

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/31

TITLE: Davco Construction Materials Limited - Wetherill Park
Manufacturing Facility - Enterprise Agreement (No.3.)

I.R.C. NO: 202/31

DATE APPROVED/COMMENCEMENT: 28 February 2002/1 January 2002

TERM: 31 December 2003

**NEW AGREEMENT OR
VARIATION:** New. Replaces EA00/144

GAZETTAL REFERENCE: 28 March 2002

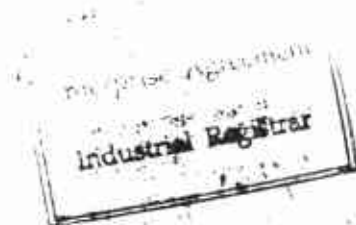
DATE TERMINATED:

NUMBER OF PAGES: 28

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees working in the production and warehousing facilities at the company.

PARTIES: Davco Construction Materials Pty Ltd -&- the National Union of Workers, New South Wales Branch



Davco

Davco Construction Materials Pty Limited

ANZ 28 021 876 438

FILED

13 FEB 2002

OFFICE OF THE INDUSTRIAL
REGISTRAR

ENTERPRISE BARGAIN AGREEMENT



**Wetherill Park
January 2002**

*Approved
28 Feb 2002
A. J. J.*

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1.0 FORMALITIES

1.1 TITLE

This Agreement is the Davco Construction Materials Limited - Wetherill Park Manufacturing Facility - Enterprise Agreement (No.3).

1.2 PARTIES

This Agreement is between:

- (i) Davco Construction Materials Limited ("Davco");
- (ii) The employees of Davco Construction Materials Limited employed at the Wetherill Park Manufacturing Facility ("the Employees");
- (iii) The National Union of Workers, New South Wales Branch ("the Union").

1.3 COVERAGE

1.3.1 This Agreement covers all permanent employees working at the Wetherill Park Manufacturing Facility in production and warehousing (except Managers as defined by the Company) as identified in the organisational chart from time to time.

1.3.2 This Agreement shall be read and interpreted wholly in conjunction with the Storemen and Packers (State) General Award but will prevail over that Award to the extent of any inconsistencies.

1.4 TERMS OF AGREEMENT

The parties state that this Agreement has been reached without any duress being placed upon any party. The Agreement shall take effect from the date of its ratification or 1 January 2002, whichever is earlier, subject to agreement by both parties, and shall operate until 31 December 2003.

1.5 NOT TO BE USED AS A PRECEDENT

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

1.6 NO EXTRA CLAIMS

It is a term of this Agreement that all parties bound by this Agreement will not pursue any extra claims for the life of this Agreement.



2.0 EMPLOYEE CONDITIONS

2.1 HOURS OF WORK

2.1.1 The ordinary hours of work for employees, other than casuals, shall be 38 hours per week worked over 4 consecutive days Monday to Friday (i.e. 9.5 ordinary hours per day), with an individual employee's usual rostered day off being either Monday or Friday each week. An employee may take another weekday off in place of their usual rostered day off if agreed to by Davco. An employee can only work a maximum of 11.5 hours in any one shift including overtime.

2.1.2 There will be 2 meal breaks in a standard 9.5 hour shift.

⇒ Morning Tea, a paid 15 minute break.

⇒ Lunch, an unpaid 30 minute break.

2.1.3 If an employee is required to work more than 1 hour overtime at the end of their normal shift a paid 10 minute break will be taken.

2.1.4 Employees are required to work from "bell to bell" i.e. employees do not leave their work station before the bell and must return immediately on its resounding.

2.1.5 Employees who bundy on late or bundy off early will be docked a minimum of 15 minutes.

2.2 PAYMENT OF EARNINGS

2.2.1 Payment of earnings is by electronic funds transfer (E.F.T.) weekly into the employee's nominated bank account.

2.2.2 The current pay period is Wednesday to Tuesday paid by E.F.T. on Thursday.

2.3 SHIFT WORK

The following definitions shall apply for the purpose of this sub clause:

"Day shift" means any shift worked between the hours of 6.00a.m. and 6.00p.m. No penalty rates apply.

"Afternoon shift" means any shift finishing after 6.00p.m. and at or before midnight. Penalty rates apply at 17% loading.

"Night shift" means any shift finishing after midnight and at or before 6:00a.m. Penalty rates apply at 30% loading.

"Tea Monies" payable as per award conditions except that a normal working day consists of 9.5 hours.

2.4 CAREER PATH AND TRAINING

Clause 2.5 describes the role level and career paths at Wetherill Park, against each role level the skills criteria, competency criteria and the learning requirements are identified. The competency criteria and the learning requirements are prerequisites for the moving up to the next level.

2.5 CLASSIFICATIONS

The following classifications apply to all permanent production and warehousing employees as identified in Section 1.3.

2.5.1 LEVEL 1

Skills Criteria

- An employee is required to demonstrate competence in basic literacy and numeracy
- Be introduced to Enterprise Agreement
- Complete induction program

Competency Criteria

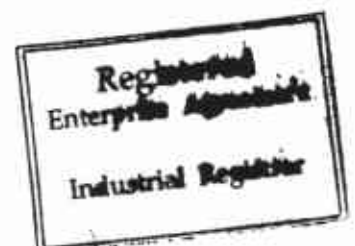
All employees at this level are expected to demonstrate competence in-

| Competency | Measurement |
|------------------------|-------------------------------|
| Following instructions | Compliance with instructions. |
| Manual handling skills | Correct lifting techniques. |
| Follow procedures | Compliance with procedures. |
| Attendance | Attendance record. |

On completion of induction program be able to understand

- Site facilities
- Product knowledge
- Evacuation procedures
- House keeping requirements.

Advancement Criteria



An employee in Level 1 would be expected to remain at this level until they have completed the learning requirements and are assessed by Davco as competent at Level 1. At this point an employee will progress to Level 2. It is expected that an employee will satisfy this criteria within 3 months.

Learning Requirements

- Complete induction training.
- Attend regular safety training sessions.

2.5.2 LEVEL 2

Skills Criteria

An employee is required to have completed Level 1 learning requirements and have been assessed as competent at Level 1.

At Level 2 an employee

- Works under supervision either individually or in a team
- Demonstrates the ability to recognise basic quality deviation and faults.

Competency Criteria

An employee at this level is expected to demonstrate competence in

| Competency | Measurement |
|---|--|
| Completing paperwork, batch sheets/ picking slips | 0% error rate on completed paper work. |
| House keeping to a high standard | Clean and accident free work place. |
| Have an understanding of OHS and worker's compensation laws | Attendance at appropriate training sessions. |



Advancement Criteria

An employee in Level 2 would be expected to remain at this level until they have completed the learning requirements and are assessed by Davco as competent at Level 2. It is expected that an employee will satisfy this criteria within 9 months after satisfying Level 1 requirements, at which time they will progress to Level 3 and be paid at Level 3.

Learning Requirements

Attend regular safety training sessions.

2.5.3 LEVEL 3

Skills Criteria

An employee at this level is required to have completed Level 2 learning requirements and be assessed as competent at Level 2.

At Level 3 an employee

- Would know areas of one section (manufacturing), or as per Job description – Storeman L3 (warehousing) as assessed by the process standards
- Is responsible for the quality of their work
- Works under general supervision as individual or in a team
- Operates flexibly between work stations and machines within own section.
- And/or has completed 1 year's service re assessment of performance after satisfying Level 2 requirements

Competency Criteria

An employee at this level will be expected to

| Competency | Measurement |
|---|--|
| Interpret and follow Process Standards and procedures | Successfully completing Process Standards examination. |
| Perform in a team environment | Achieving team production targets. |

Advancement Criteria

An employee in Level 3 would be expected to remain at this level until they have completed the learning requirements and are assessed by Davco as competent at Level 3.

It is anticipated that an employee will take a minimum of 12 months after satisfying Level 2 requirements to satisfy this criteria.

Learning Requirements

- 2 day OH&S Course
- Working in Teams
- Building Trust
- Making the Difference
- CPR
- Fire Extinguishers
- Supporting Others
- Valuing Differences

2.5.4 LEVEL 4

Skills Criteria

An employee at this level is required to have completed Level 3 learning requirements and have been assessed as competent at Level 3.

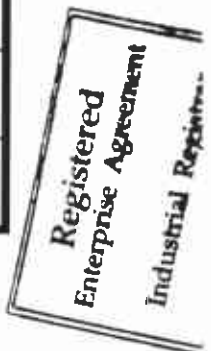
At Level 4 an employee

- Would know 1 full section in totality (manufacturing) or as per job description – Storeman -L4 (warehousing) as assessed by process standards
- Is responsible for assuring the quality of work in their area

Competency Criteria

An employee at this level is expected to

| Competency | Measurement |
|--|--|
| Implement OHS requirements | Elimination of all safety hazards. Minimal worker's compensation claims. |
| Show problem solving skills | Being proactive not negative to problems. |
| Have basic computer skills | Demonstrate skills in relevant BPCS modules. |
| Be able to work with limited or no supervision | Achieving production targets. |



Advancement Criteria

An employee in Level 4 would be expected to remain at this level until they have completed the learning requirements and are assessed by Davco as competent at Level 4.

It is anticipated that an employee will take a minimum of 12 months after satisfying Level 3 requirements to satisfy this criteria.

Learning Requirements

- 4 Day OH&S course
- BPCS Modules
- First Aid

2.5.5 LEVEL 5

Skills Criteria

An employee at this level is required to have completed Level 4 learning requirements and have been assessed as competent at Level 4.

At Level 5 an employee

- Would know 2 full sections (manufacturing) or as per job description – Storeman L5 (warehousing) as determined by process standards
- Understand and apply quality techniques
- Establish good communications and interpersonal skills
- Establish discretion within their scope of this level

Competency Criteria

An employee at this level is expected to

| Competency | Measurement |
|---|---|
| Use judgement and make decision based on experience | Minimum management intervention re achieving targets. |
| Implement EEO and anti discrimination requirements | No registered complaints. |
| Train operators | Quality of trained operators. |
| Conduct quality audits | Quality of audits. |

Advancement Criteria

An employee in Level 5 would be expected to remain at this level until they have completed the learning requirements and are assessed by Davco as competent at Level 5.

It is anticipated that an employee will take a minimum of 12 months after satisfying Level 4 requirements to satisfy this criteria.

Learning Requirements

- Q.A Auditor
- Participating in Meetings
- Training Others
- Train the Trainer
- The Empowering Leader
- Facilitating Improved Performance
- Leading Meetings
- Handling Conflict

2.5.6 LEVEL 6

Skills Criteria

An employee at this level is required to have completed Level 5 learning requirements and have been assessed as competent at Level 5.

At Level 6, an employee will

- Would know 3 full sections (manufacturing) or as per job description – Storeman L6 (warehousing) as determined by process standards
- Understand quality standards
- Exercise discretion
- Are responsible for planning of a section work
- Practice team leadership

Competency Criteria

An employee at this level is expected to

PRODUCTION

| | |
|------------|-------------|
| Competency | Measurement |
|------------|-------------|



| Competency | Measurement |
|--|--|
| Plan and report on factory trials | Completion of trials and quality of report. |
| Identify and improve key operations in all areas | Improved efficiency labour/machinery. |
| Plan, conduct and evaluate training | Quality of operation career planning. |
| OH&S regulation | Compliance with all relevant OH&S regulations. |
| Effective communication and interpersonal skills | |

WAREHOUSE

| Competency | Measurement |
|--|--|
| Transport rate negotiation/transport management | Contracts |
| Manage team cycle counters & prepare overall reports weekly/monthly | Exception reports |
| Adjust inventory & report weekly/monthly | Exception reports |
| Able to deputize/manage for the Logistics Manager for all warehouse related issues | Demonstration |
| Identify and improve key operations in all areas | Improved efficiency labour/machinery. |
| Plan, conduct and evaluate training | Quality of operation career planning. |
| OH&S regulation | Compliance with all relevant OH&S regulations. |
| Effective communication and interpersonal skills | |

Learning Requirements

- Team Leadership course TAFE
- Leadership and Facilitating Change
- Coaching in Developing High Performance



- APICS modules - manufacturing or warehousing
- Core Skills for Building Commitment
- Preparing Others to Succeed
- Delegating for Productivity and Growth
- Implementing Ongoing Improvement

2.6 PAY SCALE

Upon acceptance of this Agreement, a \$25 increase per week will be paid effective from 1 January 2002.

Effective 1 January 2003, a further \$25 increase per week will be paid.

Outlined below are the current grading levels and pay scales compared to the new grading levels and pay scales.

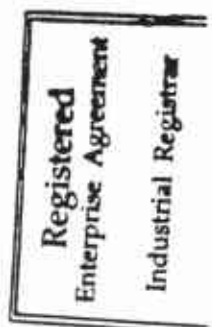
| LEVEL | CURRENT HOURLY RATES | HOURLY RATES EFFECTIVE 1.1.2002 | HOURLY RATES EFFECTIVE 1.1.2003 |
|-------|----------------------|---------------------------------|---------------------------------|
| 1 | 13.1750 | 13.8329 | 14.4908 |
| 2 | 14.3753 | 15.0332 | 15.6911 |
| 3 | 15.2437 | 15.9016 | 16.5595 |
| 3.5 | 16.2837 | 16.9416 | 17.5995 |
| 4 | 17.8271 | 18.4850 | 19.1429 |
| 5 | 19.4088 | 20.0667 | 20.7246 |
| 6 | 23.2544 | 23.9123 | 24.5702 |

Sunset Clause:

Level 3.5 is a temporary category of pay rates only for the employee currently employed on that level.

2.6.1 Leading Hand Allowance

A level 1, 2, 3 or 4 employee acting in a Leading Hand capacity while the Leading Hand for their section is absent will be entitled to the Leading Hand Allowance of \$7.00 per day or the appropriate pro rata rate as provided by the Storemen and Packers (State) General Award, whichever is greater. To be



eligible for the allowance, such an employee must be acting in a Leading Hand capacity for the minimum duration of 9.5 hours for that particular day. This allowance is already incorporated into the hourly rate for Levels 5 and 6.

2.7 OVERTIME

After the 9.5 hour shift has been completed any overtime worked will be paid at the following rates:

- ⇒ First 2 hours at 1.5 x normal rates
- ⇒ Balance at 2.0 x normal rates

2.8 SECTIONAL TRANSFER

Davco reserves the right to move employees from section to section to maintain productivity, due to absenteeism, annual leave or other reasons. No notice will be given and the affected employee will be given a defined time limit as to the transfer.

The sectional transfer will not hinder an employees ability to be trained in their original section.

2.9 RECRUITMENT AND PROBATIONARY PERIOD

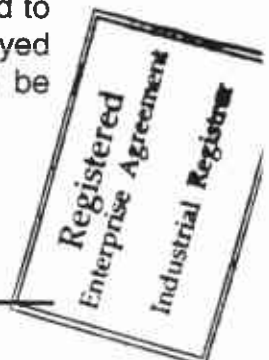
When a vacancy occurs a casual replacement will be sought from a labour hire agency or via job advertisement. If the casual demonstrates the necessary abilities they will be offered a permanent position.

All newly appointed employees will be employed on probationary terms for the first three months period, which will provide for employment on a week to week basis.

Where any concerns arise over a probationary employee that might affect a transition to permanent status, these shall be discussed with the employee.

At the end of the probationary period the employee will be reviewed to determine permanent status. Should the employee be employed beyond the probationary period without review the employee will be deemed to be permanent.

2.10 PRODUCTIVITY BONUS



This section is reserved for further negotiations. It is Davco's intention to modify the current bonus scheme to more accurately reflect changes in the workplace. A new Productivity Bonus is expected to be in place by 1 January 2002 and will be signed off by Davco and the Union.

2.11 EXTERNAL TRAINING

Davco encourages employees to undertake external training (after hours) that is relevant to their position within the Company.

The following conditions apply:

- All external training must be approved by the relevant manager prior to commencement.
- Davco will reimburse all course fees and text book costs when proof of successful completion of the course is presented. If a course continues for several years the reimbursement will be annually (text books to a maximum of \$350 annually).
- No wages or salaries will be paid for attendance of after hours courses.

2.12 MULTI SKILLING

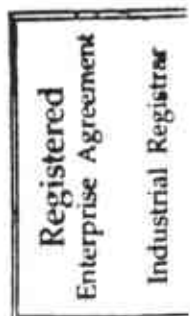
Davco is committed to the development of skill levels for all employees. Optimum multi skilling does not mean every employee doing every task on site, which is clearly impossible. It means finding ways and means of better utilising and developing all employees' skills and abilities in ways that balance employees' expectations about job security and Company needs and flexibility.

During the term of this Agreement the parties will, while respecting individual employee differences, use their best endeavours to ensure that the great majority of employees on site are at least Level 3 as a minimum skill base.

2.13 COMMITMENT TO OCCUPATIONAL HEALTH & SAFETY

Davco operates on the basis of the following health & safety principles, with the Occupational Health and Safety Act 1983 (NSW) remaining as the minimum:

- All injuries and occupation diseases can be prevented.
- Safety is everyone's responsibility.



- Management has a responsibility to train all employees to work safely.
- Working safely is a condition of employment.
- Preventing injuries and incidents contributes to business success.

2.14 PROTECTIVE EQUIPMENT

All parties recognise the importance of Employee's health and the wearing of protective equipment.

Uniforms are supplied and laundered by Davco free of charge and must be worn.

Safety glasses and safety boots are mandatory and must be worn in all production areas, warehouses, roadways, maintenance compound & both laboratories.

Extra safety equipment i.e. hearing protection, respirators etc will be issued from time to time as Davco deems necessary.

An Employee who is supplied with any protective equipment shall use/wear the equipment in such a way as to achieve the purpose for which it was supplied. All Employees must use the safety equipment designated for their area of work at all times unless written permission from the site OH&S officer exempts them from doing so.

Davco recognises that certain employees need to wear prescription glasses whilst on site. Davco will provide those employees with prescription safety glasses under the following conditions:

- The employee will attend a Davco nominated Optometrist.
- One style of safety frames is available.
- All lenses are to be hardened.
- No upgrading of frames is allowed.
- The frames and lenses can be replaced every 2 years.
- Any loss or damage to the frames and lenses during the two year period is the employee's responsibility.

The wearing of protective equipment is considered a condition of employment and failure to comply will result in the implementation of the disciplinary procedure as outlined herein.

2.15 INTERNAL PROMOTION

To maximise opportunities for employees, Davco will give preference in recruitment to internal candidates who meet all the requirements of the vacant position. Recruitment from external sources will be considered where no internal applicant meets the full requirements of the position to Davco's satisfaction.

2.16 CASUALS

Casual employees shall be engaged through an agency and are not directly employed by Davco. Casual employees shall be engaged by the hour on a day to day basis and paid as such.

Casuals will not work less than 3 hours on each engagement and no more than the hours of a permanent employee.

Casuals will be used to cover fluctuations in demand, leave and employee vacancies. No more than 20% of the workforce shall, at any one time be composed as casuals. In extreme circumstances extra casuals can be hired after consultation with the union delegate.

Casuals shall be paid at appropriate rates pursuant to the skills as defined in this Agreement + 1/12 of grade rate + 15% - negotiated through an employment agency of Davco's choice.

nb.

2.17 NEW EQUIPMENT REVIEW

Davco is committed to improve working conditions on the Wetherill Park site, this will include the introduction of new equipment. If the productivity bonus (which is reserved for further negotiations - see Section 2.10) are affected by the new equipment the E.B.A. Review Committee will investigate and determine if any changes are necessary.

2.18 EBA REVIEW

This Agreement will be reviewed at a minimum every 6 months by the EBA Review Committee. Recommendations or issues relating to the current agreement are to be tabled at this review forum.

2.19 E.B.A. REVIEW COMMITTEE

The E.B.A. Review Committee will consist of:

- Three management representatives
- Two Union representatives
- One non-union representatives
- The site OH&S officer

2.20 RECOGNITION OF PRIOR LEARNING

An Employee who is re-assessed and is able to demonstrate a set standard of competency will have the prior learning recognised under this Agreement.

2.21 EMPLOYMENT GUARANTEE

Davco guarantees all positions for the duration of the Agreement, except for lawful terminations of employment and voluntary or compulsory redundancies.

2.22 RIGHT OF ENTRY UNION OFFICIAL

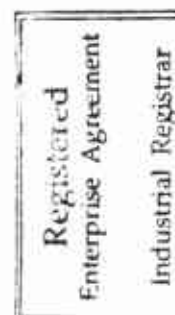
Davco respects and accepts the legitimate role of union organisers to represent the interest of members on site.

Management expects union organisers to play a constructive role on site and to assist management in the detection and the correction of errors before they become problems that could affect business. In the same spirit, management will work closely with union organisers ensuring that, wherever possible, employee and business needs are balanced.

Delegates will advise management of any visits planned by organisers and organisers will brief management at the conclusion of their visit on any issues or concerns.

2.23 SMOKING

Smoking is permitted only during specific meal breaks and only in the designated area.



The E.B.A. Review Committee will consist of:

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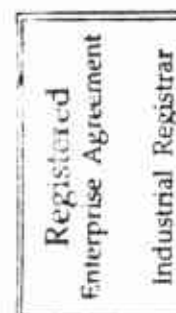
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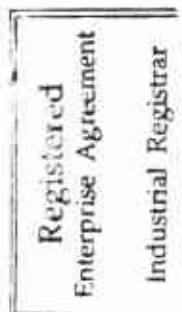
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Smoking is permitted only during specific meal breaks and only in the designated area.



3.0 POLICIES & PROCEDURES

3.1 EEO

Davco is committed to Equal Employment Opportunity which results from a workplace free of unlawful discrimination. Managers and Supervisors will be responsible for the implementation of this policy in their work area.

In accordance with the applicable anti-discrimination legislation all potential and current employees will be treated equally in respect of:

- Recruitment Processes.
- Employment Contracts.
- Training Opportunities.
- Promotion.
- Transfer.
- Termination.
- Union Membership.

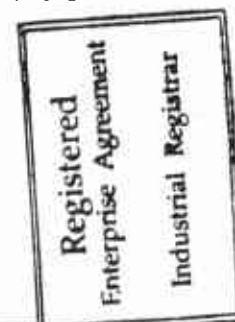
In accordance with the applicable anti-discrimination legislation all people, regardless of:

- Age
- Marital Status
- Gender
- Religion
- Ethnic or National Origin
- Ethical Beliefs
- Colour
- Race
- Employment Status
- Disability (including illness)
- Sexual Orientation
- Political Opinion
- Family Status
- Employee Representation

will have an equal opportunity to gain any benefit derived from employment with Davco.

It is the management's responsibility to:

- Make employees aware of inappropriate and/or unacceptable standards of behaviour at work.



3.2 DOMESTIC LEAVE

After six months' continuous service, an employee will be entitled in each subsequent year of service up to five days' domestic leave if it is essential for the employee to remain at home in an emergency in the event of the illness of the employee's spouse/partner or dependent child. This leave is to be treated as though it were due to the employee's own sickness and deducted from the employee's sick leave entitlement.

3.3 MATERNITY/PATERNITY LEAVE

Maternity/Paternity Leave is in accordance with Parental Leave provisions of the State (NSW) Industrial Relations Act 1996.

3.4 PUBLIC HOLIDAYS

Employees are entitled to public holidays each year with pay where these days fall on days which would normally be worked. These holidays are those gazetted by the NSW State Government. When an employee weekly day off falls on a public holiday, the day prior or after the public holiday will be taken off on full pay.

Picnic Day must be taken in the calendar year that it is due with prior agreement between the employee and management. Any employee commencing employment with Davco after the August Bank holiday is not entitled to the Picnic Day for the calendar year in which the employee commenced employment.

3.5 ANNUAL LEAVE

Annual Leave is in accordance with the NSW Annual Holidays Act 1944. Davco reserves the right to enforce the taking of annual leave by employees within 3 months of the leave falling due.

Except in cases of emergencies, employees are required to request their annual leave with their supervisor a minimum of seven (7) days prior to taking of leave. Failure to give notice may result in the leave request being declined.

Registered
Enterprise Agreement
Industrial Registrar

3.6 LONG SERVICE LEAVE

Long Service Leave is in accordance with the Long Service Act 1955 (NSW).

3.7 SICK LEAVE

3.7.1 From 1st January 2000, employees are entitled to 8 days or 76 hours sick leave pro-rata in the first year of employment and then 10 days or 95 hours sick leave per annum thereafter that are accruable from year to year.

3.7.2 Entitlement to sick leave prior to 1st January 2000 has been accrued on the basis of 60.8 hours sick leave pro-rata in the first year of employment and then 76 hours sick leave for each subsequent year of employment.

3.7.2 Total sick leave entitlements are available from 1st January each year and pro rata for the first partial year of employment in arrears.

3.7.3 Any employee absent from work on account of personal illness or incapacity shall be entitled to paid sick leave in accordance with the following conditions and limitations:

- (i) An employee shall not be entitled to paid leave of absence for any period in respect of which they are entitled to Workers' Compensation.
- (ii) An employee shall inform the Company of their inability to attend for duty indicating the estimated duration of the absence within one hour of start time to ensure that management can best schedule around their absence.
- (iii) A medical certificate will be required for absences of two or more consecutive working days.
- (iv) A medical certificate will be required for any absences that are immediately prior to or after public leave or annual leave.
- (v) Absenteeism will continue to be recorded and this data may be used for performance management if in the opinion of management an employee is abusing the system.

3.7.4 Davco will provide a sick leave bonus payout program as per the following conditions:

- (i) The current level of sick leave hours accrued will remain in the employee's accrual to be used in the event of serious illness (e.g. hospitalisation).
- (ii) Based on 95 hours, if 47.5 hours are used during the year, the employee has the option to request payment for the remaining 47.5 hours at year end.
- (iii) If less than 47.5 hours are used, the employee can request payment for only 47.5 hours at year end. The balance remaining goes into the employee's accrual.
- (iv) If more than 47.5 hours are taken, excluding serious illness where an employee uses their accrual, the employee is not eligible to request payout. Any hours remaining after more than 47.5 hours are taken but less than 95 hours will be applied to the employee's accrual.

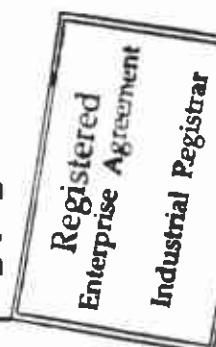
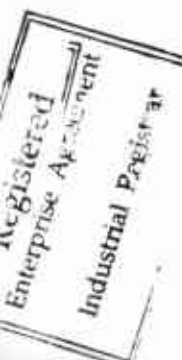
Example as follows:

| | | |
|-------------|-------|---|
| | 95 | hours available January 1st |
| <i>less</i> | 57 | hours taken sick leave full year |
| | <hr/> | |
| | 38 | hours left at year end |
| | | |
| | 48 | accrued sick leave hours from prior years |
| <i>plus</i> | 38 | sick leave hours left at year end |
| | <hr/> | |
| | 86 | accrued sick hours available |

- (v) At termination, the employee can request Davco for the payout of accrued sick leave. To be eligible, the employee must have been employed by Davco for no less than 12 months, and the termination is either by resignation of the employee or by mutual agreement between the employee and Davco. An employee is not entitled to payout of accrued sick leave if the termination is a summary dismissal (Clause 3.14) or for wilful misconduct.

3.8 BEREAVEMENT LEAVE

An employee will be entitled to a maximum of three days' paid leave on the death of the employee's spouse/partner, father, mother, brother, sister, child, grandparent, mother-in-law or father-in-law, on production



of satisfactory evidence to show the employee has suffered a bereavement.

3.9 MILITARY TRAINING LEAVE

When employees volunteer to serve or train in the Armed Forces, any leave required for this service will only be approved without pay.

Any full-time employee is entitled to extend the period of leave for up to 7 days from the end of service as required.

3.10 BUSINESS LEAVE

Davco recognises that from time to time employees take unpaid leave during the working day to conduct private business. Davco will allow employees voluntarily to "make up time" (MUT) by agreement with management i.e. if an employee takes 2 hours unpaid leave, they have the option to MUT the 2 hours at normal rates at the end of their standard shifts.

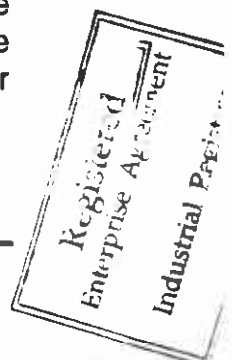
3.11 JURY SERVICE

Employees have a duty to sit on juries when required. Davco will provide paid jury service leave for absences while on jury service providing the employee pays to Davco the amount received as a jury service fee.

Davco reserves the right to seek to excuse an employee from serving on a jury if that service will cause undue hardship or serious inconvenience due to any special obligation or pressing commitment falling on the employee.

3.12 ABANDONMENT OF EMPLOYMENT

Where an employee is absent from work for a continuous period exceeding three days without the consent of the Company, and without notification to the Company, their employment will automatically come to an end by operation of this Agreement. An employee who is unable to notify Davco of absence because of unforeseen hospitalisation or similar cause will be given the opportunity of reinstatement.



3.13 DISCIPLINARY PROCEDURE

An employee whose performance, attendance or behaviour is not of an acceptable standard should be subject to the following counselling/disciplinary procedure.

The objective of establishing such a procedure is to encourage improvement in the performance, behaviour or attendance of employees and to ensure that in the event of a termination, the Company is in a position to refute any claim of unfair dismissal. Employees can have the union delegate or a witness present during the disciplinary procedure.

Procedure

The usual process involves a formal counselling session, then first written warning, followed by a final written warning, followed by termination. However, the type of warning issued will depend on the seriousness of the offence. Where the gravity of the offence warrants in management's view deviation from the procedure, eg the immediate issuing of a final written warning, this should occur with the necessary authorisation, eg consultation with the Managing Director.

Records

A written record of interview will be completed at each stage of the procedure and a copy placed on the employee's personnel file. Copies of all written warning letters should be similarly filed. There should be provision on the record of interview and written warning letters for the employee to sign an acknowledgement of the accuracy of the documentation.

Guide to the Disciplinary Procedure

Stage One - Counselling

The purpose of the counselling session is to advise the employee personally of the conduct that is of concern and establish if there are any reasons for the behaviour and whether the company can provide assistance to avoid further instances of unacceptable behaviour through training or other action. The employee should be given an opportunity to defend themselves against the complaint, with assistance of another person if requested by the employee.

The employee is informed that the counselling session will be recorded in their personal file by way of a record of interview.

Stage Two - First Written Warning

The employee should be advised personally of the reason(s) for the disciplinary interview and be given an opportunity to defend themselves against the complaint(s), with assistance of another person if requested by the employee.

The company must give due consideration to matters raised by the employee which may require further investigation.

If a warning is to be issued the employee and Davco should attempt to reach agreement on action required to rectify the problem.

The employee should be informed that:

- A warning has been issued for unacceptable behaviour following earlier counselling and is recorded in their personal file by way of a record of interview.
- Continuation of such conduct could lead ultimately to dismissal.
- Their conduct will be reviewed on a specific date - the length of the period depending on what would be a reasonable time frame for required improvement to occur.
- Within 24 hours of the disciplinary interview a written warning based on the record of interview will be issued to the employee and a copy placed in the employee's personal file.

Stage Three - Final Written Warning

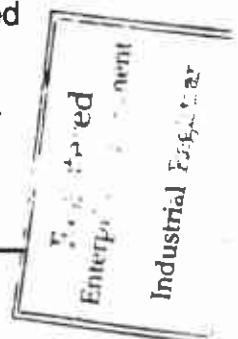
The employee is again personally advised of the reason(s) for the disciplinary interview and should be given an opportunity to defend themselves against the complaint(s), with assistance of another person if requested by the employee.

The company must give due consideration to matters raised by the employee which may require further investigation.

If a written warning is to be issued, the employee and Davco should attempt to reach agreement on action required to rectify the problem.

The employee should be informed that:

- A final warning has been issued for unacceptable behaviour following previous counselling and the warning will be recorded in their personal file.
- A continuation of unacceptable behaviour will lead to dismissal.
- Conduct will be reviewed on a specific date.



- Within 24 hours of the disciplinary interview a written warning based on the record of interview will be issued to the employee and a copy placed on the employee's personal file.

Stage Four - Termination of Employment

Subject to careful investigation of all the facts and after the employee has had an adequate opportunity to defend themselves against the complaint, with the assistance of another person if requested by the employee - it is open to Davco to dismiss the employee.

In the event that the employee refuses to sign the counselling/warning it is not invalidated by such refusal but a note of the refusal should be placed on the record of interview or warning letter.

3.14 SUMMARY DISMISSAL

Counselling and warnings will not apply in cases justifying summary dismissal. Some examples include,

- Serious neglect of duty.
- Extreme inefficiency or incompetence.
- Gross insubordination and abuse.
- Dishonesty, including theft and fraud.
- Drunkenness and possession of prohibited substances or drugs
- Serious misbehaviour, such as fighting.
- Serious and wilful disobedience.

In such cases the employee may be dismissed without notice with the wages being paid up to the time of the dismissal only. However, before an employee is summarily dismissed a full investigation must be conducted with an opportunity for the employee to respond to allegations made.

The following procedure should be considered when summary dismissal is proposed:

- While this procedure is being followed it may be inappropriate for the employee to continue work. Davco may decide, if it considers that it is appropriate, suspend the employee on pay or transfer the employee from the immediate work area.
- A full investigation be conducted to gather all relevant information; this would include interviewing witness, discussion

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- A full investigation be conducted to gather all relevant information; this would include interviewing witness, discussion

with employee representatives, union organiser and a review of the previous conduct/performance of the employee.

- The employee should be interviewed and the allegation explained clearly. The employee must be given the opportunity to defend themselves against the allegations made. Where the employee requests it, another person may assist the employee in defence against the allegations.

All the information gathered is to be carefully considered and a decision made whether any further investigation is warranted or necessary. Investigate the issues raised in defence by the employee or their representative.

On completion of the investigation of the matter, and following consultation with the appropriate level of authority a decision should be made to:

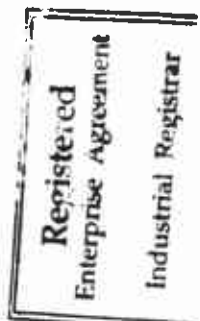
- Summarily dismiss the employee.
- Dismiss the employee with notice.
- Counsel/warn the employee, consistent with the application of the standard disciplinary procedure.
- Take no further action because the allegation is not substantiated.

3.15 CONFLICT RESOLUTION

The parties to this agreement intend to eliminate disputes and grievances which result in conflict. The aim of the procedure is to resolve disputes through a process based on consultation and negotiation at the closest point to where the dispute occurs.

The matter/s in dispute shall be dealt with in accordance with the following procedure:

- (i) Any dispute arising out of employment shall first be dealt with by the union delegate or employee/s concerned and the relevant manager.
- (ii) Failing settlement at this level, the delegate shall refer the dispute within 24 hours to the Union organiser who shall take the matter up with the relevant company representative. All efforts shall be made at this level to settle the dispute, but failing that it shall be referred to the State Secretary of the Union and a higher representative of management.



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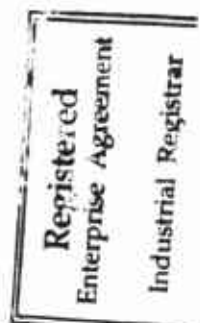
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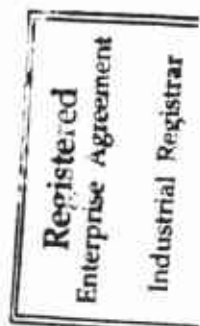
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- (iii) During the discussions the status quo shall remain and work will proceed normally. "Status quo" shall mean the situation existing immediately prior to the dispute or the matter giving rise to the dispute.
- (iv) If the preceding steps of the procedure have not resolved the dispute, the dispute shall be referred by either party to the (NSW) Industrial Relations Commission for either conciliation or arbitration in line with the (NSW) Industrial Relations Act 1996.

Reasonable time limits will be allowed for the completion of the procedure. The emphasis being on a speedy resolution of disputes.

3.16 REDUNDANCY AGREEMENT

This section is reserved for further negotiation.

This will be no less favourable than current legislative requirements or The Storeman and Packers (State) Award, or that which is the policy of Davco in force at the time.



Accepted for and on behalf of
Davco Construction Materials Limited


.....
(Signature)

OPERATIONS DIRECTOR
.....
(Title)

DOUG BAZZ
.....
(Print name of person signing)

30/11/01
.....
(Date)


.....
(Witness Signature)

Parren Hoste
.....
(Print name of Witness)

Accepted for and on behalf of
National Union of Workers

Derrick Belan
.....
(Signature)

STATE SECRETARY
.....
(Title)

DERRICK BELAN
.....
(Print name of person signing)

30 NOVEMBER 2001
.....
(Date)

Mansel Bernardi
.....
(Witness Signature)

MARISA BERNARDI
.....
(Print name of Witness)

