

AG834532 PR947303

AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Workplace Relations Act 1996
s.170LJ Agreement with organisations of employees (Division 2)

Associated Kiln Driers Pty Ltd

and

Construction, Forestry, Mining and Energy Union
(AG2004/3252)

AKD SOFTWOODS (ENTERPRISE BARGAINING) AGREEMENT 2003-2006

Timber industry

SENIOR DEPUTY PRESIDENT ACTON

MELBOURNE, 31 MAY 2004

CERTIFICATION OF AGREEMENT

In accordance with section 170LT of the *Workplace Relations Act 1996*, the Commission hereby certifies the attached written agreement.

This agreement shall come into force from 31 May 2004 and shall remain in force until 30 September 2006.

BY THE COMMISSION:



SENIOR DEPUTY PRESIDENT

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ASSOCIATED KILN DRIERS PTY. LTD (AKD SOFTWOODS)

1. Title

This Agreement shall be referred to as the AKD Softwoods (Enterprise Bargaining) Agreement, 2003-2006.

2. Arrangement

1. Title
2. Arrangement
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3. Application

This Agreement shall apply at Associated Kiln Driers Pty. Ltd. plant located at 7 - 15 Forest Street, Colac and plants located at Princes Highway Irrewarra, Mt. Gambier Road, Heywood, and Buckley Grove, Moolap in respect to all its employees who are involved in Timber production and Distribution.

4. Parties Bound

This Agreement shall apply to the Construction Forestry Mining Energy Union and to Associated Kiln Driers Pty. Ltd. (the Company) as to all its employees whether or not they are members of the union mentioned herein.

5. Period of Operation

This Agreement shall operate from the beginning of the first pay period on or after 30th September 2003 and shall remain in force until 30 September 2006. The parties agree to undertake a review of the Agreement and commence negotiation for a further Agreement no later than 2 months before the expiry of this Agreement.

6. Objectives

The objective of this Agreement is to promote real gains in productivity and or efficiency and flexibility in the workplace and to reduce the high levels of absenteeism among some employees.

By continued progress on the implementation of employee training and workplace development through the Company consultative process more varied and skilled jobs will result for employees of the Company.

7. Relationship to Parent Award

This Agreement shall be read and interpreted wholly in conjunction with the Timber and Allied Industries Award 1999 (the Award) provided that to the extent of any inconsistency between the Award and this Agreement, the latter will prevail.

The Company agrees for the life of the Agreement not to reduce wages, conditions, entitlements and benefits that apply under the respective Award and Agreements. If any negotiations are held that restructure wages and conditions of employment those negotiations will be consistent with the undertakings in this Agreement and by agreement between the parties.

8. Matters Agreed

The matters agreed below refer to implementation of changes that are designed to bring about real productivity and efficiency improvements.

8.1 Probationary Period

The probationary period for new full time employees is to be extended to twelve weeks during which time they are employed on a day to day basis.

8.2 Annual Leave Payout

Upon request from an employee, a maximum of two weeks annual leave may be paid in lieu of taking that leave. All parties understand that this provision has been included to assist employees in extraordinary circumstances and can only be accessed in cases of hardship.

8.3 Long Service Leave Payout

After ten years continuous service, an employee may request to have part or all of their long service leave entitlement paid out with the agreement of the Company.

The Company reserves the right to defer requests in the event that a large number of employees request to take up the option at any one time.

8.4 Company Clothing Issue

The Company has developed a system of clothing issue based on a number of points allocated each year. It will be a condition of employment that the clothing be worn.

Full details and conditions are outlined in Appendix B.

8.5 Sick Leave

The following clause shall be read in conjunction with the provisions of Clause 38.3 of the Award.

“An employee may claim sick leave for one day during the year without the production of medical certificate or statutory declaration. A statutory declaration or medical certificate must accompany any further claim for sick leave. However where practicable, a medical certificate is required for any day off immediately before or after an RDO or Public Holiday (if not practicable, a statutory declaration is required). Also, a maximum of seven (7) statutory declarations will be accepted in any one year, but not for consecutive days. In the case of consecutive days a medical certificate will be required. Condition applying at Irrewarra Mill will remain the same.

Should an employee fail to provide a medical certificate or statutory declaration where required, the employee will be deemed to be absent from duty in accordance with Clause 26.3 of the Award.

Employees are required to ring in within 2 hours of their shift commencing in the case of day shift or by 1:00pm in the case of afternoon shift.

-Accrued sick leave will be paid out in accordance with Clause 38.3.7 of the Award - "Payment of untaken sick leave". Employees who have accrued sick leave will be entitled to a maximum of 152 hours sick leave upon leaving the Company through redundancy or retirement or for any reasons other than summary dismissal. This will be calculated on a pro rata basis from their anniversary date of commencement.

8.6 Special Leave

With prior notice (preferably at least one day) employees may request leave for special purposes, including family responsibilities. In consultation with, and agreement with, their immediate area production manager, the leave may be taken in one of four ways.

1. Unpaid
2. Sick Pay
3. Time worked in lieu
4. Annual Leave (up to 5 days)

It will be the employees choice as to which option he takes but consideration must be given to the needs of the business. For example, in some areas the option of time worked in lieu may not be practical. No request will be unreasonably withheld.

Any leave not taken by the above means shall be taken to be unauthorised leave and will be dealt with under the Disciplinary Procedure (3 warning system).

8.7 Disciplinary Procedure

Where it is necessary to discipline an employee because of unauthorised absenteeism, lateness, or other reasons which do not constitute instant dismissal, then the following procedure will be adopted. (Reasons for instant dismissal are outlined in Clause 21.1.5 of the Award – "...including malingering, inefficiency or neglect of duty, ...)

1. The employee will be given a verbal warning (confirmed in writing) by the supervisor in the presence of the union delegate from his work area.
2. If the problem persists then the employee will be counselled in confidence in the presence of the union delegate from his work area unless otherwise requested. A second warning (in writing) will be issued to the employee.
3. A third warning (in writing) will be issued if there is a further breach. This letter will be a final warning. If the employee persists with the action leading to the disciplinary action taken by the Company then the employee faces dismissal. A copy of this letter will be given to the Union Delegate.
4. The latest issued warning under this procedure will remain in force for a period of 12 months.

8.8 Deduction of Insurance Premiums

Where employees wish to participate in income protection insurance the Company agrees to deduct the premiums from the employee's wages and forward the necessary payments to the insurance company on a monthly basis. This will be limited to one insurance company agreed upon by a majority of employees.

8.9 Start and Finish Times

As a means of maintaining productivity employees commit themselves to commence work on time at their workstation at the designated start time and to promptly recommence work after meal breaks.

8.10 Electronic Funds Transfer

The Company will ensure that wages are paid into a bank, credit union or building society, provided the institution has a transfer arrangement with the ANZ bank.

8.11 Flexible Meal Breaks

The timing of taking meal breaks is to be flexible and may be adjusted by up to one hour from commencement of a normal break for the purpose of enabling the Company to

maximise its production efficiency and cope with abnormal circumstances. Employees will not unreasonably withhold their consent. Implementation of the above provision shall not impose any penalty upon the Company.

8.12 Maintenance Meal Breaks

A meal allowance will be paid to maintenance employees who have their meal break interrupted. Scheduling of breaks will be reviewed to try and reduce the number of such interruptions.

8.13 Skill Development

The parties agree to continue to improve and upgrade the skills of the workplace.

This will be consistent with the National Forest and Forest Products Industry Competency Standards and other nationally recognised competency standards.

8.14 English Language Literacy and Training

The parties recognise the importance of English Language Literacy and Training in addressing workplace issues and will continue to address these needs in accordance with past practices of providing for those whose needs have been identified and are willing to participate in this area of training.

8.15 Work and Management Organisation

Coordinated through Toolbox meetings, the ongoing process of improving productivity will be reviewed and processes evaluated including such areas as use of practices, supervision, shift arrangements, absenteeism, waste, value adding and skill auditing of employees.

8.16 Volunteer Emergency Services Work

In addition to the provision contained in Clause 25 of the Award, Fire Fighting – South Australia, Victoria, Tasmania, and New South Wales, a weekly employee who with the consent of the employer is absent during ordinary working hours to undertake voluntary firefighting or emergency services work within the local CFA region (Region 6 for Colac mills) shall not suffer any reduction in pay. This clause only applies where the employee is undertaking such voluntary work as a member of an accredited organisation such as the Country Fire Services or State Emergency Services organisation.

8.17 Bereavement Leave

The provisions of Clause 38.4.1 of the Award shall be extended to include grandparent or grandchild.

8.18 Redundancy

Refer to Appendix 'A'.

8.19 Casual Employees

Within practical constraints of potential mill developments, the number of casuals employed by the Company is to be minimised wherever possible.

8.20 Labour Hire

Labour hire personnel carrying out work covered by this Agreement will be paid at rates equivalent to the Company base rates including the appropriate Award allowances. Provision of Personal Protective Equipment is as per the Award. Labour hire personnel are to work in the same environment and are to comply with the same workplace policies, procedures and standards as Company employees for equivalent tasks.

8.21 After Midnight (afternoon shift)

Afternoon shift employees will be paid 30% shift allowance for hours worked after midnight based on normal hours of work. For example, if the normal afternoon shift working a standard 7.6 hour day works 30 minutes past midnight, the 30% shift allowance will apply to that 30 minutes after midnight. If it is agreed that shift is to work a nine day fortnight and therefore works additional time each day in order to have a day off, this additional time will not attract the 30% shift allowance. Other afternoon shift hours worked attract a 15% shift allowance. Overtime rates apply as set out in the Award.

8.22 Modified Work Schedules

The parties agree to work together to achieve modified work schedules in the Colac Greenmill afternoon shift, the Planer mill, Despatch and Maintenance. The Old Planer mill and Greenmill day shift hours will remain unchanged unless agreed between employees and the Company.

8.23 Work on Rostered Day Off

A full time employee who nominates to work an RDO will be offered additional work before it is offered to a casual employee provided all the following apply.

- a. An additional worker is required.
- b. All work performed by an employee working an RDO will be paid at the Group base rate no less than their current normal rate. Applicable Award overtime rates will apply.

- c. The Company has the discretion to offer additional work to an RDO employee if the additional work is classified at a Group base rate less than their current normal rate.
- d. Employees have the discretion in choosing to accept or decline an offer to work their RDO.
- e. The RDO employee is suited to the required work.
- f. Arrangements are operationally practicable, e.g. coordination by Supervisor, or notice periods required to make arrangements in advance.

8.24 Southern Specialty Packaging

The parties agree to work together to review work schedules at Southern Specialty Packaging Geelong with a view to introducing a monthly RDO where practicable.

8.25 Irrewarra Sawdoctors

Boiler suits are to be provided to saw doctors at Irrewarra.

9. Superannuation

The Company recognises its obligation as outlined in the Superannuation Guarantee Administration Act, 1992 and the Superannuation Guarantee Charge Act, 1992 and as reflected in the Timber Industry Superannuation Award, 1995.

Should legislation be passed in Federal Law regarding choice of Super Funds then employees will be given the choice of joining one other approved fund in addition to T.I.S.S.

10. Payroll Deductions

The Company agrees to the payroll deduction of union dues and the forwarding of these to the union each month and shall continue to do so unless requested otherwise by the union or employee. For such purposes, each employee covered by this Agreement will be asked to sign an authorisation.

11. Wage Rates

The wage rates tabled below will apply for the duration of this Agreement. These rates are for an ordinary 38 hour week, from the pay period commencing on the date shown.

These rates also apply to any persons provided to the Company by Labour Hire firms.

Junior rates of pay will be set at a minimum of the 18-year-old rate.

First Full Pay Period on or After:

Group Level	\$ Per Week (Current)	6th October 2003	4th October 2004	3rd October 2005
6	639.83	663.83	687.83	707.83
5	617.00	641.00	665.00	685.00
4	582.34	606.34	630.34	650.34
3	559.50	583.50	607.50	627.50

11.1 Dryer Operators (AKD Colac Mill)

The operation of the dryers will be based on a 7 day, 12 hour roster rotating on a 4 week cycle with dryer operators (refer to Appendix C).

Weekly payment to dryer operators will be based on an annualized salary. The annualized salary is calculated as follows:

- Average weekly earnings are obtained from calculating earnings based on actual hours worked over the roster period of one month
- Multiply average weekly earnings x 47 weeks
- Add 5 weeks annual leave + 17.5% loading
- Add 7 days public holiday (may vary from year to year)
- Total amount is divided by 52 to obtain weekly payment.

12. Grievance Dispute Procedure

Any grievance, industrial dispute or matter likely to create a dispute should be dealt with in the following manner.

- a) The accredited union representative at the workplace should discuss any matter affecting an employee with the supervisor in charge of the section or sections in which the grievance, dispute or likely dispute exists.
- b)
 - i. If the grievance, dispute or likely dispute is not resolved at this level the union representative at the workplace should consult with the Company manager or nominated Company representative.
 - ii. The consultation process as prescribed in paragraph i. should be commenced within 24 hours of the grievance, dispute or likely dispute having been indicated.
- c) If the grievance, dispute or likely dispute is not resolved as prescribed in sub-clause b), the union official shall arrange a meeting of the Company representative, the union representative, the union official and any other representative agreed by the parties in an endeavour to resolve the grievance, dispute or likely dispute.

- d) At any stage in the procedures after consultation between the parties has taken place, either party may ask for and be entitled to receive a response within 24 hours.
- e) If the grievance, dispute or likely dispute is not resolved in accordance with these procedures either party may refer the matter to the Australian Industrial Relations Commission for determination and such decision, subject to the parties' right of appeal, will be accepted.
- f) Without prejudice to either party and except where a bona fide health and safety issue is involved, work shall continue while matters in dispute are being dealt with in accordance with these procedures.

13. No Extra Claims Commitment

All parties agree that any National Wage Case decision occurring during the life of this Agreement will be absorbed into existing over-award payments, on the understanding that no employee will be paid less than the Award Rate because of this provision.

Up to the nominal expiry date of this Agreement, the following shall apply.

- a) All parties will not pursue any extra claims relating to wages or changes to conditions of employment or any other matters related to the employment of the employees, whether dealt with in this Agreement or not.
- b) This Agreement covers all matters or claims which could be the subject of protected action under the Workplace Relations Act 1996.
- c) All parties will not engage in protected action under the Workplace Relations Act 1996.
- d) While remaining consistent with Clause 7 of this Agreement, nothing in this clause is intended to prevent any changes introduced by legislation to flow on to employees covered by this Agreement.

Signed For and Behalf of,

Associated Kiln Driers Pty. Ltd.

**CFMEU
Forest and Furniture Products Division**

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Victorian State Secretary

Appendix 'A'

Redundancy

1. Application and Definition

- 1.1** The provision of this Agreement shall apply to all employees of Associated Kiln Driers PL in respect of the termination of an employee (s) by reason of:
- 1.1.1** A general downturn in activities brought about by a decline in demand for the Company's products, or unavailability of resource or material,
- 1.1.2.** Subject to Clause 1.2 below, restructuring of the industry, reorganisation of work systems or staffing levels,
- 1.1.3.** Mechanisation or technology change.
- 1.2** There will be no redundancy if there is a transmission of business which occurs in circumstances set out in Clause 20.10 of the Award or any like provision, in circumstances where the Award is amended from time to time.
- 1.4** Employees exempted from redundancy will be as set out in Clause 20.8 of the Award.
- 1.3** The parties agree that termination benefits in excess of the relevant Award provision will only be payable in circumstances of retrenchments or redundancy and be subject to the following conditions.

2. Consultation Process

- 2.1** When a definite decision has been made that redundancy is to be implemented, the Company will hold discussions with the employees directly affected and the Union.
- 2.2** All parties will adhere to the requirements of the (relevant) State Workers Compensation Act as amended in relation to employees suffering work-related incapacities and disabilities.
- 2.3** Voluntary retrenchment may be permitted under this Agreement and will be the first part of the processes described in this subclause.
- 2.4** Apprentices may only become redundant upon completion of the specified apprenticeship training period and will receive redundancy payments in accordance with this Agreement. In this case the rate of pay on which these entitlements are based will be the ordinary time weekly rate for the trade classification in which the apprenticeship has served.

3. Period of Notice

The Company will give a minimum of four (4) weeks formal notice or pay in lieu of notice to affected employees.

4. Employees Under Notice

- 4.1** An employee who has been given formal notice of retrenchment may with the agreement of the Company, elect to resign prior to the effective date of the employee's retrenchment notice. In such cases, payments arising under this Agreement will be calculated to the date the resignation takes affect. The Company shall not unreasonably withhold agreement.
- 4.2** The Company will provide an itemised statement of all payments due to each employee who is under notice of redundancy. The employee will receive this statement within seven (7) days of receiving notice.

5. Assistance

- 5.1** In the case of an employee who is to be retrenched, the Company shall make every endeavour to assist the employee to find suitable employment. From the time an employee receives notice of retrenchment and up to the date of termination, a reasonable amount of time off will be granted to the employee without loss off the employee's ordinary time rate of pay to attend employment interviews, provided that if proof of the interview is required by the Company, such proof will be given.
- 5.2** The Company shall give to the employee, not later than the time of the termination, a certificate of service in writing indicating the period of the employee's employment and the reason for termination and on the request of the employee provide a written reference.

6. Continuity of Service

Employees who are re-employed within twelve (12) months of their termination shall be deemed not to have broken their continuity of employment for the purpose of the Award and the (relevant) State Long Service Leave Act and shall be entitled to all conditions that they would have received had their services not been terminated.

7. Long Service Leave

Entitlement to Long Service Leave or payment in lieu thereof shall be determined in accordance with the (appropriate) State Long Service Leave Act with the exception that the qualifying period will be five (5) years.

8. Sick Leave

All outstanding Sick Leave entitlements accrued to an employee shall be paid on termination up to a maximum of 152 hours.

9. Superannuation

Superannuation benefits will not be limited or offset against severance payments provided by this Agreement.

10. Retrenchment Pay

Severance Pay

In addition to the period of notice prescribed for ordinary termination and subject to any further order of the Commission, an employee whose employment is terminated for reasons set out in paragraph 1.1 hereof shall be entitled to the following amount of severance pay in respect of a continuous period of service, provided that the employee has been employed by the Company in a full time capacity for more than three months.

Two and a half weeks pay for every completed year of service with a minimum payment of three weeks and a maximum payment of 104 weeks.

For example, an employee with 8.5 years service would be eligible for 8.5×2.5 weeks = 21.25 weeks severance pay.

“Weeks’ Pay” means the ordinary time rate of pay for the employee concerned, provided that the severance payments shall not exceed the amount which the employee would have earned if employment with the Company had proceeded to the employee's normal retirement date. In any case severance payments shall not exceed 104 weeks' pay.

11. Benefits

11.1 Should an employee under notice of retrenchment die, prior to the nominated date of termination, all benefits of this Agreement to which such employee was entitled shall be paid directly to the employee's nominated dependent. If no nominated dependent, then the entitlement shall be paid to the employee's legal dependent.

11.2 The benefits provided for in this Agreement shall be the actual benefits paid and no additional claims will be made during the life of this Agreement.

12. Period of Agreement

The conditions of this Redundancy Agreement will hold for the Period of Operation as set out in Clause 5 of this Agreement.

Appendix B

Clothing Issue

Conditions:

1. Employees will be issued with the minimum requirement of safety clothing as soon as possible after commencement of employment. The balance of Company clothing will be available after three (3) months full time service (the cost of issued clothing may be deducted from final pay if an employee does not complete three (3) months full time employment).
2. Once the clothing is issued it becomes a condition of employment and must be adhered to.
3. Issues of clothing will be carried out quarterly for those employees whose anniversary dates fall in that quarter.
4. Overalls, shirts, jumpers or flying jackets must be exposed on the top half of the uniform at all times. This will serve as a substitute for a reflective vest.
5. 18 points will be allocated at the first issue, thereafter 16 points will be allocated each year, with the exception of maintenance employees who will be provided with laundered overalls and allocated 10 points each year.
6. Unused points can be carried forward provided that in any one year only 20 points can be used.
7. No monetary value is attached to unused points upon leaving the Company.

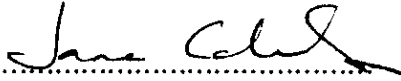
Points allocation:

Shorts	2
Trousers *	3
Overalls	5
Flying Jacket	5
Bluey Jacket (long & short)	10
Shirt long sleeved	3
Shirt short sleeved	3
Polo top shirt	3
Jumper	5

*(Under special circumstances and by arrangement, tracksuit pants may be provided in lieu of trousers)

Signed by the parties to the AKD Softwoods (Enterprise Bargaining) Agreement, 2003-2006.

Signed for an on behalf of the
Construction Forestry Mining Energy Union


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this.....^{13th}.....day of ^{May}..... 2004.

Signed for an on behalf of the
AKD Softwoods.

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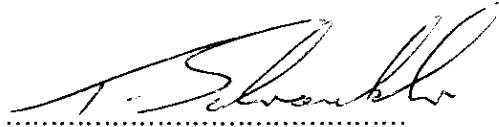
this.....day of 2004.

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Signed for an on behalf of the
Construction Forestry Mining Energy Union

this.....day of 2004.

Signed for an on behalf of the
AKD Softwoods.



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this.....*SIXTH*.....day of.....*MAY*..... 2004.