

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO: EA01/333**

**TITLE: International Flavours & Fragrances (Australia) Ltd Castle Hill Agreement 2001-2003**

**I.R.C. NO: 2001/6192**

**DATE APPROVED/COMMENCEMENT: 2 October 2001/1 May 200**

**TERM: 24**

**NEW AGREEMENT OR  
VARIATION: New**

**GAZETTAL REFERENCE: 30 November 2001**

**DATE TERMINATED:**

**NUMBER OF PAGES: 10**

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES: Applies to employees of the Company engaged pursuant to the Grocery Products Manufacturing (State) Award**

**PARTIES: International Flavours & Fragrances (Australia) Ltd -&- National Union of Workers, New South Wales Branch**



**INTERNATIONAL FLAVOURS & FRAGRANCES (AUSTRALIA) LTD.**

CREATORS & MANUFACTURERS OF FLAVOURS, FRAGRANCES AND AROMA CHEMICALS. A.B.N.77 004 296 685  
11 Hudson Avenue, Castle Hill, N.S.W. 2154  
P.O. Box 695, Castle Hill, N.S.W. 1765  
Tel: (+61 2) 8853 1600 Fax: (+61 2) 9899 4836

**2001 - 2003 Site Agreement – Castle Hill NSW**

**Production & Warehouse Employees**

**NUW – Grocery Products Manufacturing (State) Award**

**Effective From 1<sup>st</sup> May 2001**

**1 Title**

This agreement shall be known as the International Flavours & Fragrances(Australia)Ltd, Castle Hill Agreement 2001-2003.

**2 Application**

This Agreement shall apply to all employees of the Company at the Castle Hill Site who are bound by the terms of the Grocery Products Manufacturing (State) Award.

**3 Parties Bound**

The parties bound by this Agreement are:

- a) International Flavours & Fragrances(Australia)Ltd at Castle Hill, Sydney
- b) National Union of Workers (NSW Branch)

**4 Single Bargaining Unit**

This Agreement has been reached as a result of the Union negotiating with the Company as a single bargaining unit on behalf of the NUW members that are subject to this agreement.

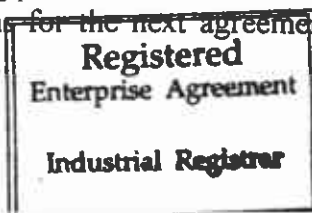
**5 Date and Period of Operation**

This Agreement shall operate from 1<sup>st</sup> May 2001 and shall remain in force until 31<sup>st</sup> May 2003. Furthermore, both parties commit to commence negotiations no later than four (4) weeks prior to the expiry date of this agreement, for the next bargaining period.

Furthermore, both parties have agreed that negotiations for the next agreement will commence four (4) weeks prior to 31<sup>st</sup> May 2003.

**6 Relationship to parent Award**

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



**7 No Extra Claims**

Both parties to this agreement will not make any claim during the life of the Agreement.

**8 Objectives of the Agreement**

The Company and employees are committed to the continuously improve business operations to ensure that the expectations of customers are met, and exceeded, at all times.

The subsequent process will facilitate the continuing development of the customer service philosophy, and ensure that this philosophy is reflected in the delivery of services, products, quality, efficient and cost effective work practices and the embracing of new technology /systems when appropriate.

**9 Dispute Settlement Procedure**

If a dispute or grievance arises between the Company and an employee, the parties shall confer in good faith with a view to resolving the matter in accordance with the following procedure:

- A The matter must first be discussed between the employee concerned, the Union shop steward if requested by the employee, and the employee's Supervisor.
- B If the matter is not resolved within a reasonable period the matter shall then be referred to the Department Manager.
- C If the matter is still unresolved then it must be referred to the General Manager or their nominee, who shall then confer with the relevant parties (including the NUW). In either event each of the parties may be entitled to refer the matter to the Industrial Relations Commission for conciliation and, if the parties agree, arbitration.
- D Pending settlement, if possible the Status Quo remains and work shall proceed normally. Status Quo shall mean, the situation existing immediately prior to the dispute or the matter giving rise to the dispute.

***It is agreed that:***

- 1. The site specific *Grading Classification System* will remain in place. Job descriptions and accountabilities have been attached for reference.

The Grading and Classifications are:

Grade 5 – *Leading Hand (Production)*

Grade 4 – *Warehouse Operative*

Grade 3 – *Compounder/Ingredient Weigher*

Grade 2 – *Filler/Packer*



Grade 1 – New employee (Probation) 6 Months

2. The 2001/2002 wage structure for the base 38 hour week will be:

Grade 5 -	\$723:00	\$32 p/w Increase
Grade 4 -	\$648:00	\$30 p/w Increase
Grade 3 -	\$631:00	\$30 p/w Increase
Grade 2 -	\$582:00	\$25 p/w Increase
Grade 1 -	\$510:00	\$25 p/w Increase

*First – Aid Money will be at the rate of \$12:50 per week.*

*Afternoon Shift allowance will be set at \$67:00 per 38hr week.*

*Tea Money will be paid at current applicable award rates.*

**These rates are effective from 1<sup>st</sup> May 2001 and continue until 31<sup>st</sup> May 2002.**

3. The 2002/2003 wage structure for the base 38 hour week will be:

Grade 5 -	\$758:00	\$35 p/w Increase
Grade 4 -	\$680:00	\$32 p/w Increase
Grade 3 -	\$663:00	\$32 p/w Increase
Grade 2 -	\$608:00	\$26 p/w Increase
Grade 1 -	\$536:00	\$26 p/w Increase

*First – Aid Money will be at the rate of \$12:50 per week.*

*Afternoon Shift allowance will be set at \$67:00 per 38hr week.*

*Tea Money will be paid at the rate of \$4:90.*

**These rates are effective from 31<sup>st</sup> May 2002 and continue until 31<sup>st</sup> May 2003.**

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4. The grading of current *permanent employees* as at 1/5/2001 is as follows:

- Grade 5 - L. Latavao  
D. Kelly
- Grade 4 - R. Burgess  
D. Pike  
G. Ollerenshaw
- Grade 3 - M. Lutui  
I. De Leon  
T. Fala  
S. Fawal  
S. Aquilina  
S. Tere  
S. Liutai  
M. Ahakova  
E. Makubuna
- Grade 2 - No Employees
- Grade 1 - No Employees

Individual Gradings will be subject to future change as demands dictate.

5. ***Occupational Health & Safety Incentive***

Both parties to this agreement acknowledge the importance of working safely and providing a safe working environment. To this end, the company is committed to reward employees covered by this agreement for good OH&S performance. Employees covered by this agreement will be eligible for a net cash payment of \$500 (maximum) should OH&S performance meet agreed expectations.

The measure of performance will be directly linked to Workplace Accident and Injuries for which the target for the recording period is No Lost Time injuries and No Recordable injuries. Additionally employee participation in the OH&S Committee, Training, Auditing and OH&S Initiatives is expected. Furthermore, the company expects all employees to report all forms of incidents that occur on site, for example, Near Misses/Dangerous Occurrences, Property damage and all injuries. The sole reason for this is so the company can act in a more pro-active manner to prevent injuries from occurring in the first place.

The measuring period for this incentive is 1<sup>st</sup> May 2001 to the 1<sup>st</sup> December 2002. The incentive will be paid two weeks prior to the Christmas shutdown. Both parties acknowledge and accept that should there be any Workplace injuries during the measuring period, then the incentive shall be reduced based on the severity of the injury.

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For example, should an employee require stitches to a lacerated finger and subsequently returns to work without losing a full day; the incentive will be reduced by \$100. These types of injuries are referred to as *Recordables*.

Should an employee suffer an injury that means they are unable to attend work and a full workday is lost, the incentive is then reduced by \$200. These types of injuries are referred to as *Lost Time Injuries*.


6. ***Commitment of employees to on-site training during normal work hours.*** This Agreement provides for structured training to be conducted at regular intervals on site. This will commence later in the year and comprise mainly of OH&S, Mixing & Blending techniques, Quality, HACCP, Hygiene and Sanitation and *Language & Literacy (Reading & Writing)*. Attendance is compulsory. Employees who do not attend will not be paid for training hours missed. This training will set a foundation for career progression through the listed Grades and other potential opportunities within the Company. Employees will not be penalised if any course module is failed and will be provided further guidance to ensure personal targets are achieved.
7. ***Code of conduct for behaviour in the workplace.*** Employees will be required to accept, acknowledge and comply with Company policy and practices which cover all operational issues and other areas such as Anti-discrimination and EEO, Quality Assurance, OH & S, the Environment and Trade Practices.
8. ***Employees commit to Company's Business objectives and delivery of excellence to Customer Needs;*** During peak periods flexibility in the workforce is required. When the need arises for employees to change shifts or departments or work additional hours, the company expects all reasonable needs to be accommodated and will include proper and timely consultation with employees. This includes the proposed shut-down for one (1) week later in the year to install additional plant to accommodate production demands on the transfer of Dee Why powders to Castle Hill. It is expected that such arrangements will be rare and unanticipated and are unlikely to be long-term.
9. ***The Company does not condone smoking in the workplace;*** However, employees who smoke of their own volition, must do so in the designated areas only. The Company has specified "open air" areas for this purpose and smoking may occur only during designated work breaks. Employees smoking in areas other than those prescribed will receive an immediate warning. A second offence will result in instant dismissal
10. ***Absenteeism.*** Absenteeism is currently at an unacceptable level of seven percent. The aim during the life of this Agreement is to reduce absenteeism to three percent (or better if possible). This will place the absenteeism rate of the Company equal to the current Industry average. Employees who have unsubstantiated time off will be counseled and disciplined in accordance with the Company's published Discipline Policy & Procedure.
11. ***Employees who cannot attend work, due to illness or other reason*** must provide a minimum of one hour's notice or notice prior to normal starting time to enable replacement arrangements to be made. Failure to notify your supervisor by lunch break on the day may result in the absence being recorded and actioned as LWOP, unless substantiated. Employees that have unauthorised and/or unsupported LWOP of 2 days will receive a first and final warning. LWOP exceeding 5 days will result in dismissal. The recording period for such absences will be twelve (12) months and is cumulative

12. ***Sick leave certificates and entitlement for pay.*** Employees are entitled to 10 days sick leave per annum. 7 of these days, if sick leave is taken, require medical practitioners' certificate, and 3 of these days do not require a certificate. Unused leave is cumulative and is preferably preserved as health insurance. Failure to produce medical certificates for the 7 days that require certification will in future result in the recording and actioning of a Sick day without pay.
13. ***Superannuation.*** The Company currently makes Superannuation contributions to the Employee nominated Superannuation Fund of eight percent of annual base salary on behalf of all eligible employees. At this stage the existing Superannuation Fund is under review and employees will be given the opportunity to determine which fund/s they wish to invest their contributions including but not limited to the Labour Union Co-operative Retirement Fund (L.U.C.R.F). However, should statutory changes be made requiring this to take place then consultation will take place with employees to determine their requirements. Where employees contribute an additional personal five- percent to this Fund, the Company will contribute an additional two- percent on behalf of all eligible employees. This company contribution in line with any proposed statutory increases would not exceed ten percent of employees' annual salaries.
14. ***Income Protection Insurance.*** All Employees have recently been insured for income protection. The policy provides cover equivalent to 75% of an employees base weekly earnings up until retirement age (65 with no capping) for temporary disablement, after an initial continuous temporary disablement illness or accident period of three months (90 days). As a result there has been a reduction in the level of administration charges currently being deducted from the BBAA Superannuation Fund.  
***This in effect represents the equivalent of a 2% pay rise.***
15. ***No Extra Claims.*** No further wages or conditions claims will be made for the duration of this agreement with any National or State wage adjustment to be absorbed into the overaward component of the pay rates.
16. ***Union Membership Fees:*** The Company shall, upon authorisation, deduct Union membership fees, as levied by the Union, in accordance with its rules, from the pay of employees who are members thereof. Such monies will be forwarded to the Union at the end of each accounting period with all necessary information to enable the reconciliation and crediting of subscription to Members' accounts.

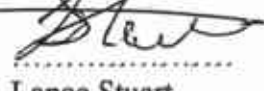
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Signed as parties to this agreement

On behalf of International Flavours and Fragrances (Australia) Ltd. (and its assignees):



  
.....  
Stephen Kemp  
R&D / Site Manager.

Date: 24/8/01

  
.....  
Lance Stuart  
Manufacturing & Distribution Manager.

Date: 30/8/01

Signed for and on behalf of the National Union of Workers (NSW Branch) & Castle Hill Production and Warehouse Employees:

  
.....  
NSW State Secretary  
  
.....  
Bob Burgess  
Site Delegate (NUW)

Date: 11/9/01

  
.....  
Witness

Date: 11.9.01

Date: 11/9/01



## Castle Hill RDO Schedule – 2001 - 2003

Leave Dates	Explanations	
Friday 8 <sup>th</sup>	June	2001
Friday 6 <sup>th</sup>	July	
Friday 3 <sup>rd</sup>	August	
Friday 31 <sup>st</sup>	August	
Friday 28 <sup>th</sup>	September	Union Picnic Day
Friday 5 <sup>th</sup>	October	
Friday 26 <sup>th</sup>	October	
Friday 23 <sup>rd</sup>	November	
Monday 24 <sup>th</sup>	December	
Friday 18 <sup>th</sup>	January	2002
Friday 15 <sup>th</sup>	February	
Friday 15 <sup>th</sup>	March	
Friday 12 <sup>th</sup>	April	
Friday 10 <sup>th</sup>	May	
Friday 7 <sup>th</sup>	June	
Friday 5 <sup>th</sup>	July	
Friday 2 <sup>nd</sup>	August	
Friday 30 <sup>th</sup>	August	
Friday 27 <sup>th</sup>	September	Union Picnic Day
Friday 4 <sup>th</sup>	October	
Friday 25 <sup>th</sup>	October	
Monday 23 <sup>rd</sup>	December	(Bank November)
Tuesday 24 <sup>th</sup>	December	
Friday 17 <sup>th</sup>	January	2003
Friday 14 <sup>th</sup>	February	
Friday 14 <sup>th</sup>	March	
Friday 11 <sup>th</sup>	April	
Friday 9 <sup>th</sup>	May	
Friday 6 <sup>th</sup>	June	

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**Appendix A:**

**Pay Rates for Casual Personnel**

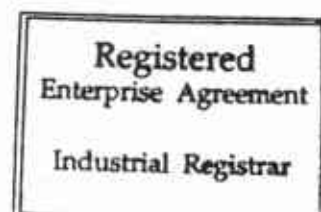
Rates of pay for casual staff either employed by the company or through an employment agency are detailed below. Both Parties to this agreement acknowledge that casual pay rates will be paid at the base rate for each grade/classification for a 40 hr/week plus a 15% premium.

**Casual Pay Rates 1<sup>st</sup> May 2001 – 31<sup>st</sup> May 2002**

	<i>Normal</i>		<i>15% Loading</i>	<i>= Casual Rate</i>	<i>Hourly Rate</i>
Grade 1	\$510	+	\$76:50	= \$586:50	\$14:66 p/hr
Grade 2	\$582	+	\$87:30	= \$669:30	\$16:73 p/hr
Grade 3	\$631	+	\$94:65	= \$725:65	\$18:14 p/hr
Grade 4	\$648	+	\$97:20	= \$745:20	\$18:63 p/hr

**Casual Pay Rates 1<sup>st</sup> June 2002 – 31<sup>st</sup> May 2003**

	<i>Normal</i>		<i>15% Loading</i>	<i>= Casual Rate</i>	<i>Hourly Rate</i>
Grade 1	\$536	+	\$80:40	= \$616:40	\$15:41 p/hr
Grade 2	\$608	+	\$91:20	= \$699:20	\$17:48 p/hr
Grade 3	\$662	+	\$99:30	= \$761:30	\$19:03 p/hr
Grade 4	\$679	+	\$101:85	= \$780:85	\$19:52 p/hr



*(Appendix B)*

**Performance Measures for 2001-2003 Agreement**

There are 5 key objectives for all personnel party to this agreement to achieve and be conscious of during the operation of this agreement.

1. **Customer Service** – to be expressed in deliveries in full on time at a level consistent for the duration of the agreement in excess of 98%. This is simply maintaining in full on time delivery of customer orders performance at or above existing levels. Combined with this will be the number of justified customer complaints related to Manufacturing & Distribution, these shall not exceed 10 complaints per year for the duration of this agreement. Last year there were 9.
2. **Quality** – In conjunction with Customer Service, Quality is the key element to the business and its ongoing success. Customer complaints form part of the measures to be applied to this objective as well as the internal reject rate. The internal reject rate (i.e. unrecoverable product) shall not exceed 0.12% of total batches manufactured for the duration of this agreement. Last year this rate was 0.14%.
3. **Safety** – the targets to be achieved for the duration of this agreement are NO lost time injuries and NO recordables. A recordable is where an employee is referred for a medical review and returns to work either to normal duties or for a limited period on alternative duties.
4. **Absenteeism** – The Company has introduced a number of financial incentives to encourage employees not to abuse sick leave entitlements. As a result, the Company expects absenteeism to drop from current levels of 7% to the national average of 3% over the life of this agreement.
5. **Productivity** – this objective is linked to the total production demands on the business. One of the measures to be used will be total output against last year, taking into account the transfer of production from other locations. This measure will be expressed as the number of Kg's (Kilograms) of product produced per man-hour. The target for 2001 is 96kg per man hour. Last year this figure was 92kg per man-hour. The target for 2002 is 100kg per man-hour.

For the purpose of this agreement, these performance measures will be used to set the foundation for any subsequent agreements to be negotiated by both parties.

