

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/187

TITLE: Southern Star Duplitek Enterprise Agreement 2002

I.R.C. NO: IRC02/1806

DATE APPROVED/COMMENCEMENT: 1 May 2002

TERM: 1 May 2005

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 21 June 2002

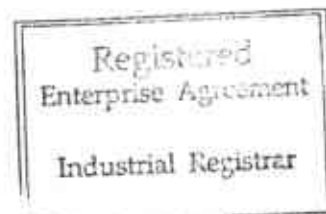
DATE TERMINATED:

NUMBER OF PAGES: 15

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies only to production employees of Southern Star Duplitek

PARTIES: Southern Star Duplitek Pty Ltd -&- The Gramophone Records Industry Union of New South Wales





SOUTHERN
S T A R
DUPLITEK

SOUTHERN STAR DUPLITEK
ENTERPRISE AGREEMENT

2002

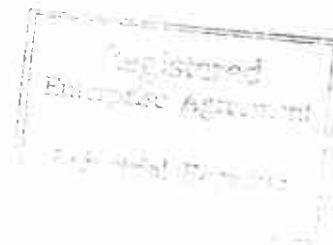
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1.0 Title

This agreement shall be known as the Southern Star Duplitek Enterprise Agreement 2002.

2.0 Arrangement

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3.0 Mission

To manufacture quality multimedia products and provide unmatched value in service to our customers.

4.0 Vision

Southern Star Duplitek is a high growth Australian multimedia replication company, regarded as a modern and exciting place to work. Duplitek people are proud to be creating a world-class enterprise and they share in its success.

5.0 Values

It is expected that Southern Star Duplitek people will;

- Respect the dignity of the individual
- Show honesty and integrity at all times
- Be trustworthy and trust others
- Earn creditability by doing what is promised
- Continuously improve skills and processes

6.0 Corporate Goals 2002 - 2004

2002

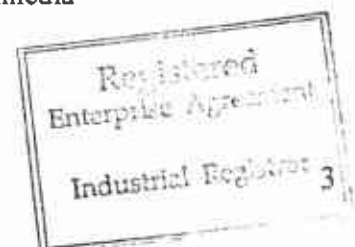
- Annual operating plan delivered each quarter
- Achieve quarterly budgeted profit
- Growth in profit over 2001
- Enterprise Agreement to benefit all parties
- Implement Distribution Centre
- Maintain position as Australia's leading manufacture in multimedia

2003

- Annual operating plan delivered each quarter
- Achieve quarterly budgeted profit
- Growth in profit over 2002
- Highest customer satisfaction in the business
- Error free operation
- Maintain position as Australia's leading manufacture in multimedia

2004

- Annual operating plan delivered each quarter
- Achieve quarterly budgeted profit
- Growth in profit over 2003
- Maintain position as Australia's leading manufacture in multimedia



7.0 Key Performance Indicators

Key Performance Indicators will be developed over time and as the business evolves. The most important KPI will be cost/unit in line with worlds best practice. KPI's will be developed in conjunction with the consultative committee. Monthly company performance results will be made available to staff.

8.0 Leadership

It is the express intention of Southern Star Duplitek management to provide effective leadership by clearly defining a long term vision for company growth, establishing and reinforcing values, goals and key performance indicators through open, two-way communications.

Management's key responsibility is to create a continuously improving work environment so that all employees are encouraged to work to the maximum of their ability.

The company will make a concerted effort to constantly develop the human relations skills of all managers and to this end will introduce upward appraisals so that employees have the right and opportunity to give confidential, constructive and positive feedback to individual managers.

9.0 Customer Focus

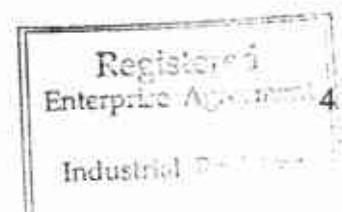
In order to be a market leader, the company will regularly conduct research to identify existing and emerging needs in areas of price, quality, timeliness and service. We will then use key performance indicators to track our progress against these needs.

Ever improving customer satisfaction will be a key driver in determining our capacity to fund pay rises, training opportunities and investment in new equipment.

We will invite major customers to speak to staff and provide performance feedback on a quarterly basis. Our goal is to build customer relationship management to achieve superior reputation on performance, reliability and value. We are aiming to achieve long relationships based on TRUST. Our intent is to achieve 100% repeat business.

10.0 People

The company's philosophy is that happy people will create a successful business.



To this end, we have identified several key needs by way of an attitude survey. These needs relate to pay, incentives scheme's, employing the right people, people pulling their weight and training. Duplitek will conduct the attitude survey on an annual basis.

It is agreed that these issues will be addressed in the following way:

10.1 Pay

A pay rise on the actual rate of pay of 3% will be effective from July 1st, 2002. It is further agreed that on July 1st 2003 and July 1st 2004 further increases of 3% shall be paid.

Our philosophy is that through continuously improving the performance of the business and the satisfaction of our customers, we can maintain the living standards of our people.

10.2 Incentive Scheme

The bonus scheme for permanent paid staff for each company fiscal year will be as follows:

For achievement of greater than budgeted EBIT - \$500.

For achievement of a 30% reduction in Alexandria related external NCR's - \$500.

Total potential Bonus will be \$1,000 per permanent employee.

This bonus scheme is only payable to permanent staff with greater than three months service.

No Bonus is payable unless budgeted EBIT is achieved.

Bonus will be paid July 1st following previous fiscal year.

10.3 Conversion of Sick Leave to Annual Leave Incentive Scheme

Duplitek wants to encourage the proper use of all leave entitlements and wants to reduce unplanned absences.

As a result Duplitek wishes to reward employees who reduce unplanned absences.

Duplitek will allow employees the ability to convert unused accumulated sick leave to annual leave subject to the following conditions:

- The "date of conversion" is the date actually used.
- Sick leave accumulated cannot fall below fifteen (15) days unused at the date of conversion. This ensures adequate sick leave provision in the event of prolonged illness.
- The maximum amount of days converted each calendar year is limited to five (5) days per year.

- The converted sick leave can only be taken as an extension of annual leave where the annual leave taken is ten (10) days or more at any one time.
- Converted sick leave will not accrue annual leave loading or shift penalties.

10.4 Performance Management

The company will also strengthen its performance management systems in clearly establishing work areas and individual performance goals, regular performance feedback and coaching and more effective recognition systems. Equally, the company will provide constructive feedback where performance is unsatisfactory while ensuring that natural justice is maintained.

11.0 Duration

This agreement shall operate from the first pay period commencing on or after the date of approval of the said agreement under the provision of the Industrial Relations Act 1996 (NSW) and shall remain in force for three (3) years from that date.

12.0 Coverage

To encourage maximum teamwork and achievement of corporate goals, all employees of the company, as described in the Classifications Clause shall be covered so as to maximise the efforts of everyone working harmony.

All other conditions of employment are contained in the Recorded Music and Visual Entertainment Reproduction (State) Award, which this Agreement varies and applies to all employees of Southern Star Duplitek, 122 and 136-138 Euston Road, Alexandria (NSW) and such other sites the company may expand into or transfer to during the life of this agreement.

13.0 Union Recognition

- 13.1 Duplitek recognises the essential role the Gramophone Record Industry Union and its members play in the participative partnership in effecting organisational reform at Southern Star Duplitek and the management of Duplitek will encourage Union membership amongst the workforce.



13.2 The company is also mindful that employees can not be offered different conditions of employment or be discriminated against in their employment by virtue of their membership of the Union.

13.3 A letter from the Secretary of the Gramophone Record Industry Union and a membership application form shall be provided to all employees.

14.0 Relationship to Parent Award

The terms and conditions of this agreement shall be read and interpreted in conjunction with the Recorded Music and Visual Entertainment Reproduction (State) Award, provided that where there is any inconsistency this agreement shall take precedence to the extent of the inconsistency.

15.0 Consultative Committee

To ensure ongoing management/staff communications a consultative committee will be formed and will initially include four management representatives and four staff representatives (including union delegates). The consultative committee will meet 2nd Thursday each month or other times as agreed.

16.0 Classifications

16.1 Entry Level

A trainee process operator who is undertaking induction training which may include information on the enterprise, conditions of employment, introduction to supervisors and fellow employees, on the job training, multiskilling, site layout, work practices and documentation procedures, quality control/assurance procedures and occupational health and safety. An employee at this level performs routine duties to his/her level of training. In the course of exercising these duties an employee:

- Exercises minimal judgement
- Works under direct supervision or is undertaking structured training so as to enable him/her to perform higher duties.
- Applies basic numeracy and literacy skills (English)
- General labouring, stores and cleaning duties
- Hand packing
- Operate machinery under direct supervision



16.2 Level 1 – Process Operators

An employee who has completed up to 3 months structured training so as to enable him/her to perform work within the scope of this level. . Process Operators are expected to accept responsibility for casual and entry level employees in their care.

An employee at this level performs work above and beyond the skills of an employee at entry level and to the level of their training:

- Works under direct supervision either individually or in a team environment
- Understands and undertakes basic quality control/assurance procedures including the ability to recognise basic quality deviations/faults
- Understands and utilises statistical process control procedures

Indicative of the tasks which an employee at this level may perform are the following:

- Repetition work associated with the production and distribution processes including work on automatic, semi-automatic or single purpose machines.
- Assembles components using basic written, spoken and/or diagrammatic instructions in an assembly environment
- Uses selected hand tools
- Cleaning
- Maintain simple records
- Assist in the provision of on the job training in conjunction with tradespeople and/or supervisors/trainees
- Basic testing operations, may include visual and audio evaluation.
- Disc and VHS operations including duplicating, winding, loading and unloading of spools, cartridges, pancakes and packing of stock
- Order assembly including picking and packing of stock
- Loading and unloading trucks
- Basic quality control procedures
- General hand duties



16.3 Level 2 – Senior Process Operators

A Process Operator may qualify as a Senior Process Operator by training in at least four processes which are reviewed annually as defined by the ISO

9002 procedures. Senior Process Operators are expected to accept responsibility for casual, entry level and Process employees in their care.

An employee at this level performs work above and beyond the skills of an employee at level 1 and to the level of their training:

- Is responsible for the quality of their own work subject to routine supervision
- Works under routine supervision either individually or in a team environment
- Exercises discretion within their level of skills and training

Indicative of the tasks which an employee at this level may perform are the following:

- Operates flexibly between assembly stations
- Operates machinery and equipment requiring the exercise of skill and knowledge beyond that of an employee at level 1 (including machines in the disc and VHS areas)
- Machine setting, adjustment, loading and operation (including machines in the disc and VHS areas)
- Has a knowledge of the employer's operation as it relates to production process
- Receiving, despatch, distributing, sorting, checking, packing (other than repetitive packing in a standard container or containers in which such goods are ordinarily sold), polishing, documenting and recording of good, materials and components
- Inventory and store control in the context of a production process and/or distribution process
- Basic fault finding skills
- Use of tools and equipment within the scope (basic non-trades) maintenance
- Basic keyboard skills exercised in the context of the production and/or distribution process
- Advanced disc and VHS quality control and inspection procedures involving electronic testing equipment
- Ability to measure accurately with precision measuring instruments
- Assists one or more tradespersons
- Assists in the provision of on the job training in conjunction with tradespersons and/or supervisors/trainees
- Works from production drawings, prints or plans
- Basic screen printing of a non-trade nature associated with the production process
- Basic electro-plating, including mother and stamp handling and processing and associated activities



- Operation of mobile equipment including forklifts, overhead cranes and winch operation in accordance with statutory requirements

16.4 Team Leader

(a) Team Leader.

A team leader is appointed by the company to assist in the good order and work flow. Team leaders will have completed all the training requirements of a Senior Process Operator.

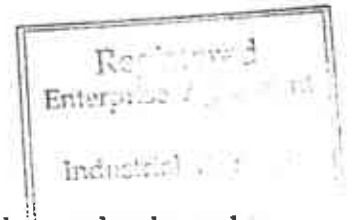
Additional requirements:

- Processing instructions and allocating the work flow to fellow team members
- Controlling the standard of work and output set by management and other staff
- Advise on shortages of labour or material or equipment failures and bring any deficiencies to the general attention of management
- Provide training under the general control and direction of a Supervisor or management
- Where a failure in training or behaviour occurs, the Team Leader shall bring the matter to the attention of the Supervisor and management staff for corrective action
- Act as a Supervisor in the event of temporary absence of the Supervisor
- Participate in performance measuring programs using the key performance indicators to measure waste and efficiency
- Assist the Supervisor in all aspects of company, customer and product security within the limits of his/her training

Team Leaders must also be prepared to complete the following training sessions either in-house or with an accredited training agency.

- Basic Supervision and Team Leadership
- Occupational Health & Safety Awareness Training

Duplitek undertakes to cover the cost of all training sessions during ordinary working hours.





16.5 Transitional Arrangement

It is recognised by the parties to this agreement that employees who formerly worked for Pacific Mirror Image who are paid at a level above level 3, shall continue to receive current rate of pay until such time as the increases payable in this agreement. At which time those employees shall gain a full or part increase which will give the same payment as other employees in their classification band, be it Senior process or Team Leader.

17 Dispute Resolution Procedures

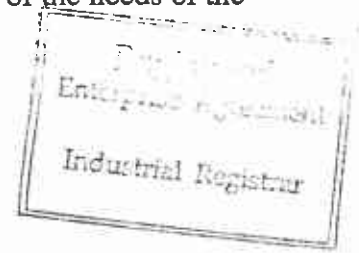
The parties to this agreement shall observe the following procedure:

- Employee(s) with a grievance shall seek resolution with their Team Leader/Supervisor. If they cannot resolve the problem, the matter should be raised with the Operations Manager.

If no solution can be found, the employee(s) and the union delegate (if requested by the employee(s) ,should discuss the matter with the Chief Executive Officer.

- If the matter is unresolved, the employee(s) may elect to refer the matter to the Secretary of the Union, (or his/her nominee), who shall meet with the Chief Executive Officer and endeavour to resolve the grievance.
- If the matter is unable to be resolved following the meeting between the Chief Executive Officer and the Union Secretary, either can seek to have the grievance referred to the NSW Industrial Relations Commission, for resolution in accordance with the Industrial Relations Act 1996 (NSW)
- Until the grievance is resolved, work will continue in accordance with the pre-dispute conditions subject only top bona-fide safety issues where work shall be deferred until the grievance is resolved.
- The parties shall co-operate to ensure that these procedures are carried out expeditiously.

At all times, work shall continue and consideration of the needs of the enterprise will remain a priority.



18 Community Service Policy

The company supports Community Service Programs within the area of their operations. Each case for employee involvement will be considered on its own merits with due regard to the essential service nature of the company's business operations. The Supervisor/Manager must approve all time off and if paid time is granted, the employee will be given written advice referring to the project and the condition of approval including maximum time period granted.

19 No Disadvantage Clause

No employee will suffer a reduction in earnings, hours of work or any other conditions of employment arising from the making of this agreement.

20 Training

The parties recognise the importance of training as a key component in maintaining productivity. Accordingly through the Consultative Committee, will monitor and assist in the development of training guidelines, in conjunction with the Australian National Training Authority and the relevant Industry Training Advisory Board.

The training needs of the enterprise, will remain paramount.

21 No Extra Claims

No further wage or condition increases will be claimed during the life of this Agreement, except where consistent with the State Wage Fixing Principles.

Nothing in the No Extra Claims Clause undertaking will prejudice the rights of employee to salary increases based on demonstrated skill and performance.

22 Redundancy

22.1 Duplitek does not envisage redundancies during the life of this agreement, however there may be circumstances beyond its control which necessitate redundancies taking place.

22.2 Where no reasonable alternative course of action is available, Duplitek shall pay severance payments in accordance with the severance scale in either 22.2(a), or 22.2(b) then 22.2(c)

(a) If an employee is under 45 years of age, the Company shall pay in accordance with the following scale:

Under 45 Years of Age Age Entitlement	Years of Service
Less than 1 year	Nil
1 year and less than 2 years	4 weeks
2 years and less than 3 years	7 weeks
3 years and less than 4 years	10 weeks
4 years and less than 5 years	12 weeks
5 years and less than 6 years	14 weeks
6 years and less than 7 years	16 weeks



OR:

(b) Where an employee is 45 years old or over, the entitlement shall be in accordance with the following scale:

Years of Service and over entitlement	45 Years of Age
Less than 1 year	Nil
1 year and less than 2 years	5 weeks
2 years and less than 3 years	8.75 weeks
3 years and less than 4 years	12.5 weeks
4 years and less than 5 years	15 weeks
5 years and less than 6 years	17.5 weeks
6 years and less than 7 years	20 weeks

THEN:

(c) Two weeks per year of service, with the total of subclause (a) plus (c) or subclause (b) plus (c) adding up to a maximum of 52 weeks.

SIGNATORIES

Southern Star Duplitek

Geoff Thurstan, Chief Executive



Date 22nd March 2002

Witness



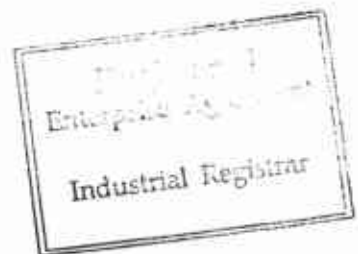
Gramophone Record Industry Union

Jeff Byrne, State Secretary



Date 22nd March 2002

Witness

 J.P.

AMENDED WAGES SCHEDULE

EXHIBIT (1)

Wages Schedule Southern Star Duplitek Enterprise Agreement 2002

	Entry Level	Level 2	Team Leader
Current rate	\$13.7267	\$14.4161	\$16.0177
1st July 2002	\$14.1385	\$15.4320	\$16.3982
1st July 2003	\$14.5626	\$15.8950	\$16.8901
1st July 2004	\$14.9995	\$16.3719	\$17.3968

