REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO:

EA02/267

TITLE:

Krone Manufacturing Services Pty Limited Enterprise Agreement

2002

I.R.C. NO:

IRC02/3782

DATE APPROVED/COMMENCEMENT:

11 July 2002

TERM:

15 February 2004

NEW AGREEMENT OR VARIATION:

Replaces EA00/85

GAZETTAL REFERENCE:

13 September 2002

DATE TERMINATED:

NUMBER OF PAGES:

20

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all full-time weekly paid employees of Krone Manufacturing Services Pty Limited engaged in the Production, Stores, Metal Shop, Mould Shop, Tool Room, Maintenance and Cleaning Departments of the Company

PARTIES: Krone Manufacturing Services Pty Limited -&- Beverly Allen, Leanne Anderson, Robert Anderson, Ross Anderson, Rosela Andrews, Linda Ashbrooke, Rosalinda Balfour, Ester Behan, Neville Behan, Elizabeth Bentley, Christina Berry, Jessica Bowden, Gordon Bright, Stacey Browan, Rhonda Brummell, Mina Budimlic, Natalee Calabretta, Sharon Carroll, Anthony Carter, Wayne Champion, Terence Cooke, Brent Cooney, Stuart Coote, Gary Corocher, Peter Crackenrig, Luke De'Zuna, Robert Debono, Kenneth Dowse, Kingsley Doyle, William Doyle, Stuart Duncan, Anne Dyble, Carole Eaton, Nathan Farrugia, Scott Ferguson, Colin Fitzpatrick, Nathan Gainey, Julie Gale, Kerry Geiger, Marilyn Gibbs, Maree Glasson, Kristen Goldstein, Amy Gorman, Richard Grainger, Laurine Hall, Rosalind Hall, Dawn Harris, Jane Hattander, Caresse Henderson, Anthony Hibbert, Ronald Higgins, Soli Hingano, Wendy Hoad, Stephen Holmes, Cherie Horn, Ian Horne, Janice Izzard, Phillip Jones, Denice Joyce, Colin Keanelly, Kerry Kershaw, Rao Kotha, Linda Kuang, Sandra MacPherson, Kate Mallett, Alan Martin, Scott McClure, Peter McDowell, Joy McFadden, David McGuire, David Moss, Robert Nash, Suzanne Nielsen, Justa Noble, Vicki Norford, Marie Northe, Warren O'Brien, Kay O'Neill, Lynette O'Rafferty, Arthur Orr, Paul Palmer, Michael Parkinson, John Pisani, Judith Prinsen, Anthony Prior, James Richardson, Margaret Rikihana, Zena Schulz, Yvonne Sharp, Stephen Shearer, Lorraine Sheather, Judith Small, Matthew Smith, Michelle South, Leonie Sutton, Helen Tamayo, Shirley Tollner, Lynette Traveller, Daniel Turner, Belinda Wade, Gregory Walder, Marilyn Walder, Jennifer Waters, Alan Watt, Anewinda West, Brenden White, Edelweiss Winship, Esterlita Worden, James Worrall, Mercy Yeo

KRONE MANUFACTURING SERVICES PTY LIMITED

ENTERPRISE AGREEMENT, 2002



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1. ARRANGEMENT

Clause No.	Subject
1	Arrangement
2	Title of Agreement
3	Incidence and Parties Bound
4	Definitions
5	Term of Agreement
6	Relationship to Parent Award
7	Duress
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2. TITLE OF AGREEMENT

This Agreement shall be known as the KRONE Manufacturing Services Pty Limited Enterprise Agreement 2002.

3. INCIDENCE AND PARTIES BOUND

This Enterprise Agreement made this 18TH day of April 2002,

Between KRONE Manufacturing Services Pty Limited located at 2 Hereford Street, Berkeley Vale, NSW 2261 and the Workers Committee of KRONE Manufacturing Services Pty Limited, binding on all full-time weekly paid employees engaged in the Production, Stores, Metal Shop, Mould Shop, Tool Room, Maintenance and Cleaning Departments of the Company.

4. DEFINITIONS

- 4.1 For the purpose of this Agreement the following definitions shall apply:
 - 4.1.1 "Company" shall mean KRONE Manufacturing Services Pty Limited.
 - 4.1.2 "Agreement" shall mean the KRONE Manufacturing Services Pty Limited Enterprise Agreement, 2002.
 - 4.1.3 "Employee" shall mean a permanent adult employee engaged on a permanent basis covered by this Agreement.
 - 4.1.4 "Parent Award" shall mean the Metal, Engineering and Associated Industries (State) Award, Miscellaneous Workers' General Services (State) Award and the Storemen and Packers General (State) Award.
 - 4.1.5 "Union" shall mean the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) and the National Union of Workers (NUW) (NSW Branch).

4.1.6 "Workers Committee" shall mean the employee representatives elected to represent the interests of all staff covered under this Enterprise Bargaining Agreement.

5. TERM OF AGREEMENT

This Agreement shall take effect from the first full pay period to commence on or after the date of registration with the Industrial Relations Commission of NSW, and shall remain in force until 15 February 2004.

6. RELATIONSHIP TO PARENT AWARD

It is agreed by the parties that the Metal, Engineering and Associated Industries (State) Award, Miscellaneous Workers' General Services (State) Award and the Storemen and Packers General (State) Award will continue to regulate the rates of pay and conditions of employment of all employees covered by this Agreement except to the extent that such rates and/or conditions of employment have been varied by this Agreement, in which case the provisions of this Agreement shall apply.

7. DURESS

This Agreement has not been entered into under duress by any of the parties.

8. PURPOSE OF AGREEMENT

8.1 The purpose of this Agreement is generally to establish and operate a more efficient and productive manufacturing facility that will ensure that the company will maintain a continuing competitive edge in the market place and ensure the building and retention of secure and worthwhile employment prospects.

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8.2 Furthermore, employees will continue to actively participate in ongoing Total Quality Management (TQM) and Environmental and Occupational Health and Safety programs to evaluate and improve existing manufacturing operations including the assessment of new technology and equipment. KRONE will continue to address safety issues through the OH&S Committee.

9. SICK LEAVE

- 9.1 A Doctor's Certificate must be produced for all sick leave taken after two single sick leave days have been taken in each year of employment.
- 9.2 It is the employee's responsibility to ensure that a sick leave form is completed and lodged as soon as they return to work. Failure to comply will result in the non-payment of sick leave for the current pay period.
- 9.3 The company will usually accept statutory declarations in lieu of a Doctor's Certificate. However, the acceptance of the statutory declarations is at Management's discretion.

10. HOURS OF WORK

- 10.1 The ordinary spread of hours for day work will be between 6.00am and 6.00pm. The ordinary working hours per week will be 38 hours.
- 10.2 For day shift workers the hours will be 8 hours 15 minutes Monday to Thursday and 5 hours on Fridays. However, the number of ordinary working hours per day may be varied by mutual agreement between individual employees and management.
- 10.3 Additionally, due to the necessity to maintain customer delivery performance on Fridays, the Stores personnel, with the exception of personnel who commenced employment prior to 1.1.1992, agree that Stores personnel are on duty on Friday afternoons. At such times, the ordinary hours for Stores personnel will be 7 hours 36 minutes per day, 5 days per week.
- 10.4 Afternoon and night shift working hours will be in accordance with the normal award provisions for shift workers.

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11. CHANGE OF HOURS

Where an employee notifies of an inability to attend work, the provision of a 10 hour break between shifts may be deleted. The relieving employee and the company will reach a mutually acceptable arrangement, such as equal time off at a mutually agreed time. In the absence of any mutually acceptable arrangements, the provisions in the applicable parent award shall apply.

12. OVERTIME

- 12.1 Subject to the general provisions relating to the payment of overtime detailed within the parent awards nominated in Clause 6 herein, equal time off in lieu of payment for overtime may be granted by mutual agreement between the company and each employee or group of employees.
- 12.2 Overtime for weekdays and Saturdays is paid on the basis of the first 2 hours at time and one half, followed by double time.
- 12.3 When overtime of more than 1½ hours is required to be worked, a paid crib break of 10 minutes will be provided at ordinary rates before the overtime commences.
- 12.4 When overtime is worked of more than 1 ½ hours (on your rostered ½ day), a 20 minute lunch break will take place before the overtime is worked, of which 10 minutes will be paid at ordinary rates and 10 minutes will be unpaid.
- 12.5 Prior to any overtime being worked, approval must be given by the Departmental Manager. (Form MA308 is to be used.)
- 12.6 Where an employee, due to circumstances beyond their control, needs to be absent for a short period during their normal shift, mutual agreement must be reached between the employee and their supervisor. If absence is granted, this Agreement shall determine when the employee will make up the lost time, at an ordinary rate of pay, during the current working week, or at a time mutually agreed by both parties. Urgent matter request form MA025 must be completed and approved prior to time taken/made up and forwarded to the production office for payroll purposes.

12.7 The company reserves the right to allow employees from other departments to work within the Stores area.

12.8 Any overtime to be worked in the Stores area will usually be offered in the first instance to Stores personnel, provided that all Stores personnel have demonstrated an availability to perform overtime.

13. PAYMENT OF WAGES

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Where a Public Holiday falls on a Monday or Tuesday, the day for payment will regress by one day. Bank charges associated with EFT deposit have been absorbed in prior wage increases.

14. NO EXTRA CLAIMS

It is agreed that during the life of this Agreement there shall be no extra claims, made by any of the parties bound by this Agreement.

15. MEAL ALLOWANCES

Irrespective of the notice given to an employee of the requirement to work overtime, it has been agreed that such employee will have no entitlement to the payment of a meal allowance. The Company shall give as much notice as possible to an employee of the requirement to work overtime.

16. DEMARCATION, RESTRICTIVE WORK PRACTICES & MULTI-SKILLING

The parties to this Agreement undertake to ensure that there will be no job demarcation or restrictive work practices. By Agreement, the parties will work towards developing more broadly based job skills training enabling expanded multi-skilling within the workforce subject to safety and award provisions.

The parties agree that no permanent employee shall be employed other than under the terms of this agreement provided that their position classification is covered under this agreement.

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17. RECLASSIFICATION

The employer and employees agree when positions are available for advancement, employees have access to reclassification and a career path progression. However, this does not exclude the company from seeking outside interest.

For new positions that are contrary to the grading system covered under this agreement, discussion prior to implementation is to take place with the Workers Committee and management.

17.1 LEAVE RESERVED

The parties to this agreement undertake to review the existing classification structure over the life of this agreement.

18. DELEGATE TRAINING

- 18.1 A duly authorised union delegate may proceed on a union training course on not more than five days in a calendar year, subject to the following conditions:
 - 18.1.1 The Company must be consulted about the course as to its nature and content.
 - 18.1.2 The Company must be given at least two weeks notice of the delegate's desire to attend such a course.
 - 18.1.3 The delegate shall not attend the course unless approval has been given by the Company. Provided that the Company shall not unreasonably withhold its approval.
 - 18.1.4 The Company shall not be liable for any additional costs, other than the payment of ordinary time earnings to the employee while on leave. Provided that the Company may require a delegate to produce proof of any such attendance.



- 18.1.5 The union training course days referred to in subclause 18.1 are not cumulative from year to year.
- 18.1.6 The provisions of this clause shall only be available to two union delegates in each year. Provided that the total number of days taken shall not exceed five days in any year.
- 18.1.7 Where a disagreement arises concerning this clause, the parties undertake to observe clause 20 Dispute Procedure of this Agreement.

19. WAGE INCREASES

- 19.1 All employees covered by the EBA will receive a 2.4% increase from 18 April 2002 and a further 3.3% increase effective from 16 February 2003.
- 19.2 Increases are effective from the first full pay period thereafter.
- 19.3 Apart from the increase specified, all employees covered by the EBA can earn higher increases on the basis of their work performance as determined by the appraisal/grading system. This process is outlined in more detailed in Appendix "A" to this Agreement. In addition, Grade 4 Process Workers will not be paid less than \$5.00 above the Metal, Engineering and Associated Industries (State) Award for a C13 during the period of this Agreement.

Cleaners working under the Miscellaneous Workers – General Services (State) Award will not be paid less than \$5.00 (Gross) above the Award for a cleaner during the period of this Agreement.

19.4 Individual Attendance Bonus

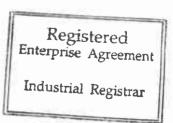
19.4.1 In order to ensure that there is a collective improvement in the rate of staff attendance, an individual attendance bonus scheme will be operated in accordance with the conditions outlined below.

- 19.4.2 All permanent employees covered under this agreement will be entitled to an attendance bonus of \$100.00 per quarter. The payment of the attendance bonus is subject to the provisions contained in subclause 19.4.3 below.
- 19.4.3 The payment of the individual attendance bonus is subject to the following conditions:
 - 19.4.3.1 In order to receive an attendance bonus in each quarter, an employee must not take more than 0.60 of a sick leave day (one day equals 7 hours 36 mins), within each full quarter.
 - 19.4.3.2 If an employee takes more than four days sick leave in a calendar year, they will not be eligible for the remainder of the quarterly bonus system for that current year.
 - 19.4.3.3 The individual attendance bonus shall not be affected as a consequence of absences arising from:
 - public holidays
 - annual leave
 - bereavement leave
 - jury duty.

New staff who started within the quarter shall be entitled to a prorata of the attendance bonus. Full months only apply.

19.5 Minimum Rates of Pay

It is the intention of the parties that employees covered by this Agreement shall not be paid less than the base rate of pay prescribed by the appropriate parent award in respect of ordinary hours of work.



20. DISPUTES PROCEDURE

- 20.1 The procedure for the resolution of industrial disputation is as follows:
 - 20.1.1 Procedure relating to a grievance of an individual employee:
 - 20.1.1.1 The employee is required to notify (in writing or otherwise) the employer as to the substance of the grievance, request a meeting with the employer for bilateral discussions and state the remedy sought.
 - 20.1.1.2 A grievance must initially be dealt with as close to the source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
 - 20.1.1.3 Reasonable time, to be agreed upon by all parties, must be allowed by discussion at each level of authority.
 - 20.1.1.4 At the conclusion of the discussion, the employer must provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.
 - 20.1.1.5 While a procedure is being followed, normal work must continue.
 - 20.1.1.6 The employee may be represented by an industrial organisation of employees.
 - 20.1.1.7 If the matter remains unresolved, it shall be referred to the Industrial Relations Commission of New South Wales.
 - 20.1.2 Procedure for a dispute between an employer and the employee
 - 20.1.2.1 A question, dispute or difficulty must initially be dealt with as close to its source as possible, with graduated steps for further

discussion and resolution at higher levels of authority.

- 20.1.2.2 Reasonable time, to be agreed upon by all parties, must be allowed for discussion at each level of authority.
- 20.1.2.3 While a procedure is being followed, normal work must continue.
- 20.1.2.4 The employer may be represented by an industrial organisation of employers and the employees may be represented by an industrial organisation of employees for the purposes of each procedure.
- 20.1.2.5 If the matter remains unresolved, it shall be referred to the Industrial Relations Commission of New South Wales.

21. UNION RIGHT OF ENTRY

The right of entry of the union shall be in accordance with Chapter 5 - Part 7 of the Industrial Relations Act, 1996. Notwithstanding the provisions of the Act, the Union shall be permitted to meet with the Union Delegate at an agreed time (between all parties) for discussion on urgent matters. This notation does not permit the union to meet with other employees other than in accordance with the provisions of the Act.

22. APPRENTICES

The Company acknowledges that this Agreement, the relevant parent awards and the Industrial and Commercial Training Act 1989 apply in respect of apprentices. Proof of completion of subjects is required. The company remains committed to the support of the Apprenticeship system, by providing apprenticeships where an opportunity arises.

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23. PROTECTIVE CLOTHING/EQUIPMENT

- 23.1 Where in the Company's opinion, the nature of an employee's work requires the use of protective clothing/equipment, such clothing shall be provided at the discretion of the Company and shall be worn by the employee. This clause shall only apply to employees regularly working in the tool room, storeroom, metal shop and mould shop and for the machine setters where such clothing/equipment is deemed necessary.
- 23.2 All articles of protective clothing/equipment provided by the Company shall remain the property of the Company.
- 23.3 Where an employee's issue of protective clothing/equipment includes protective footwear, such protective footwear shall not exceed \$100.00 in cost. The provision of protective footwear shall only apply to machine setters and work performed in the tool room, storeroom, metal shop and mould shop.
- 23.4 An employee requiring a replacement of his/her protective footwear, shall firstly return the corresponding article issued to them to the Company.

24. FUTURE ENTERPRISE NEGOTIATIONS

The parties to the Agreement will commence negotiations for a new Enterprise Agreement no later than 4 months prior to the expiry of this Agreement.

25. DATE OF REGISTRATION

This Enterprise Agreement shall take effect from the date of registration.



26. SIGNATORIES TO AGREEMENT

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Signed on beha KRONE MANUI	If of: FACTURING SERVICES PTY LIMITED	
Name:	CRAIG JONES	
Title:	MANAGING DIRECTOR	
Signature:	111. Lan	
Date:	31,/5/02	
Witnessed by:		
Name:	WARWICK MILLS	
Title:	HUMAN RESOURCES MANAGER	
Signature:	millo	
Date:	31/5/02	
Name:	ROBERT DEBONO	
Signature:	ST. 10 Server	
Date:	3/6/02	
Name:	ARTHUR ORR	
Signature:	612-	
Date:	31/5/02	
Name:	CARESSE HENDERSON	
Signature:	Life Ha	
Date:	03.06.02	

APPENDIX "A"

KRONE GRADING SYSTEM - PRODUCTION/MACHINE SETTERS

As part of Enterprise Bargaining, a Personnel Evaluation Grading System has been drawn up to assess the following:

- 1. Work ability
- Quality performance
- 3. Efficiency achievements
- 4. Attendance record
- 5. Personnel flexibility
- 6. Documentation/procedure control

These factors will be graded by the Supervisors of the relevant departments on a six monthly basis (ie. March and September). To participate in this grading system, an employee will need between 3 to 6 months experience. Personnel covered under the current 12 monthly appraisal system, (eg. tradespersons, toolmakers, storepersons and supervisors) will not be eligible.

GRADING REQUIREMENTS

Machine Setter/Operator Grading

Non-Tradespersons to qualify for grading must have completed three months as a permanent employee and had equivalent training to enable the employee to perform work within the scope of the process.

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Non-Tradespersons/Machine Setters/Machine Operators Grading Requirements (Refer Appendix A)

MACHINE SETTERS

Grade 1 Non-Tradesperson who is proficient in set-up, trouble shooting, training of staff, to maintain precision equipment and achieve an A or B in most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills on an employee at Grade 2.

MACHINE SETTERS

Grade 2 Non-Tradesperson who has had sufficient training to set up and maintain precision equipment and achieve B on most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.

MACHINE SETTERS

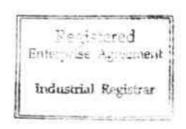
Grade 3 Non-Tradesperson who has had sufficient training to set up and maintain high speed assembly equipment and achieve A or B on most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.

MACHINE SETTERS

Grade 4 Non-Tradesperson who has had sufficient training to set up and maintain standard equipment and achieve A or B on all categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee Operator at Grade 5.

MACHINE OPERATORS

Grade 5 Non-Tradesperson who has had sufficient training to operate and maintain a range of various precision equipment processes, which would include basic fault finding and changeovers. An employee at this grade performs work above and beyond the skills of an employee at Grade 6.



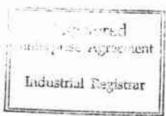
MACHINE OPERATOR

Grade 6 Non-Tradesperson who has had training to operate and maintain a precision equipment process sufficient, which would include basic fault finding and changeovers. An employee at this level would have been accredited with a Machine Operator Certificate.

2. <u>Machine Classification</u>

STANDARD EQUIPMENT	HIGH SPEED ASSEMBLY EQUIPMENT	PRECISION EQUIPMENT
Muller Presses	Auto Machines	Mould Machines
Haco Benders	PCB Automation	Bruderer Presses
Mabu Presses	Highband Machines	Highway Media Machines
Guillotines	Terminator Presses	PMK/FMK Automation
Wave Solders	Robot Machines	Keystone Automation
Video Printers	Label Machines	Turret Presses
Tampo Printers	Package Machines	Pinning Machines
Shing Fong Presses		Mebusa Benders
Shing Thi Presses		THE STATE OF THE S
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Other processes may be introduced into the company at any time during the agreement.



3. Production Grading Requirements (Refer Appendix A)

Grade 1 Personnel would be required to be graded A in most areas of categories listed on the evaluation sheet and completed sufficient training to train other staff, co-ordinate work through work centres. An employee at this level would assist in operation of assembly machines. Eg: Cleaning heads, jam-ups, contact feed problems and angle checks. In the absence of the Cell Leader or Assistant Cell Leader, the Grade 1 is responsible for the productivity and supervision of other staff. An employee at this grade performs work above and beyond the skills of an employee at Grade 2.

Grade 2 Personnel would be required to be graded A and B in most areas of the evaluation sheet and completed sufficient training to assist in training staff, carry out line checks, work with a minimum of supervision and assist in the operation of assembly machines. Eg: Cleaning heads, jam-ups, contact feed problems and angle checks. Also assist in the co-ordination of other staff and production, as directed by the Cell Leader or authorised staff member. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.

Grade 3 Personnel would be required to be graded B and C in all areas of the evaluation sheet and completed sufficient training to manufacture components to efficiency standards, produce to quality acceptance criteria and assist in the operation of assembly machines. Eg: Cleaning heads, contact jam-ups and angle checks. Would also assist higher graded staff members in carrying out their roles as requested by the Cell Leader. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.

Grade 4 A permanent employee who has had 6 months experience in Production assembly activities and sufficient training to assist in assembly machine operation.

Higher graded staff are to be used as first preference to carry out line checks and training, where possible.

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KRONE APPRAISAL SYSTEM - MACHINE SETTERS, TOOLMAKERS, CLEANERS, STOREPERSONS AND SUPERVISORS

Employees subject to the appraisal process will have their work performance assessed on a twelve monthly basis. Appraisals will tie in with the annual wage increase as set out in Clause 19.

The appraisal process involves the assessment of each employee's individual work performance against certain criteria (Key Performance Indicators – KPI's). These criteria include the following:

- Work ability
- Quality performance
- Productivity & efficiency
- Level of attendance
- Personnel flexibility
- * Technical competence (where applicable)
- Job innovation
- Interpersonal skills
- * Team contribution
- Decision making (where applicable)
- Work planning
- Compliance with company goals and targets
- Communication, oral and written (where applicable)
- Ability to prioritise
- * Standard of service to our customers, external and internal
- * Cost control (where applicable)

Each employee will be given a rating on how their work performance measures against the criteria listed above.

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Any of the above criteria may change from time to time, to reflect our changing market and

customer needs. The Company shall advise employees when changes to the criteria are

necessary.

Employees in the appraisal process will have the potential to earn larger increases for

outstanding work performance. However, the capacity for the company to reward employees is

dependent upon other variables, such as the company's level of productivity and profitability.

GENERAL

Personnel grading/discussion points should be treated in a confidential manner between an

employee, the union delegate or workers' committee representative (where applicable), and

management. Management's decision regarding grading levels is final.

The parties undertake to observe Clause 20 - Disputes Procedure of this Agreement should a

disagreement arise in respect of an employee's grading.

BELOW STANDARD PERFORMANCE LEVEL

If a situation arises where an employee, after the evaluation grading, drops below the minimum

standard requirements of their current grade, a counselling session will take place between the

Grading Supervisor, the employee and the union delegate or workers' committee representative

(at the employee's discretion). During this counselling session problem areas will be discussed,

and improvements suggested. The points raised will be documented on the Personnel

Evaluation Sheet.

The employee will then be given 1 month to rectify the problem areas. At that time a further

discussion will take place. If adequate improvements in these areas are not achieved, a

reclassification of grading may occur.

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