

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA97/189

**TITLE:** Heinz Greenseas Enterprise Improvement Agreement 1997

**I.R.C. NO:** 97/5803

**DATE APPROVED/COMMENCEMENT:** 15 October 1997 and commenced from the first pay period after 1 July 1997

**TERM:** Expires 1 July 1999

**NEW AGREEMENT OR  
VARIATION:** New

**GAZETTAL REFERENCE:**

**DATE TERMINATED:**

**NUMBER OF PAGES:** 16

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** To apply to employees employed under the Fish Canning, &c. (State) Award

**PARTIES:** H. J. Heinz Co (Australia) - Greenseas Division -&- The Australian Workers' Union, New South Wales



## 1. TITLE

This Agreement shall be known as the Heinz Greenseas Enterprise Improvement Agreement 1997.

## 2. ARRANGEMENT

### Clause No.

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## 3. INTRODUCTION

The parties to this agreement recognise the need to work co-operatively to ensure customer satisfaction, repeat sales as well as improved wages, conditions, job satisfaction and occupational health and safety. The parties are committed to achieving an improving world competitive cost position by adopting International Best Practices and operational innovation which are relevant to this enterprise as a means of establishing Heinz Greenseas as the benchmark for fish manufacturing.



#### 4. OBJECTIVES

The objectives of this agreement are:

- To improve the productivity of the enterprise and therefore improve the returns to the company.
- To improve wages conditions and quality of work of Heinz Greenseas employees.
- To improve communications between employees and the company in order to achieve the objectives listed above.
- To provide a foundation which will attract future capital investment from the parent company and win additional business opportunities.

#### 5. PARTIES BOUND

The parties bound by this agreement are:

- The Australian Workers Union (AWU);
- H.J. Heinz Co (Australia) Ltd - Greenseas Division.

#### 6. THE CONSULTATIVE PROCESS

There will be one joint team to co-ordinate the implementation of this agreement. This team shall be known as the EBA Implementation Team and shall comprise a maximum of four members who are duly elected from the shop floor, a union official and a maximum of three Company representatives.

Any other working group established to progress this agreement, whether currently operating or yet to be formed, will be sub-groups of this Team. The team shall meet as often as required to resolve issues and make decisions which impact on the smooth introduction of change and to deal with any matter which is relevant to the restructuring process.

The team will be made available and given an opportunity to undergo the training necessary to facilitate the operation of the team.

The implementation team will maintain a primary objective of establishing work practice and policies, which instil equity in the control of the workplace, and improves overall factory flexibility and efficiency. It is clear that timely decisions and actions are a requirement of an effective consultative process.

#### 7. WORK TEAMS

The parties to this agreement are committed to establish work teams based on agreed principles.

For the team concept to be effective it is important that employees within teams have a thorough understanding of their teams' processes, measurable results and the factors which determine the performance of their team. The teams will be given training in all aspects of team concepts and a thorough grounding of Key Performance Indicators and their value in process assessment.

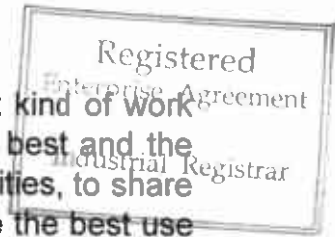
It is agreed that key performance indicators will be developed with team input consistent with those measures, which are critical to the continuous improvement process. Work teams will measure their performance against those KPI's and take appropriate actions to deliver actionable results.

An organisation developed around work teams provides the basis for better use of the most modern technologies, devolution of many decisions relating to the product, more rapid response to the market, more effective lead time with just in time manufacturing, a higher quality product with less waste, and a minimising of unnecessary demarcation.

Work teams should consist of naturally occurring work groups where each member will be able to use their full range of skills and competencies acquired which enables them to undertake a range of functions.

The Key features of a work team are:

- I. Requires more skill on the part of the individual, therefore more effective utilisation of each employee.
- II. Requires the work team and each member to have an understanding of the total process, meaning they know the ramifications of whatever decisions they make in their area.
- III. Undertake a range of functions, which requires each member to teach and learn from the other. These include responsibility for quality, minor running maintenance and adjustments, innovation and improvements, determining and achieving performance indicators, and whatever other functions are agreed should be carried out to ensure the best operation of the team.
- IV. The composition of the teams will be flexible depending on production requirements.
- V. Provides for better social and working interaction between employees, and employees and management.
- VI. Provides for both more meaningful work and a skills and competency based career path.



VII. It will be a principle of work teams to minimise the worst kind of work and remove all non-value adding activities, to share the best and the worst kind of work and remove all non-value adding activities, to share the best and the worst work equitably in order to facilitate the best use of the employees ability, and provide the opportunity to reach the higher skill levels, paying regard to health and safety principles and practice.

## 8. SKILLS AND COMPETENCY BASED CLASSIFICATION AND REWARDS

The company and the unions are committed to introducing an integrated pay structure that will encourage personal development and reward employees based on their individual competencies. The party agrees to work towards introducing a structure that is relevant to the site based and complies with national standards. On completion a system will be in place for assessing employee competencies, recognising prior learning and integrating employees to a new classification structure.

It is agreed in principle that such a structure will reward highly specialised skills as well as the breadth of skills, which contribute to operative flexibly.

A group of assessors from shop floor and management will receive appropriate accredited training.

The parties agree that employees will be paid on the basis of competencies acquired provided that these competencies, or group of competencies, merit an increase and a vacancy at the appropriate level exists within the establishment structure.

Teams are designed to operate with individually specified staffing levels. In order to meet the specified levels and ensure adequate skills are available, only skilled employees will be utilised. It is not the intent of this agreement to increase staffing levels by increasing manning levels to compensate for existing under skilled employees. All employees will be given the opportunity to upskill.

The introduction of the competency system is seen as a two year process.

## 9. TRAINING AND DEVELOPMENT

The parties to this Agreement are committed to the development of a highly skilled and well trained workforce. In this context, training includes training for on-the-job-skills, as well as development of conceptual skills and interpersonal skills.



It is agreed that a systematic approach to training is required. As part of the implementation of this agreement all parties are committed to develop an implementation plan which includes the following:

- a) Development of standard Operating Procedures - to be completed by **Jan 1998**
- b) An analysis of the competencies required for the process of activity - to be completed by **May 1998**
- c) An analysis of the competencies currently available within the areas - to be completed by **July 1998**
- d) An assessment of the training required to fill any gap between competencies required and competencies available - to be completed by **October 1998**

On the basis of the gap identified, training priorities will be established and a training program developed for the site.

Wherever possible any training undertaken will receive national accreditation. This excludes training or re-training designed to reinforce prior learning which, by itself, has already received accreditation or is a component of a trade certificate, etc.

In order for employees to maintain their position if unique competencies/skills are required, it will be necessary that training is undertaken if and when offered.

In addition a minimum standard of competencies are required to meet the everyday hygiene, safety and quality requirements of a food manufacturing site. Training for these competencies and standards is considered to be essential and will also be included as a compulsory requirement for current employees and in the induction process for new employees.

## 10. WORK PLACE FLEXIBILITY

Heinz Greenseas is seeking to consolidate and grow as a centre of excellence in fish processing and value added products, to ensure its long term viability and job security for its employees. To enable Heinz Greenseas to be competitive in terms of cost, quality and customer service, and to maximise the utilisation of its capital assets, it must adopt flexible work arrangements. This enterprise agreement seeks to ensure that this flexibility can be available to meet future requirements.

Alternative shift patterns may be required to meet increased demand or other business opportunities, or to improve customer service and operational efficiency/productivity. If necessary, the alternative pattern may be introduced with a one week notice period, and only after consultation with the EBA Implementation Team.

Within the hours of work as below, breaks shall be taken in such a manner that allows production to continue without interruption.

### **Hours of Work and Shift Work**

With effect immediately, the normal hours of work will be eight hours per day Monday to Thursday and six hours on a Friday. These hours shall be worked within the normal spread of hours as identified in the Fish Canning &c. (state) Award. These arrangements may be altered by mutual agreement between Union, EBA Committee and affected employees, based on change in site volume requirements.

## **11. ANNUAL LEAVE**

Annual Leave will be taken in blocks in accordance with the site calendar agreed to prior to the end of November the preceding year. At least 15 annual leave days per year will be blocked. The remaining five can be taken by agreement between the employee and his/her section leader.

- Where an employee wants to take annual leave in excess of three consecutive days, the form must be submitted to the Section Leader at least on month prior to requested time off. Late applications will be considered on individual merit.
- Section Leaders will ensure production requirements will be met before leave is approved.

## **12. KEY PERFORMANCE INDICATORS**

Key Performance Indicators are utilised on the company scorecard process will recognise the strategic objectives of the company to become world competitive in the canning and value adding of fish products.

The primary purpose of KPI's is to measure progress and identify causes that influence the results. Employees will be briefed on the KPI's and their relevance to the company's performance.

**Indicators (commonly used throughout the HJH Co.) might include:**

- Goods First Quality
- Line Performance



- Weekly Loss Dockets
- Utility Cost/Tonne
- Safety
- Administrative Accuracy
- Yield
- Trim Rate
- Kilograms/Men Hour
- Absenteeism

The parties agree to explore the impact of and potential for incentive schemes to be implemented in the next site agreement. A working party for this purpose will be formed in January 1999.

### 13. **EMPLOYMENT SECURITY**

The Company has the right to manage the business in an effective and productive manner. In doing so it will manage the workforce where skills, competencies and experience are fully utilised.

The Company recognises that employees can only genuinely contribute to productivity and efficiency in an environment where employment is secure.

The parties agree that the 110 full time permanent shall staff manufacturing and associated areas, given the existing production volume base.

This clause must be read in conjunction with Clause 20 Termination Change and Redundancy.

### 14. **PAYROLL SIMPLIFICATION**

The 17.5% leave loading will be rolled into the base wage effect 11 July 1997. This new base rate of pay will become the actual base rate of pay. From that date there will be no loading paid at the time of taking leave.

The actual base Rate will be the rate of pay for all purposes.

Payment of wages will be in fortnightly instalments.

The pay period will commence on a Sunday and finish on the following Saturday week.

Payments will be paid into bank accounts no later than the following Wednesday.



## 15. SICK LEAVE

All employees will have a common sick leave accrual system.

Sick leave will be credited at the rate of 64 hours per annum on the anniversary date of employment.

New employees, three months after their commencement of permanent employment, will be credited with 38 hours sick leave and thereafter will receive 64 hours per annum on each anniversary date.

The above system will take effect on 11 July 1997.

Sick leave entitlements that accrue after the effective date immediately above, may be used to provide care and support for family reasons as identified below with a maximum of five days used for this purpose in any one accrual year.

The person concerned being:

- A spouse of the employee; or
- A de-facto spouse, who, regardless of gender, lives with the person as the husband or wife of that person on a bona fide basis; or
- A child or an adult (including an adopted child, a foster child or an ex-nuptial child), parent including a foster parent and legal guardian, grandparent, grandchild or sibling of the employee; or
- A relative of the employee who is a member of the same household.

Any sick leave in excess of four occasions per annum must be accompanied by a relevant Doctor's certificate for it to be paid.

Any sick leave of two consecutive days or more must be accompanied by a relevant Doctor's certificate for it to be paid.

Any sick leave taken immediately before or after a Public or union Holiday must be accompanied by a relevant Doctor's certificate for it to be paid.

**Any habitual absenteeism will be addressed via the normal disciplinary procedures.**

## 16. BEREAVEMENT LEAVE

An employee shall be entitled to two days paid bereavement leave upon the death of the employee's spouse, mother, father, child, sister, brother, de facto spouse, grand parent or grand child.



An extension of this leave period may be considered by management on compassionate grounds.



## 17. AVOIDANCE OF INDUSTRIAL DISPUTES

The parties agree that all possible measures will be taken to avoid industrial disputes.

The parties to this Agreement shall observe the following grievance procedure.

The objective is that there be a procedure for the resolution of grievances and for the avoidance of industrial disputes at Heinz Greenseas.

The aim of the procedures is to promote the resolution of disputes by measures based on consultation, co-operation and discussion and to avoid interruption to the performance of work and the consequential loss of production and wages. While the procedure is being followed, and without prejudice to the parties, work shall continue normally except in cases where a bona fide safety issue is involved.

### **A procedure involving three stages shall apply:**

#### **Stage 1**

Grievances arising at job level shall be discussed in the first instance between the employee(s) concerned or his/her shop steward and the immediate level of Supervision.

#### **Stage 2**

If not settled the matter shall be further discussed between the shop steward, union representative and management representatives.

#### **Stage 3**

Should negotiations in Stages 1, 2 fail to resolve the dispute, the dispute may be notified to the NSW Industrial Relations Commission.

Throughout all stages of the procedure all relevant facts will be clearly identified and recorded.

There is commitment by the parties to adhere to this procedure, thereby avoiding interruption to the performance of work and consequential loss or production and wages. This will be facilitated by the earliest possible advice by one party to the other of any matter or problem, which may give rise to a grievance or dispute. There shall be an opportunity for any party to raise the issue to the next stage.

In order to allow for the peaceful resolution of grievances the parties shall be committed to avoid stoppages of work, lockouts or any other bans or limitations on the performance of work while the procedures of negotiation and conciliation are being followed.

No party shall be prejudiced as to the final settlement by the continuance of work in accordance with this clause.

18. **EQUAL EMPLOYMENT OPPORTUNITY AND HARASSMENT**



The parties to this agreement agree to observe the H.J Heinz policies on Fairness in Employment/Discrimination and Harassment. The company agrees to consult with the unions on any amendments to the contents of those policies.

19. **UNION RIGHT OF ENTRY**

The current rights of entry shall continue to be observed. These are:

- The union official shall notify the Company of their intention to come on site prior to the event.
- Upon entry, the union official shall report to reception and sign the visitor's book.
- Whilst on site the union officials shall observe all company site rules and procedures.
- The union officials will be free to conduct their business in such a manner and time frame that ensures no disruption to production requirements.
- Any disruption to production requirements that cannot be avoided must first be approved by site management.

20. **TERMINATION, CHANGE AND REDUNDANCY**

(A) **Introduction of Change**

(i) **Employer's Duty to Notify**

- a) Where an employer has made a definite decision to introduce major changes in production, program, organisation, structure or technology that are likely to have significant effects on employees, the employer shall notify the employees who may be affected by the proposed changes and the union to which they belong.

- b) 'Significant effects' include termination of employment, major changes in the composition, operation or size of the employers workforce or in the skills required, the elimination or diminution of job opportunities, promotion opportunities or job tenure, the alteration of hours of work, the need for retraining or transfer of employees to other work or locations and the restructuring of jobs.

**(ii) Employer's Duty to Discuss Change**

- a) The employer shall discuss with the employee affected and the union to which they belong, inter alia, the introduction of the changes referred to in sub-clause (I) above, the effects the changes are likely to have on employees and measures to avert or mitigate the adverse effects of such changes on employees, and shall give prompt consideration to matters raised by the employees and/or the union in relation to the changes.
- b) The discussion shall commence as early as practicable after a definite decision has been made by the employer to make the changes referred to in sub-clause (I) of this clause.
- c) For the purposes of such discussion, the employer shall provide to the employees concerned and the union to which they belong all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on employees and any other matters likely to affect employees provided that any employer shall not be required to disclose confidential information the disclosure of which would adversely affect the employer.

**B. Redundancy**

**(i) Discussions Before Termination**

- a) Where an employer has made a definite decision that the employer no longer wishes the job the employee has been doing to be done by anyone, and that decision may lead to the termination of employment, the employer shall hold discussions with the employees directly affected and with the union to which they belong.

- b) The discussion shall take place as soon as is practicable after the employer has made a definite decision which will invoke the provision of paragraph (a) of this sub-clause and shall cover, inter alia, any reason for the proposed terminations, measures to avoid or minimise the terminations and measures to mitigate any adverse effects of any termination on the employees concerned.
- c) For the purpose of the discussion the employer shall, as soon as practicable, provide to the employees concerned and the union to which they belong all relevant information about the proposed terminations, including the reasons for the proposed terminations, the number and categories of employees likely to be affected, and the number of employees normally employed and the period over which the terminations are likely to be carried out. Provided that any employer shall not be required to disclose confidential information the disclosure of which would adversely affect the employer.

### C. Termination of Employment

#### (i) Notice of Changes In Production, Program, Organisation or Structure

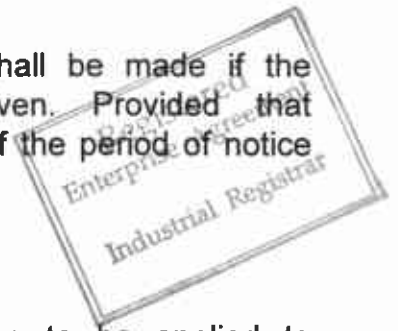
This sub-clause sets out the notice provisions to be applied to terminations by the employer for reasons arising from production, program, organisation or structure, in accordance with paragraph (a) of sub-clause (l) of clause A, Introduction of change:

- a) In order to terminate the employment of an employee the employer shall give to the employee the following notice:

Period of continuous service	Period of notice
Less than 1 year	1 week
1 year and less than 3 years	2 weeks
3 years and less than 5 years	3 weeks
5 years and over	4 weeks

- b) In addition to the notice above, employees over 45 years of age at the time of the giving of the notice with not less than two years continuous service, shall be entitled to an additional week's notice.
- c) In the case where an employee is made redundant a minimum of four weeks notice shall be given in all cases.

- d) Payment in lieu of the notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.



**(ii) Notice for Technological Change**

This sub-clause sets out the notice provisions to be applied to terminations by the employer for reasons arising from "technology" in accordance with sub-clause c (l) (a) of this agreement.

- a) In order to terminate the employment of an employee the employer shall give to the employee 4 weeks notice of termination.
- b) Payment in lieu of the notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by payment of the period of notice specified and part payment in lieu thereof.
- c) The period of notice required by this sub-clause to be given shall be deemed to be service with the employer for the purposes of the Long Service Leave Act 1955, the Annual Holidays Act 1944, or any Act amending or replacing either of these Acts.

**(iii) Time off during the notice period**

- a) During the period of notice of termination given by the employer, an employee shall be allowed up to one day's time off without loss of pay during each week of notice, to a maximum of five weeks, for the purposes of seeking other employment.
- b) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee shall, at the request of the employer, be required to produce proof of attendance at an interview or the employee shall not receive payment for the time absent.

**(iv) Employee leaving during the notice period**

If the employment of an employee is terminated (other than for misconduct) before the notice period expires, the benefits that the employee shall be entitled to under this clause will be recalculated to the new date of termination. Provided that in such circumstances the employee shall not be entitled to payment in lieu of notice.



(v) **Statement of Employment**

The employer shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee a written statement specifying the period of the employee's employment and the classification of or the type of work performed by the employee.

(vi) **Notice to Commonwealth Service**

Where a decision has been made to terminate more than fourteen employees, the employer shall notify the Commonwealth Employment Service thereof as soon as possible giving relevant information including the number and categories of the employees likely to be affected and the period over which the terminations are intended to be carried out.

(vii) **Department of Social Security Employment Separation Certification**

The employer shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee an "Employment Separation Certificate", in the form required by the Department of Social Security.

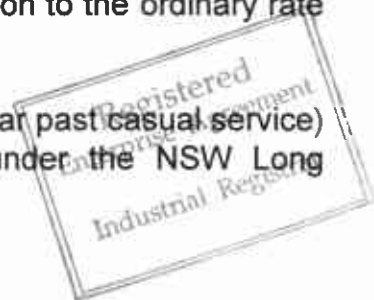
(viii) **Transfer to lower paid duties**

Where an employee is transferred to lower paid duties for reasons set out in sub-clause 4, Introduction of Change, the employee shall be entitled to the same period of notice of transfer as the employee would have been entitled to if the employee's employment had been terminated, and the employer may at the employer's option make payment in lieu thereof of an amount equal to the difference between the former ordinary time rate of pay and the new ordinary time rates for the number of weeks of notice still owing.

**D. Severance Pay**

- a) Where an employee is to be terminated pursuant to sub-clause B of this clause, subject to further order of the Industrial Relations commission, the employer shall pay the following severance pay in respect of a continuous period of service.
- b) Three weeks pay for each completed year of service up to a maximum of 60 weeks pay in pay total.

- c) "Weeks pay means the ordinary rate for the employee concerned at the date of termination and shall include in addition to the ordinary rate of pay, over award payments, shift penalties
- d) For the calculation of years of service (in particular past casual service) will be as defined as 'Continuous Service' under the NSW Long Service Act 1955.



**E. Savings Clause**

- (i) Nothing in this award shall be construed so as to require the reduction or alteration of more advantageous benefits or conditions which an employee may be entitled to under any existing redundancy arrangement, taken as a whole, between the union and any employer bound by this award.

**21. PAYMENT OF INCREASES**

Payment of the 12% wage increase will occur in 4 stages. These are:

4%	The first full pay period after 1 July 1997
2%	The first full pay period after 1 January 1998
3%	The first full pay period after 1 July 1998
3%	The first full pay period after 1 January 1999

**22. NO EXTRA CLAIMS**

The Unions will not pursue any additional claims in respect to wages and entitlements during the life of this agreement.

Where there is conflict between this agreement and the relevant award, this agreement will prevail.

**23. OPERATION OF AGREEMENT**

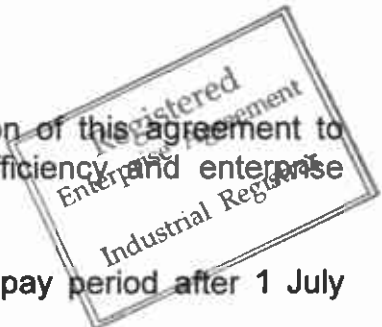
This agreement will apply to current and future employees of HEINZ GREENSEAS who are covered by the parent award and shall be read and interpreted wholly in conjunction with the following state award:

Fish Canning, &c (State) Award



24. **RENEWAL OF AGREEMENT**

The parties shall continuously monitor the application of this agreement to ensure the effective implementation of structural efficiency and enterprise bargaining.



This agreement shall come into force from the first pay period after 1 July 1997 and shall remain in force Until 1 July 1999.

The parties agree to commence negotiations for a further agreement four months prior to the end of this agreement.

25. **SIGNATORIES**

For and on behalf of The Australian Workers Union (New South Wales) and its members.

Handwritten signature of Russ Collison in cursive.

Russ Collison  
Russ Collison  
State Secretary

Date: 16/9/97

Handwritten signature of a witness in cursive.

Witness

WENDY S E CHEN  
(please print name of Witness)

For and on behalf of Heinz Greenseas Pty Ltd

Handwritten signature of Stephen J. Brown in cursive.

STEPHEN J. BROWN  
(please print name)

Date: 10/9/97.

Handwritten signature of Brian Tom Horner J.P. in cursive.

Witness

BRIAN TOM HORNER J.P.  
(please print name of Witness)