

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/53

TITLE: OPSM Auburn Distribution Centre Enterprise Agreement 2001

I.R.C. NO: 2001/7057

DATE APPROVED/COMMENCEMENT: 6 December 2001

TERM: 30 June 2003

**NEW AGREEMENT OR
VARIATION:** New Replaces EA97/88

GAZETTAL REFERENCE: 5 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 17

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to employees engaged at the Auburn Distribution Centre located at 99 Hilliers Rd, Auburn who perform the duties covered by the Storemen and Packers General (State) Award and the Clerical and Administrative Employees (State) Award

PARTIES: OPSM Pty Limited -&- the Australian Business Industrial



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**OPSM AUBURN
DISTRIBUTION CENTRE
ENTERPRISE AGREEMENT 2001**



1. Title

This Agreement is the OPSM Auburn Distribution Centre Enterprise Agreement 2001.

2. Term of this Agreement

The nominal term of this Agreement shall be from the beginning of the first pay period to commence on or after the date upon which it is approved by the Commission and shall expire on 30 June 2003.

3. Parties, persons bound and application of this Agreement

3(1) The parties to this Agreement are:

- (a) the Company; and
- (b) all employees (as defined) employed at the time this Agreement is made.

3(2) This Agreement binds:

- (a) the Company; and
- (b) each employee for whom this Agreement is made whether or not such employee was employed by the Company at the time that this Agreement was made.

3(3) This Agreement shall apply only at the Auburn Distribution Centre (as defined at clause 5), being a distinct geographic unit within the business of the Company.

3(4) This Agreement is made for each employee who falls within the definition of 'employee' at clause 5 of this Agreement and this Agreement shall apply only to such employees.

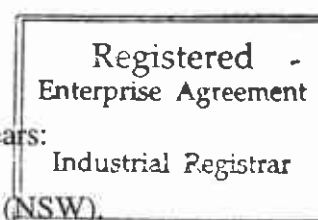
4. Objectives of this Agreement

4(1) The objectives of this Agreement are:

- (a) to encourage a process of continuous improvement within the Auburn Distribution Centre with a view to achieving gains in performance and flexibility;
- (b) to provide conditions of employment which meet the specific needs of the Auburn Distribution Centre and which are not set by the Storemen and Packers General (State) Award or the Clerical and Administrative Employees (State) Award;
- (c) to provide wage increases over the life of this Agreement calculated from 1 July 2001 and 1 July 2002;
- (d) to establish a system of performance based pay, providing the parties with the maximum benefit when the maximum earnings are achieved;
- (e) to settle employment conditions during the life of this Agreement for those employees for whom this Agreement is made; and
- (f) to provide an orderly means for the resolution of disputes or grievances.

5. Definitions

In this Agreement, unless the contrary intention appears:



"*Act*" means the *Industrial Relations Act 1996 (NSW)*.

"*approval*" means approval of this Agreement by the Commission pursuant to section 35 of the Act.

"*Auburn Distribution Centre*" means the warehousing operations of the Company located at 99 St. Hilliers Road, Auburn in the State of New South Wales.

"*Casual employee*" shall mean an employee who is engaged and paid as such.

"*Company*" means OPSM Pty Limited (A.C.N. 000 025 758).

"*Commission*" means the Industrial Relations Commission of New South Wales.

“*employee*” means a person employed by the Company within the Auburn Distribution Centre whose employment would be wholly regulated by a State award (as defined) or 1997 Agreement (as defined) in the absence of this Agreement.

“*4 week work cycle*” means any period of 28 consecutive days.

“*1997 Agreement*” means the OPSM Auburn Distribution Centre Enterprise Agreement 1997.

“*State award*” means an award made or taken to have been made, by the Commission and includes the Storemen & Packers General (State) Award and the Clerical & Administrative Employees (State) Award.

“*Shift Worker*” shall mean a worker who is engaged and paid as such.

6. Relationship of this Agreement to State awards, industrial relations legislation and the 1997 Agreement

- 6(1) This Agreement sets some, but not all, conditions of employment for employees. Unless the contrary intention appears, this Agreement prevails over the provisions of a State award that deals with the same matters in so far as the provisions in the State award apply to an employee.
- 6(2) Subject to 6(1) the conditions listed as follows shall continue to be regulated by whichever State award would apply to an employee:
- (a) Meal and rest breaks;
 - (b) Payment of wages;
 - (c) Shift work
 - (d) Holiday and Sunday rates of pay;
 - (e) Sick leave
 - (f) Personal/Carers leave;
 - (g) Annual leave loading;
 - (h) Bereavement leave;
 - (i) Jury service;
 - (j) Classification structures;
 - (k) General conditions;
 - (l) Redundancy;
 - (m) Shops stewards;
 - (n) Superannuation.
- 6(3) The following conditions shall continue to be regulated by the appropriate industrial relations legislation:
- (a) Annual holidays;
 - (b) Long service leave;



- (c) Parental leave, save for the additional paid leave provis:
in clause 17 of this Agreement.

6(4) This Agreement prevails over the 1997 Agreement unless the latter agreement is terminated in accordance with the Act.

7. Wage Rate Increase

7(1) Upon approval, the ordinary time rate of pay of each employee shall be increased by the percentage amount shown below and such increases shall be effective from the dates indicated:

(a)	4.0% - 1 st increase, calculated upon ordinary time earnings from 1 July 2001 and payable from date of approval; and
(b)	4.0% - 2 nd increase effective 1 July 2002.

7(2) The percentage increases are cumulative.

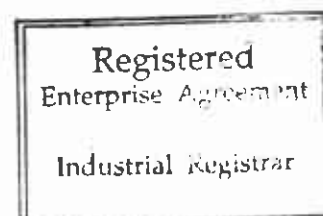
8. Bonus Payment

8(1) A bonus payment system will apply from the beginning of the first full month after the approval of this Agreement.

8(2) Depending upon the performance achieved, an employee may earn a bonus payment of up to 2.0% of his/her ordinary time rate of pay exclusive of all allowances.

8(3) Bonus payments:

- (a) shall be paid at the end of each quarter;
- (b) shall be calculated as a percentage of an employee's ordinary time rate of pay;
- (c) do not form part of an employee's base rate of pay;
- (d) shall terminate upon the expiry of the nominal period of this Agreement; and
- (e) shall be based on order lines processed per labour hour as set out in Appendix 2 to this Agreement.



- 8(4) Once established, the benchmark (starting level) and the target values for each performance indicator will not be adjusted, except where:
- (a) there are agreed errors in the calculation; or
 - (b) there are changes in policy, practices or business conditions; or
 - (c) it is agreed between the Company and the majority of the employees concerned that a matter or circumstance justifies an adjustment.
- 8(5) Any adjustment made under clause 8(4), will be made in consultation with the employees concerned on the basis that the opportunity for achieving the target performance is retained, and the target is neither reduced nor increased unfairly.
- 8(6) In or about June 2002, the operation of the performance measures will be reviewed and new measures set for the next financial year. In addition the measures and their weighting may be changed or varied provided there is agreement with the majority of employees concerned and the Company.

9. Team Leader

- 9(1) The Company may appoint an employee to the position of Team Leader to assist in the good order of work flow in an operating area. The appointment shall be made upon merit and skill, taking into account factors relevant to the job. The principal duties of a Team Leader shall be:
- (a) the receipt of instructions and the allocation of the work flow to employees; and
 - (b) the determination of shortages in labour or material or equipment failures and bringing any inefficiencies to the attention of the Company for its consideration.
- 9(2) In relation to the general duties and responsibilities, a Team Leader:
- (a) shall disengage from further action and refer a matter to the Company where there is a failure in training or behaviour on the part of an employee;
 - (b) shall not become involved in planning annual leave rosters or rostered days off except by consultation with the Company to ensure an orderly overview of work cover;

- (c) shall not be responsible for the discipline of employees for behaviour, absenteeism or performance;
- (d) shall give advice to the Company or other staff to assist with each of the above, but only to the extent of ensuring good order and work flow; and
- (e) shall not breach any confidence placed in them by fellow employees or the Company.

10. Allowances

Team Leader Allowance

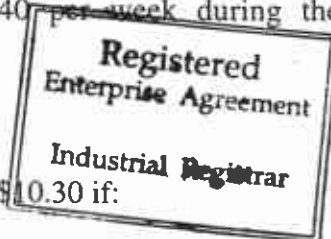
- 10(1) An employee appointed to the role of Team Leader shall receive an allowance of:
- (a) \$31.30 per week, calculated from 1 July 2001 and until 30 June 2002; and
 - (b) \$32.55 per week, effective from 1 July 2002.

First Aid

- 10(2) If an employee is appointed by the Company as a First Aid attendant, the employee:
- (a) shall maintain any first aid qualification which may be required to enable the employee to act in that appointment; and
 - (b) shall be paid an allowance of \$11.40 per week during the appointment.

Meal Allowance

- 10(3) An employee shall be paid a meal allowance of \$10.30 if:
- (a) the employee works overtime for more than 1 hour on any day or shift after the fixed ceasing time; and
 - (b) the employee did not receive notice on at least the working day prior to the day upon which the overtime is worked.
- 10(4) If an employee has been notified on at least the previous working day of the requirement to work overtime, but is not called upon to work that overtime, the employee shall, nevertheless, be paid the meal allowance as stated in 10(3).



Vehicle Allowance

- 10(5) If required by the Company to use his/her private vehicle upon Company business, an employee shall receive 59 cents for each kilometre travelled upon Company business.

Allowances are flat allowances

- 10(6) Except for the Team Leader Allowance in 10(1), the above allowances are flat amounts and are not paid for all purposes of this Agreement.

11. Terms of engagement and termination of employment

- 11(1) Employment shall be by the week for all full-time and part-time permanent employees and by the hour for casual employees.
- 11(2) The Company shall specify in writing whether the engagement is on a full-time, part-time or casual basis at the time of engagement.
- 11(3) The employment of permanent employees during the first week of service shall be from day to day at the weekly rate terminable at a day's notice on the part of the Company or the employee.
- 11(4) The first three months of permanent employment shall be probationary. At least 1 week prior to the expiry of the probationary period the employee shall be advised by the Company of his/her appointment to permanent employment or otherwise.
- 11(5) Save for notice stated at 11(3), the Company may terminate the employment of a permanent employee with the provision of the following notice:

Period of Continuous Service

1 year or less
More than 1 year and up to 3 years
More than 3 years and up to 5 years
More than 5 years

Period of Notice

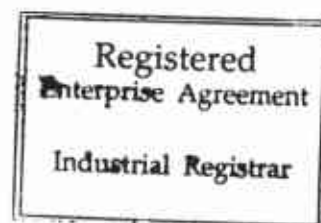
Registered	1 week
Enterprise	2 weeks
Industrial	3 weeks

- 11(6) The period of notice in 11(5) shall be increased by 1 week if:
- (a) the employee is over 45 years of age; and
- (b) the employee has completed at least 2 years' continuous service with the Company.
- 11(7) The period of notice in 11(5) and any additional period arising from 11(6), may be paid fully in lieu, or in part if some part of the notice is worked.

- 11(8) The notice of termination to be given to the Company by an employee shall be the same as that in 11(5) unless otherwise agreed between the employee and the Company. In the absence of any agreement, and where an employee fails to give the notice, the Company may deduct from moneys due to the employee an amount equal to the payment for the period of notice which the employee is required to give to the Company.
- 11(9) Nothing in this clause shall prevent the Company from summarily dismissing an employee for serious misconduct. Serious misconduct may include - but is not limited to - dishonesty, theft, fraud, physical or verbal threats, assault, being under the influence of alcohol or non prescription drugs and destruction of Company property. In such cases where the employment is terminated, the Company is not required to give notice as stated in 11(5) and wages shall be paid only up to the time of the dismissal of the employee.

12. Part-Time Employment

- 12(1) The Company may employ persons upon a permanent part-time basis to work less than an average of 38 hours per week over a 4-week work cycle, subject to the following conditions:
- (a) the hourly wage rate shall be one thirty-eighth of the appropriate weekly rate for a permanent full time employee as set out in Appendix 1;
 - (b) entitlements to all leave provisions in this Agreement shall be calculated upon a pro rata basis by comparing the average weekly hours worked by the part time employee over the 13 weeks prior to taking leave, with the full time weekly hours of 38;
 - (c) the average weekly hours are agreed upon commencement and shall remain fixed unless varied by agreement between the Company and the employee;
 - (d) the minimum hours of part-time work shall be 7.6 hours per week and 3.0 hours per day; and
 - (e) overtime is paid for all hours worked outside the span of hours in sub-clause 14(2), or in excess of 38 per week Monday to Friday. Overtime shall be calculated upon a daily basis. The rate of overtime shall be time and one half for the first 2 hours, and double time thereafter.



13. Casual Employment

- 13(1) The Company may engage persons upon a casual basis. Casual employment means employment on an hourly basis for any number of hours per 4-week work cycle.
- 13(2) Casual employees shall be paid an hourly rate equal to the appropriate weekly rate divided by 38, plus a loading of 15% in lieu of entitlements to public holidays, holiday and Sunday rates of pay, sick leave, annual leave loading, bereavement leave and jury service. One twelfth of ordinary time earnings will be paid in lieu of annual leave in accordance with the Annual Holidays Act.
- 13(3) The ordinary hours of work for casual employees, exclusive of meal breaks, shall be the same as those prescribed for full-time employees. The minimum number of hours of work per day shall be 3, unless otherwise agreed with the employee concerned and their manager.

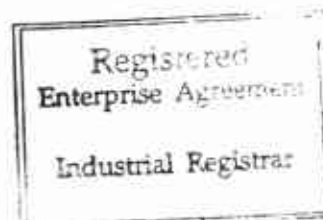
14. Hours of Work

- 14(1) The ordinary hours of work shall not exceed 152 hours per 4-week work cycle. The ordinary hours of work in any week of a 4-week work cycle may be more or less than 38 by the use of the provisions of Clause 15.
- 14(2) Ordinary hours may be rostered on any 5 days of the week, Monday to Friday, within one of the spans of hours provided at Option 1, Option 2 or Option 3 of Clause 15.
- 14(3) The ordinary hours of work shall not exceed 10 per day, except that by agreement between the employee concerned and the Auburn Distribution Centre manager, up to 12 ordinary time hours may be worked per day.

15. Hours Flexibility

Time Off in Lieu of Overtime

- 15(1) By agreement between the employee concerned and the Auburn Distribution Centre Manager, overtime hours may be paid at the penalty rate provided in Clause 16, or alternatively time off may be taken in lieu on an hour for hour basis. Time off must be taken before the end of the next 4-week work cycle after the date upon which overtime was worked, unless otherwise agreed between the employee and the Company. In the absence of any such agreement or where the employment terminates before the time off is taken, payment will be made to the employee at the overtime rate.



Rostering of hours

15(2) An employee may choose a roster of working hours from either of the following three options. Work upon a roster shall be implemented one month after approval of this Agreement.

(a) Option 1:

Week 1: Monday to Friday	8.00 a.m. to 4.10 p.m.
Week 2: Monday to Friday	8.30 a.m. to 4.40 p.m.
Week 3: Monday to Friday	9.20 a.m. to 5.30 p.m.
Week 4: Monday to Thursday Friday	8.30 a.m. to 5.20 p.m. 8.30 a.m. to 1.30 p.m.

OR

(b) Option 2:

Week 1: Monday to Friday	8.30 a.m. to 4.40 p.m.
Week 2: Monday to Friday	8.30 a.m. to 4.40 p.m.
Week 3: Monday to Friday	9.20 a.m. to 5.30 p.m.
Week 4: Monday to Thursday Friday	8.30 a.m. to 5.20 p.m. 8.30 a.m. to 1.30 p.m.

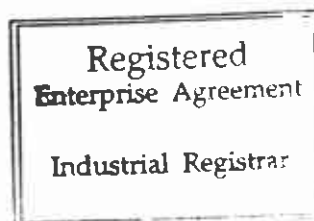
A thirty minute lunch shall apply during each day of work under options 1 & 2 except for the Friday in week 4 of the roster.

OR

(c) Option 3:

Work upon fixed hours each day commencing at 9:05 a.m. and ceasing at 5:30 p.m. with a 45-minute lunch break during the course of the day.

15(3) A tea break is to be taken as agreed between the employees and the Distribution Centre Manager, which shall be of 14 minutes duration with 10 minutes paid and 4 minutes unpaid.



16. Overtime and Saturday Work

- 16(1) All hours worked by a full-time employee in excess of 152 per four week cycle for Monday to Friday work, or outside the span of hours set by the option chosen by the employee as set out at 15(2), shall be paid as overtime. Overtime shall be calculated upon a daily basis. The rate of overtime shall be time and a half for the first two hours and double time thereafter.
- 16(2) All time worked on a Saturday shall be paid at time and a half for the first two hours and double time thereafter provided that all time worked after 12 noon on Saturday shall be paid for at the rate of double time. The minimum payment for overtime worked on a Saturday shall be four hours at the appropriate rate.
- 16(3) An employee shall work a reasonable amount of overtime at overtime rates if so required by the Company.
- 16(4) When overtime work is necessary it shall, wherever reasonably practicable, be so arranged that the employee has at least 10 consecutive hours off duty between the work of successive days.
- 16(5) A permanent employee who works so much overtime between the termination of ordinary work on one day and the commencement of ordinary work on the next day that the employee has not had at least 10 consecutive hours off duty between those times shall, subject to this sub-clause, be released after completion of such overtime until the employee has had 10 consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.
- 16(6) If on the instructions of the Company an employee resumes or continues work without having had such 10 consecutive hours off duty, the employee shall be paid at double rates until released from duty for such period and shall then be entitled to be absent until the employee has had 10 consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.

17. Paid Maternity Leave

- 17(1) As from date of approval the Company will provide a maximum of six weeks paid maternity leave to all full and part-time employees who have a minimum of twelve months' continuous service with the Company and to eligible casual employees. It is a matter of choice for the employee if she elects a lesser period or any leave at all.
- 17(2) For the purpose of this clause "eligible casual employees" means those employees that have been employed on a regular and systematic basis for several periods of employment, or on a regular and systematic basis for an



ongoing period of employment during a period of at least 12 months prior to commencement of leave.

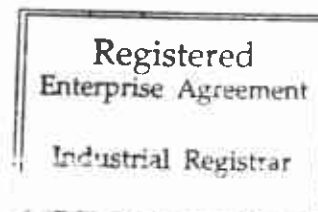
- 17(3) The leave will be paid on the following basis:
- (a) 2 weeks paid on commencement of the leave;
 - (b) 2 weeks paid on return from leave;
 - (c) 2 weeks paid 3 months after the second payment;
 - (d) Such leave will be paid as normal fortnightly salary at the relevant basic rate of pay.

18. Holidays

The additional paid holiday (picnic day) provided in clause 24(ii) of *the Storemen and Packers General (State) Award* and the additional holiday provided at clause 24(ii) of the *Clerical and Administrative Employees (State) Award* shall not apply. Otherwise the days observed as public holidays under those awards shall remain unaltered by this Agreement.

19. Prevention and Resolution of Disputes

- 19(1) Any dispute or complaint on employment matters shall be resolved using the following procedure:
- (a) The complaint or dispute should be settled whenever possible at the workplace between the employee(s) concerned and the - Auburn Distribution Centre Manager;
 - (b) If the matter is not resolved at the level in (a), it shall be referred to senior management and their representatives who will meet with the employee(s) concerned and/or their representatives;
 - (c) If the matter is not resolved at level (b), it shall be referred to a mutually agreed third party for private mediation. It may be referred to the union to which the employee(s) belongs.
 - (d) If the matter remains unresolved, it may be referred to the Commission for conciliation.
- 19(2) Throughout the dispute resolution process the status quo shall remain. This means that work shall continue as normal in accordance with the terms of this Agreement, and the parties shall co-operate in seeking a resolution in a reasonable time.



20. Discussions before expiry

The Company and the employees agree that the Company will commence discussions with the employees regarding a new enterprise agreement 3 months before the expiry of the nominal term of this Agreement.

EXECUTED AS AN ENTERPRISE AGREEMENT IN NEW SOUTH WALES:

Signed for and on behalf of OPSM Pty Ltd

[Signature]

Signature

Date 18/10/01

Name CHRIS GEORGIOU

Title GROUP MANAGER HUMAN RESOURCES.

Signed for and on behalf of the employees

[Signature]

Signature

Date 18/10/01

Name DENIA LOPEZ

Title STORE PERSON

[Signature]

Signature

Date 18/10/01

Name ARON ARNOLD.

Title STORE PERSON.



APPENDIX 1.

1. Table 1

**Wage Classification and Pay Rates
Adult Employees**

Classification	Auburn Distribution Centre Ordinary Time Rate of Pay - \$ per 38 hour week		
	Prior to this Agreement	1 st Increase 1 July 2001	2 nd Increase 1 July 2002
Level 1	\$471.90	\$490.80	\$510.45
Level 2	\$495.00	\$514.80	\$535.40
Level 3	\$515.20	\$535.80	\$557.25

- Level 1 represents employees with 0 – 1 years of service.
- Team Leader loading: \$30.10
- Team Leader loading effective 1 July 2001: \$ 31.30
- Team Leader loading effective 1 July 2002: \$ 32.55

2. Junior Employees

2(1) The minimum rate of pay to be paid to juniors shall be the following percentages of the appropriate rate of pay as set out in Table 1 of this Appendix for the employee's classification.

<u>Percentage of Appropriate Rate as per Employee's Classification</u>	<u>Per Week</u>
At 17 years of age and under	55
At 18 years of age	67.5
At 19 years of age	80
At 20 years of age	92.5

2(2) Such percentages shall be calculated to the nearest 5 cents, any broken part of 5 cents in the result not exceeding half of 5 cents shall be disregarded.



- 2(3) At 21 years of age, the minimum adult wage for the classification in which the employee is working; provided that where an employee under 21 years of age is called upon to stack goods weighing 31.75kg or over more than 0.9144 metres high or to lift or carry without assistance goods weighing over 45.36kg, he/she shall be entitled to the minimum wage prescribed for the appropriate classification.
- 2(4) One junior employee may be employed for every 3 or fraction of 3 employees receiving the adult rate of pay.



APPENDIX 2

OPERATION OF THE BONUS PLAN

1. Objective

The purpose of the bonus payment is to provide increased earnings to staff, when there is increased performance in the business.

2. Basis of Bonus Payment

2(1) Bonus payments will be calculated on a total group for all Auburn Distribution Centre employees.

2(2) The performance measures used for this purpose are:

(a) Order Lines Processed per Labour Hour

- (i) This factor is calculated from the total number of order lines processed in each week compared to the total number of hours paid for all Employees in the Auburn Distribution Centre;
- (ii) Hours paid excludes annual and long service leave, and public holidays; and
- (iii) The average weekly figure for all the weeks in the quarter is used for the bonus calculation.

2(3) Bonus will be calculated and paid quarterly as a percentage of the ordinary time rate of pay for each employee as set out in Table 1 of this Appendix. The bonus calculated in each quarter is separate from and has no influence on the calculation in any other quarter.



3. Performance Measures

3(1) The bonus earned for different performance achievements in each measure is set out in Table 1 below:

Table 1

PERFORMANCE MEASURES	
ORDER LINES PICKED PER LABOUR HOUR	
Avg. Quantity	% increase
18.0	0.5%
19.0	1.0%
20.0	1.5%
21.0	2.0%

3(2) There is a maximum of 2% bonus increase. To achieve this lines picked per labour hour must be between a range of 18 and 21 lines picked-per labour hour.

Examples:

1. Up to 17.9 lines picked per labour hour = 0%
2. 18 to 18.9 lines per labour hour = 0.5%
3. 19 to 19.9 lines per labour hour = 1.0%



*Carlford
W. S. L. L. L. L. L.
6/14/01*