigation into the establishment of work teams over the life of the agreement, the parties agree to review the classification structure pending the outcome of the investigation. The parties also agree to review the current training and development system with a view to making training more relevant to the workplace and organisational objectives.

This investigation will commence on or about 28th September 1998 and conclude by 27th September 1999.

To address the issue of progression through the grades on an annualised salary it was agreed that a committee should be established to review the present skills development requirements and prepare a new document for consideration by the committee in regards to promotion through the existing grades.

10. CONTRACTORS

The parties agree the following arrangements with the use of contractors

i) Housekeeping

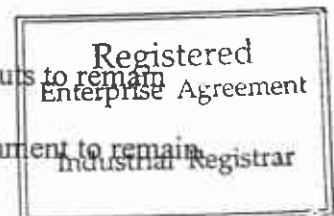
All parties are committed to improve the general housekeeping of the plant and its surrounds and will through process improvement attempt to phase out the use of contractors for housekeeping on site. For the use of contract labour for housekeeping or assistance with plant operations the Plant Manager will consult with all parties before making a decision to alter supplementary labour/contractors arrangements.

ii) Product Bagging

Product Bagging in either bulk or 40kg bags will be carried out by contractors as a trial for the time of the agreement. This will be reviewed one (1) month prior to the expiration of the agreement.

iii) Bag Houses – the present arrangements for filter element change outs to remain

iv) Cathode, anode and busbar - the present arrangements for refurbishment to remain



11. MOBILE PHONE GUIDELINES

For employees who elect to take a mobile phone the following guidelines are put forward to clarify the Company's position:

- (a) Once received the mobile phone will be the responsibility of the employee. Damage, loss and/or repair will be the sole responsibility of the employee.
- (b) As the mobile phone has been provided for call back situations it is not needed when any employee is working normal roster.
- (c) If an employee brings his/her mobile phone to work it is not to be carried onto the plant.
- (d) The package includes an allowance of \$10.00 per month for calls made paid in advance for 24 months. The Company's liability is limited to this amount and calls made and costs incurred are the responsibility of the employee. Employees must ensure that their account is paid according to normal terms and avoid service being disconnected.
- (e) Each employee who opts to take a mobile phone will be expected to make use of the said phone and provide his/her phone number to others as required to ensure contact can be made as and when needed to cover the plant.
- (f) For the duration of the enterprise agreement each person who opts to take a mobile phone will ensure they have a mobile phone in working order.
- (g) A new employee will not receive a mobile phone until the completion of the probationary period.

The mobile phone option can be summarised as follows:

	\$
Connection Fee (fixed and once off)	65.00
Phone Purchase	139.00
Monthly charge covering 24 months (24 x 22.10)	<u>530.40*</u>
Total Cost met by Company	<u>734.40</u>

*Included in this sum is a monthly allowance of \$10 to cover calls made. Over the 24 months some \$240 is prepaid to cover calls.

The plan includes charges at the following rates - \$0.35 per 30 seconds and a \$0.12 per call flag fee. Calls made to mobile numbers etc. may cost more than the rates tabled.

12. REVIEW OF GUIDELINES

The parties to this agreement agree to review on an ongoing basis the working arrangements of the annualised salary structure. If any disputes arise pertaining to the working arrangements or clarification is required, the single bargaining unit which compiled these arrangements will be reconvened.



The single bargaining unit agrees to meet one month prior to 27 September 1998 and prior to the implementation of the agreed KPI's and/or as required.

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QUALITY SYSTEM MANAGEMENT	Page 2 of 12	Number AMC-MAP-026-01
MANAGEMENT and ADMINISTRATION PROCEDURE	Issue No: 2	
Author: M. Penfold	Date: 16. 6.1998	Approved By: Ed Coombes

DELTA DISCIPLINARY PROCEDURE

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QUALITY SYSTEM MANAGEMENT

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MANAGEMENT and ADMINISTRATION PROCEDURE

Issue No: 2

Author:
M. Penfold

Date:
16. 6.1998

Approved By:
Ed Coorndes

DELTA DISCIPLINARY PROCEDURE

UNCONTROLLED

1. INTRODUCTION

Disciplinary action is aimed at correcting inappropriate behaviour by ensuring that employees are made aware of what they are doing that is inappropriate, and of what is expected for the future. The objective is to undertake a defined program of remedial action.

A Supervisor's on-the-job discussion (which may be backed up by private diary notes) serves as a form of informal counselling and is normally the restabilising performance standard.

It is recognised that in some instances the inappropriate behaviour may be serious enough to warrant Notes to File, Written Warning, Stand Down or Dismissal.

It should also be recognised that any instance of Gross Misconduct may lead directly to dismissal.

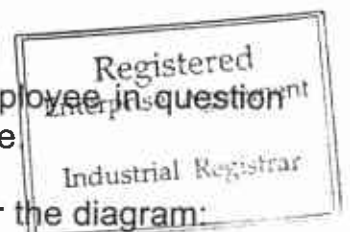
2. CONDUCT INVESTIGATION PROCEDURE

This procedure is to be adopted when carrying out an investigation into alleged misconduct that could warrant counselling, a written warning, stand down, or dismissal.

The Supervisor shall inform the employee as soon as practicable of the nature of the allegation prior to the formal investigation commencing. The Supervisor shall then ask the employee if he/she requires the presence of the union delegate or another person.

If the alleged instance of misconduct is so serious that it may lead to disciplinary action being taken, then the employee may be stood down with pay whilst the investigation proceeds. Otherwise the employee shall continue with his/her normal shifts.

Throughout the process of investigation all interviews of the employee or of any other employee may include the relevant Union Delegate



The Investigation shall follow the steps (a) to (c) on the page after the diagram:

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QUALITY SYSTEM MANAGEMENT

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Issue No: 2

Author:
M. Penfold

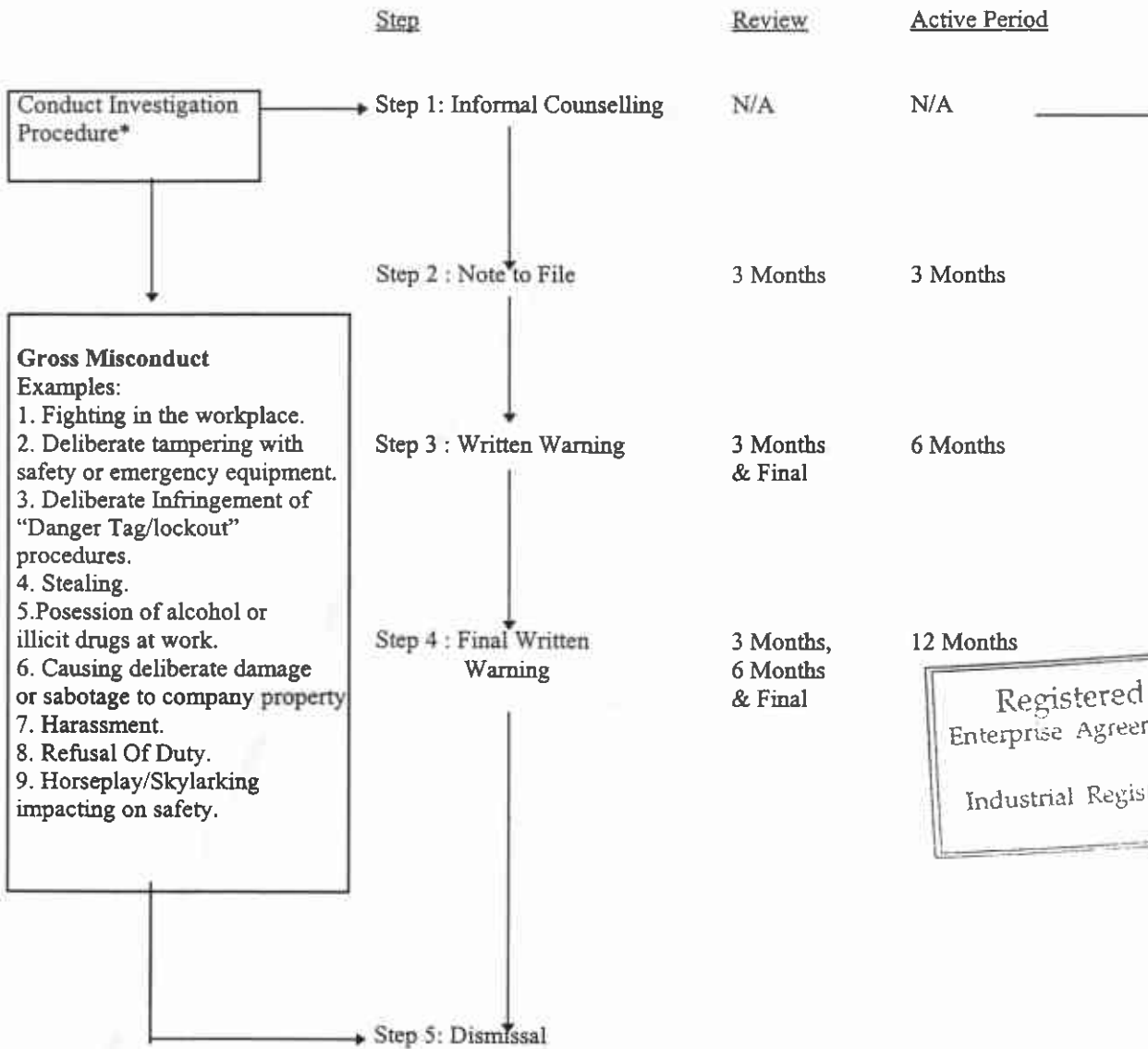
Date:
16. 6.1998

Approved By:
Ed Coombes

DELTA DISCIPLINARY PROCEDURE

DISCIPLINARY PROCEDURE PROCESS

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DELTA DISCIPLINARY PROCEDURE

2. CONDUCT INVESTIGATION PROCEDURE (Cont.)

- Conduct Investigation Procedure to precede all steps at all times.
- Offences of a different nature stand alone.
- At each stage of discipline, any documentation relating to the disciplinary process will be removed from the employee's personal file after a period of 12 months assuming the behaviour is corrected.
- Any action from Step Two onwards will involve the presence of a third party as requested.
 - i) The employee shall be interviewed (where chosen, in the presence of his/her delegate or another person) and asked for any reasons or explanations and be given every opportunity to explain his or her actions.
 - (ii) Any employee with knowledge likely to assist the investigation should be interviewed (where chosen, in the presence of his/her delegate or another person) to ascertain the relevant facts of the incident.
 - (iii) Where necessary, the facts and explanations shall be checked by the Superintendent and, where chosen, the employees Union Delegate or the other person.

Once the investigation is complete, the Superintendent or his nominee, shall inform the employee and, where chosen, the Union Delegate or the person of the outcome of such investigation.

If the outcome of the investigation and subsequent disciplinary action is deemed to be unacceptable to the employee, he/she shall be informed of any assistance which may be had through the Grievance Procedure.

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16. 6.1998

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3. STEPS

3.1 STEP ONE : INFORMAL COUNSELLING

This is an highly informal process where the Supervisor meets with the employee (usually on a one-on-one basis), with the purpose of highlighting a particular area of the employee's performance which the Supervisor feels needs to be improved.

At this point, the Supervisor should inform the employee that they are at Step One of the Delta Disciplinary procedure and any further problems involving the area in question could lead to a progression to Step Two.

Any record of discussions which takes place with the employee or anyone else during the course of Step One, is not to be formalised or placed on the employee's personal file.

3.2 STEP TWO: NOTE TO FILE

If the company believes as a result of the Conduct Investigation Procedure that an employee has behaved inappropriately, the supervisor shall inform the employee as soon as practicable that he/she is to be formally counselled and corresponding note to that effect will be placed on the employees file in accordance with Step Two of the Disciplinary Procedure.

The Supervisor shall then ask the employee if he/she requires the presence of the union delegate or another person.

The employee will have the opportunity to provide reasons/explanations for the inappropriate behaviour and the Company will take all consultative measures that it considers reasonable to assist the employees to correct their inappropriate behaviour.

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3.2 STEP TWO: NOTE TO FILE (Cont.)

The Counselling will specifically cite the exact points of concern and will clearly indicate the change/improvement that is expected of the employee.

A written report on the counselling together with any explanation the employee may wish to provide shall be placed on the employee's personal file. A copy will be given to the employee.

At three months there will be a final review with the employee and where chosen his/her delegate or another person. Written copies of this review will confirm improved behaviour against a measurable rehabilitation programme pre-agreed between the parties, and be given to the employee by his/her supervisor and placed on the employees personal file.

This will in effect remove the employee from the disciplinary procedure on this issue. Twelve months from the date of issue, all records relating to this matter will be removed from the employee's personal file.

3.3 STEP 3: WRITTEN WARNING

If within 3 months after counselling, further inappropriate behaviour of the same nature occurs and the Conduct Investigation Procedure confirms this, the employee will be advised that he/she is to be issued with a Written Warning.

A Written Warning may be issued despite the fact that Counselling has not previously occurred if the inappropriate behaviour that occurs is serious enough to warrant a Written Warning. At this stage of the disciplinary procedure, any previously agreed rehabilitation programme will be re-defined as required and will be revisited at each follow up meeting.

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3.3 STEP 3: WRITTEN WARNING (Cont.)

The Supervisor shall then ask the employee if he/she requires the presence of the union delegate or another person.

A written record of this decision is to be kept by all parties. The employee reserves the right to have his/her delegate or another person present at any stage of the procedure.

The Written Warning will specifically cite the exact points of concern and will clearly indicate the change/improvement that is expected of the employee.

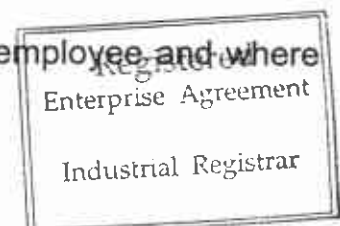
The employee will have the opportunity to provide reasons/explanations for the inappropriate behaviour and the Company will take all consultative measures that it considers reasonable to assist the employee to correct their inappropriate behaviour.

A report on the Written Warning together with any explanation the employee may wish to provide shall be placed on the employees personal file. A copy will be given to the employee.

At 3 months, the record of the Written Warning shall be reviewed in the presence of the employee and, where chosen, his/her delegate or another person.

Written copies of all recommendations concerning the issue in question shall be given to the employee by his/her supervisor and placed on the employees personal file.

At 6 months there will be a final review with the employee and where chosen his/her delegate or another person.



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3.3 STEP 3: WRITTEN WARNING (Cont.)

Written copies of this review will confirm improved behaviour and be given to the employee by his/her supervisor and placed on the employee's personal file.

This will in effect remove the employee from the disciplinary procedure on this issue. Twelve months from the date of warning, all records relating to this matter will be removed the employee's personal file.

3.4 STEP 4: FINAL WRITTEN WARNING

If within 6 months of a Written Warning being issued, further inappropriate behaviour of the same nature occurs and the Conduct Investigation Procedure confirms this, the employee will be advised that he/she is to be issued with a Final Written Warning.

A Final Written Warning may not be issued unless a Written Warning for Inappropriate behaviour of the same nature is currently in effect.

The Supervisor shall then ask the employee if he/she requires the presence of the union delegate or another person.

A written record of this decision is to be kept by all parties. The employee reserves the right to have his/her delegate or another person present at any stage of the procedure.

The employee will have the opportunity to provide reasons/explanations for the problem and the Company will take all consultative measures that it considers reasonable to assist the employee to correct their inappropriate behaviour.

The Final Written Warning will specifically cite the exact points of concern and will clearly indicate the change/improvement that is expected of the employee.

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3.4 STEP 4: FINAL WRITTEN WARNING (Cont.)

A report on the Final Written Warning together with any explanation the employee may wish to provide shall be placed on the employees personal file. A copy will be given to the employee.

At 3 months and then 6 months, the record of the Final Written Warning shall be reviewed in the presence of the employee and, where chosen, his/her delegate or another person.

Written copies of all recommendations concerning the issue in question shall be given to the employee by his/her Supervisor and placed on the employees personal file.

At 12 months there will be a final review with the employee and, where chosen, his/her delegate or another person.

Written copies of this review will confirm improved behaviour and be given to the employee by his/her Supervisor and placed on the employees personal file.

This will in effect remove the employee from the disciplinary procedure on this issue. Twelve months from the date of issue of the Final Warning, all records relating to this matter will be removed from the employees personal file. A Stand Down or Suspension requires authorisation by the General Manager, Delta.

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3.5 STEP 5: DISMISSAL

Dismissal requires authorisation by the General Manager, Delta.

If within 12 months of a Final Written Warning being issued, further inappropriate behaviour of the same cited nature occurs and the Conduct Investigation Procedure confirms this, the finding will be communicated to the Area Manager and the General Manager, Delta as soon as possible.

An employee may also be Dismissed without prior Counselling and Written Warnings if this employee has committed Gross Misconduct.

The employee will be advised by the Area Manager that he/she is about to be dismissed.

The Area Manager shall then ask the employee if he/she requires the presence of the union delegate or another person.

A written record of this decision is to be kept by all parties. The employee reserves the right to have his/her delegate or another person present at any stage of the procedure.

The written record of dismissal will specifically cite the exact reasons for the dismissal.

A written report on the Dismissal, together with any explanation the employee may wish to provide, shall be placed on the employee's personal file. A copy will be given to the employee. All records will remain on the employee's personal file.

As stated in the Conduct investigation Procedure, if the outcome is deemed to be unacceptable to the employee, he/she shall be informed of any assistance which may be had through the Grievance Procedure.

If the decision to terminate employment is contested, both parties shall support a quick outcome of these proceedings.

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4. GROSS MISCONDUCT

Any of the following actions are examples of Gross Misconduct and will ordinarily result in summary dismissal:

- (i) Fighting in the workplace
- (ii) Deliberate tampering with safety or emergency equipment.
- (iii) Deliberate infringement of "Danger Tag/ Lockout" procedures.
- (iv) Possession of alcohol or illicit drugs at work.
- (v) Stealing.
- (vi) Causing deliberate damage or sabotaging of company property (including graffiti).
- (vii) Severe cases of Sexual Harassment (as defined by Government Legislation and Delta Policy).
- (viii) Refusal of duty.
- (ix) Skylarking.

5 TRAINING PRIOR TO IMPLEMENTATION

The company gives a commitment to education of the entire workforce regarding the substance and implications of this policy prior to it's implementation.

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Issue No: 1

Author:
P. Hartnett

Date:
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DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE POLICY AND PROCEDURE

DOCUMENT AMENDMENT SHEET

Rev	Date	Description	By	Approved
0	1-5-98	Procedure	P. Hartnett	
1				
2				
3				
4				
5				

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**DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
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**DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
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1. INTRODUCTION

It is Delta EMD Pty Ltd Policy to provide maximum support to its employees in cases of genuine illness (including family illness), other domestic necessity or death within a family. The Company policy for the continuation of salary payments is generous and will be granted at the discretion of the Department Manager, once the merits of each case have been considered.

2. EMPLOYEE ILLNESS

2.1 Salary Continuation

In situations where an employee is absent due to a personal illness, the employee will be granted leave without loss of salary.

Where the illness may be protracted or extend to an indefinite period, the Company reserves the right to review ongoing payment. Factors impacting on the continuation of salary payments are:

- a) Circumstances concerning the personal illness.
- b) History of work performance and attendance
- c) Prognosis of the illness/injury

2.2 Salary Continuation Table

The following table is a guide only, relating to the length of service to the period of salary continuation and applies in the main to employee illness only:

Length of Service

Less than 5 years
5 years but less than 15 years
15 year and over

Period of Salary Continuation

3 months
6 months
12 months



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Ed Coombes***DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
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Regular absences on sick leave will be monitored. As a general guide, employees covered by the Delta Enterprise Agreement in their first year of service may be granted between five and ten days paid sick leave.

2.3 Separate Periods

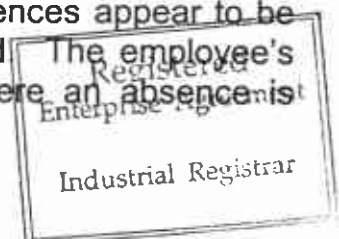
Each period of absence should be treated as a separate incident unless the period between the date of resumption and the beginning of another period of sick leave is less than three months. In such circumstances the total absence should be regarded as cumulative.

2.4 Sporting Injuries

No distinction is made between ordinary illness or injury, and injury received from outside sporting or other activities. However, the circumstances in which the injury was received may influence the decision as to how long salary payments should continue. Where compensation for the injury may be received from a club, salary is paid as ex gratia advances and an amount equivalent to the compensation is to be refunded to the Company.

2.5 Frequent Absences

The immediate supervisor of each employee will regularly review the attendance record of the employee. Where patterns of frequent short absences appear to be developing, the reasons for such absences will be investigated. The employee's supervisor has the discretion to recommend no payment where an absence is unable to be substantiated or the reasoning is inadequate.



**DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
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Employees are required to give at least one (1) hour notice before the commencement of sick leave, inform the company of his or her inability to attend for work and as far a practicable state the nature of the illness or injury and the estimated duration of the absence.

2.6.2 Leave Forms

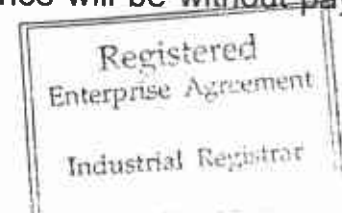
All employees must complete a leave form upon return to work stating the reason for, and dates of absence. The forms are to be completed and signed by the employee's immediate supervisor.

2.6.3 Medical Certificates

Employees are required to provide a medical certificate or other sufficient evidence stating the cause of absence in the following circumstances:

- a) Any single period of leave greater than two days;
- b) Any period of leave if there has been more than four periods of leave during the year;
- c) Any period of leave taken the day immediately before or after a public holiday;
- d) At the employee's Supervisors discretion.

If these conditions are not adhered to the absence will be ~~without pay~~ and disciplinary action may be taken.



***DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
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Employees absent for more than two weeks must provide the Company with 48 hours notification of a return to work. The employee will be unable to re-commence work until the notification has been given.

Employees returning to work after an absence of three weeks or more weeks are to provide a medical certificate clearing them to return to their previous duties.

2.7 Disciplinary Action

Where an employee is seen to have been taking excessive sick leave entitlements, the circumstances will be investigated and where seen to be excessive disciplinary action may follow as per the Delta Disciplinary Policy.

Note that this clause is effective to all leave or assistance covered by this policy.

3. FAMILY ILLNESS OR EMERGENCY**3.1 Definition**

Delta EMD will grant paid leave where employees are unable to attend work because of family emergencies. Such emergencies will include the illness of a child, spouse or partner, elderly parent, absence of the child's carer, or the closure of a child's school, in situations where the employee is unable to make other arrangements at short notice.

3.2 Period of Leave

It will be at the discretion of the employee's supervisor to determine the length of leave an employee can have access to. The following factors will be considered:

- a) The nature of the illness or emergency.
- b) History of work performance and attendance.
- c) Prognosis of the illness or emergency.



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3.3 Evidence

Delta may require evidence supporting the reason for absence, such as a medical certificate or a statutory declaration verifying the nature of the claim for family leave. Delta reserves the right to withhold payment for such leave if the employee, when requested, fails to provide such evidence.

3.4 Procedures

3.4.1 Prior Notice

Employees are required to give at least one (1) hour notice before the commencement of family leave, inform the company of his or her inability to attend for work and as far a practicable state the reason and duration of the absence.

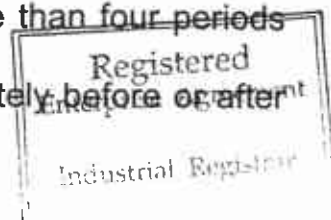
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- a) Any single period of leave greater than two days;
- b) Any period of leave if there has been more than four periods of leave during the year;
- c) Any period of leave taken the day immediately before or after a public holiday;
- d) At the employee's Supervisors discretion.



If these conditions are not adhered to the absence will be without pay and disciplinary action may be taken.

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Ed Coombes**DELTA EMPLOYEE WELFARE LEAVE AND ASSISTANCE
POLICY AND PROCEDURE****3.4.4 Notification**

Employees absent for more than two weeks must provide the Company with 48 hours notification of a return to work. The employee will be unable to re-commence work until the notification has been given.

3.5 Disciplinary Action

Where an employee is seen to have been taking excessive sick leave entitlements, the circumstances will be investigated and where seen to be excessive disciplinary action may follow as per the Delta Disciplinary Policy.

4. COMPASSIONATE LEAVE

Compassionate leave may be granted following the death of a close relative or friend. A period of up to three days will be considered appropriate however this may be extended up to five days if travelling long distances is required. The duration will be dependent upon the circumstances of the individual. Any extension to this must be approved by the department manager.

If requested, the employee may be required to furnish proof of death such as a newspaper notice.

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