

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA04/122

**TITLE: The Krone Manufacturing Servies Pty Limited Enterprise Agreement 2004**

**I.R.C. NO:** IRC4/869

**DATE APPROVED/COMMENCEMENT:** 1 April 2004

**TERM:** 35 months

**NEW AGREEMENT OR  
VARIATION:** Replaces EA02/267

**GAZETTAL REFERENCE:** 18 June 2004

**DATE TERMINATED:**

**NUMBER OF PAGES:** 10

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** The Agreement applies to all employees employed by Krone Manufacturing Services Pty Ltd located at 2 Hereford Street Berkley Vale NSW 2261, for full and part time employees engaged in the classifications of Process Workers, Machine Setters, Toolmakers, Cleaners, Storepersons and Supervisors, who fall within the coverage of Metal Engineering and Associated Industries (State) Award, Miscellaneous Workers-General Services (State) Award, & Storemen and Packers, General (State) Award

**PARTIES:** Krone Manufacturing Services Pty Limited -&- Beverly Allen, Leanne Anderson, Kaye Anderson, Robert Anderson, Rosela Andrews, Linda Ashbrooke, Ester Behan, Neville Behan, Dieter Benischke, Elizabeth Bentley, Timothy Berger, Christina Berry, Peter Brackenrig, Linda Brockman, Peter Browning, Rhonda Brummell, Mina Budimlic, Natalee Calabretta, Benjamin Campbell, Sharon Carroll, Jody Chatman, Jennifer Coates, Terence Cooke, Brent Cooney, Stuart Coote, Gary Corocher, Kim Crouch, Luke De'Zuna, Robert Debono, Kenneth Dowse, William Doyle, Stuart Duncan, Anne Dyble, Carole Eaton, Susan Eyles, Scott Ferguson, Matthew Field, Colin Fitzpatrick, Faith Frater, Mark Funnell, Nathan Gainey, Julie Gale, Marilyn Gibbs, Mark Gilbert, Diane Gillies, Jade Giltrow, Maree Glasson, Kristen Goldstein, Amy Gorman, Richard Grainger, Laurine Hall, Rosalind Hall, John Hannan, Dawn Harris, Mark Harrison, 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, Tracey Kitto, Rao Kotha, Linda Kuang, Paul Lidbetter, John Lombo, Sandra MacPherson, Luke Mahalm, Kate Mallett, Alan Martin, Scott McClure, Peter McDowell, Cheryl McParland, David Moss, Robert Nash, Suzanne Nielsen, Justa Noble, Vicki Norford, Warren O'Brien, Kay O'Neill, Lynette O'Rafferty, Arthur Orr, Paul Palmer, Michael Parkinson, Joseph Pavez, John Pisani, Barry Pitt,

Judith Prinsen, Crystal Rapa, James Richardson, Margaret Rikihana, Gary Rinkin, Zena Schulz, Yvonne Sharp, Stephen Shearer, Judith Small, Matthew Smith, Tammy Stockdale, Leonie Sutton, Helen Tamayo, Shirley Tollner, Lynette Traveller, Daniel Turner, Belinda Wade, Gregory Walder, Marilyn Walder, Jennifer Walters, Saula Waqanidrola, Alan Watt, Brenden White, Esterlita Worden, James Worrall, Mercy Yeo

# KRONE MANUFACTURING SERVICES PTY LIMITED ENTERPRISE AGREEMENT, 2004

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## 2. Title of Agreement

This Agreement shall be known as the KRONE Manufacturing Services Pty Limited Enterprise Agreement 2004.

## 3. Incidence and Parties Bound

This Enterprise Agreement made this 5TH day of February, 2004, 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 and part-time weekly paid permanent 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, 2004.

- 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 2007.

## **6. Relationship to Parent Award**

It is agreed by the Workers Committee and the Management of KRONE Manufacturing Services Pty Limited 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.
- 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 three 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 It is the employee's responsibility to personally communicate with their supervisor as early as conveniently possible of their inability to attend work.
- 9.4 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 and is limited to one per calendar year.

## **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, the ordinary hours will be 7 hours 36 minutes per day, 5days per week. However, the number of ordinary working hours per day may be varied by mutual agreement between individual employees and management.
- 10.4 Afternoon and night shift working hours will be in accordance with the normal award provisions for shift workers. However, the number of ordinary working hours per day may be varied by mutual agreement between individual employees and management.
- 10.5 Shift loading will be paid on public holidays for employees on permanent afternoon shift.

## **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 in any area covered by the EBA.

### **13. Payment of Wages**

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. Allowances**

- 15.1 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.
- 15.2 Forklift allowances under the award are included into the base wage of licensed forklift operators.

### **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.

### **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.

### **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 the following increases:

3% 16 February 2004

3.5% 16 February 2005

3.8% 16 February 2006

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 3 Process Workers will not be paid less than \$5.00 (Gross) above the Metal, Engineering and Associated Industries (State) Award for a C13 during the period of this Agreement.

In addition a wage increment will be maintained as follows:

Grade 1 - 2 \$10.00

Grade 2 - 3 \$5.00

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.

## 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 and Trainees

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 and Traineeship systems, by providing apprenticeships/traineeships where an opportunity arises.

## 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 be worn/used and 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 for evaluation prior to approval of replacement footwear.

## 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

Signed on behalf of:  
KRONE MANUFACTURING SERVICES PTY LIMITED

Name: CRAIG JONES

Title: MANAGING DIRECTOR

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

Witnessed by: \_\_\_\_\_

Name: WARWICK MILLS

Title: HUMAN RESOURCES MANAGER

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

Signed for and on behalf of:  
THE WORKERS COMMITTEE  
OF KRONE MANUFACTURING SERVICES PTY LIMITED

Name: LEANNE ANDERSON

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

Name: CARESSE HENDERSON

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

Name: KATE MALLETT

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

Name: JAMES WORRALL

Signature: \_\_\_\_\_

Date: 09 / 02 / 04

## **APPENDIX "A"**

### **KRONE GRADING SYSTEM - PRODUCTION**

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

1. Work ability
2. 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, operators, toolmakers, storepersons and supervisors) will not be eligible.

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.

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

#### 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.

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.