

BEGA CHEESE
EMPLOYEES AND UNIONS
2007 COLLECTIVE
AGREEMENT



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PART A – AGREEMENT OVERVIEW

1.0 TITLE

This Agreement shall be known as the Bega Cheese Employees and Unions Collective Agreement 2007.

2.0 AREA, INCIDENCE AND PARTIES BOUND

The Bega Cheese Collective Agreement shall be binding upon The Bega Cooperative Society Limited (“Bega Cheese”), located at North Bega, and the employees of Bega Cheese engaged in the operations of the Lagoon Street factory and the Ridge Street cutting & processing plant under the Awards listed in clause 5. This Agreement is also binding upon the following unions:

- The Automotive, Food Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch; and
- The Australasian Meat Industry Employees Union, New South Wales Branch; and
- The Electrical Trades Union, New South Wales Branch

3.0 DATE AND PERIOD OF OPERATION

The Bega Cheese Employees and Union Collective Agreement 2007 shall take effect from the first full pay period commencing after 12th July 2007 and shall continue for a period of three years from that date.

4.0 NO EXTRA CLAIMS

It is a term of this Agreement that Bega Cheese, the Unions and all employees bound by this Agreement will comply with the terms of this Agreement. It is agreed that additional claims will not be pursued through the life of the Agreement unless all parties agree to consider any such additional claims.

5.0 RELATIONSHIP TO PARENT AWARD

The terms and conditions of the Bega Cheese Employees and Unions Collective Agreement 2007 shall take precedence over the NAPSA (Notional Agreement Preserving a State Award) derived from the relevant Parent Awards, being the:

- (a) Butter, Cheese and Other Dairy Products State Award (published 26 October 2001) as varied;
- (b) The Metal and Engineering Industry (New South Wales) Interim Award published 2 August 1991 (264 I.G. 536), as varied;
- (c) The Electricians, & c. (State) Award published 28 August 1974, as varied;
- (c) The Shop Employees (State) Award published 2 June 1995 (286 I.G. 28), as varied;
- (d) The Clerical and Administrative Employees (State) Award published 14 February 1997, as varied

However, in the event that the Bega Cheese Employees and Unions Collective Agreement 2007 is silent on a specific issue, to the exclusion of individual allowances or other additional payments, the NAPSA derived from the relevant Parent Award/s above will apply.

6.0 OBJECTIVE OF THE BEGA CHEESE COLLECTIVE AGREEMENT

6.1 The Objectives of the Bega Cheese Employees and Unions Collective Agreement 2007

The objective of the Bega Cheese Employees and Unions Collective Agreement 2007 is to facilitate effective workplace relationships between Bega Cheese and its employees, which will support the achievement of, inter alia:

- (a) the profitable manufacture of the highest quality products;
- (b) flexible working hours;
- (c) improvements in workplace efficiency and productivity for the benefit of employees, customers, shareholders and the community at large;
- (d) the development and maintenance of the most productive and harmonious working relationship between the Parties;
- (e) the recognition of efforts to gain and share productivity improvements through appropriate initiatives, such as, but not limited to, productivity bonuses.

6.2 Importance of Achieving Objectives

The Parties recognise that the following are important to achieving these objectives:

- (a) the existence and development of a working environment in which:
 - i) all employees are involved in decisions affecting them, care about their jobs and each other, have the opportunity to achieve their full potential, take pride in themselves and their work and benefit from the success of their efforts;
 - ii) all levels of leadership will support and embrace the Bega Cheese Management Charter and Values, which will help give effect to the principles outlined in i) above.
- (b) the need for flexibility of jobs and duties within and between work areas, subject only to limitations imposed by individual skill levels.
- (c) the Parties will take all steps necessary to avoid any action which disrupts continuity of production by resolving concerns effectively and speedily through use of the consultative mechanism and an agreed Dispute Settlement Procedure as set out in this Bega Cheese Employees and Unions 2007 Collective Agreement;
- (d) employees will cooperate in the implementation of quality assurance techniques;
- (e) employees will participate positively in audits of the workforce or workplace from time to time;
- (f) employees will assist with training other employees consistent with their classification level and position;
- (g) employees will embrace and behave in accordance with the Bega Cheese Employee's Information Handbook and the Classification Structure, and in accordance with the requirements of their own level.

6.3 Expansion of the Processing and Cutting Plant

The parties agree that the processing and cutting plant remains an integral part of Bega Cheese's operation and that the continued, smooth expansion of the facility is essential for the future prosperity of the company and all employees.

7.0 EMPLOYEE'S INFORMATION HANDBOOK

Employees agree to abide by The Bega Cooperative Society Limited – Employee's Information Handbook, which may be amended from time to time in consultation with the employees. Once amended, the handbook shall be re issued to all employees.

8.0 NEW EMPLOYEES

In recruiting new employees, Bega Cheese shall advise prospective employees of the existence of the Bega Cheese Employees and Unions Collective Agreement 2007. A copy of the Employees Information Handbook and the Bega Cheese Employees and Unions Collective Agreement 2007 is to be made available to prospective new employees and will be provided to all new employees.

9.0 AGREEMENT TO BE DISPLAYED

Copies of the Bega Cheese Employees and Unions Collective Agreement 2007 shall be available for inspection by employees, or their authorised representatives.

10.0 JOINT CONSULTATIVE COMMITTEE

Within three months of the commencement of the Bega Cheese Employees and Unions Collective Agreement 2007 a Joint Consultative Committee shall be formed, specifically for the purpose of managing the operation of the Bega Cheese Collective Agreement. The Joint Consultative Committee shall be a forum for open discussion and resolution of issues relevant to the Bega Cheese Employees and Unions Collective Agreement 2007.

The Joint Consultative Committee shall be made up of an agreed number of members, with equal representation of Bega Cheese management and employees, unless mutually agreed that there may be a greater number of employee representatives. The management representatives shall be determined by the CEO. The employee representatives shall be elected from the workforce by the employees. In the event that an employee representative no longer wishes to serve on the JCC, new nomination/s shall be invited from other eligible employees. In the event of more than one nomination being received, and in the absence of any other consensus on the structure of the JCC, an election shall be conducted.

The Joint Consultative Committee shall meet at least quarterly to address any and all matters of concern or other issues relevant to the Bega Cheese Employees and Unions Collective Agreement 2007.

At the first meeting of the Joint Consultative Committee the members will agree upon an appropriate consultative mechanism and set procedures appropriate to its size, structure and needs for consultation and negotiation on matters affecting the operation of the Bega Cheese Employees and Unions Collective Agreement 2007 and other matters considered relevant to the effects of the Agreement on the efficiency and productivity of Bega Cheese.

PART B – CLASSIFICATIONS AND CAREER PROGRESSION

11.0 CLASSIFICATIONS

11.1 Contract of Employment

An employee covered by this EBA shall be engaged either weekly, part-time or casual and each employee shall be notified before commencing work of the nature of their employment with Bega Cheese.

Employees (other than casual employees) shall be engaged on a weekly basis.

11.2 Utilisation of Skills

Employees shall carry out duties and use tools and equipment as may be directed by Bega Cheese from time to time, subject to the limits of their training, skills, competence and qualifications.

Any employee may at any time carry out duties and use tools and equipment as may be directed by Bega Cheese, provided that the employee has been properly trained in the use of such tools and equipment.

Any direction given by Bega Cheese in accordance with any of the above shall be consistent with Bega Cheese's obligations under The Occupational Health & Safety Act 2000 and the associated OH&S Regulation 2001.

Disputes arising in relation to the operation of this clause shall be dealt with in accordance with procedures set out in clause 46, Grievance Procedures, prior to consideration of the issue in accordance with the consultative mechanisms as deemed to be appropriate by the Joint Consultative Committee (refer clause 11, Joint Consultative Committee).

11.3 Competency Based Classifications Structure

During the first three months of this Agreement, a representative Committee shall review currently identified competency profiles and classification/BE levels as detailed below. Their scope is specifically limited to the identified roles of:

PPU Laboratory technician	Multi-skilled operators
Whey plant operator	Hi-reach forklift
Casting Grinding Assistant	Processed cheese operators with cleaning tasks

The Committee shall also agree upon and implement a process for the timely and fair review of other position competencies and classification levels where, during the life of this agreement, a dispute may arise as to the correct level.

12.0 LABOUR FLEXIBILITY

Employees shall perform a wide range of functions and duties including work, which is incidental or peripheral to their main tasks or functions as detailed in the at Appendix 2 - Classification Structure.

Employees shall perform such work as is reasonable and lawfully required of them by management, including accepting instructions from authorised personnel. Where doubt exists as to who is an "authorised person" the employee in doubt should immediately contact the manager in charge of the operating division in which the employee works. Should the manager not be available, the next most senior representative to that manager in the particular operating division

is to be consulted.

The parties agree that in certain circumstances it may be necessary for employees to move between various operating divisions/employment classifications of Bega Cheese. Such movements will only occur where the relevant employee or employees have the necessary training, skills, competence and qualifications to complete the requirements of the position to be assumed and agree to such movements and accept training. Such agreement will not be unreasonably refused.

If by agreement an employee is required to move between operating divisions of Bega Cheese and that employee does not have the necessary training, skills, competence and qualifications to undertake the new position, Bega Cheese will assist that employee to gain those skills and qualifications required by way of on-the-job training, internal training and/or external courses as soon as practicable.

Employees shall comply with all reasonable requests to transfer or to perform any work covered by the Bega Cheese Employees and Unions Collective Agreement 2007.

In carrying out duties, employees shall take all necessary steps to ensure that the quality, accuracy and completion of any job or task is maintained to the satisfaction of management.

Any direction given by management shall be consistent with Bega Cheese's obligations as noted in this Agreement.

PART C - REMUNERATION

13.0 WAGES

PAY INCREASES

Bega Cheese employees shall receive the following weekly increases as a result of negotiations towards the completion of this EBA.

Level BE4 - an increase of \$6 per week to be paid from the FFPP on or after July 12th 2007 and a further \$6 per week to be paid from the FFPP on or after 12th June 2008.

Level BE5 – an increase of \$9 per week to be paid from the FFPP on or after 12th July 2007 and a further \$9 per week to be paid from the FFPP on or after the 12th June 2008.

Level BE6 – an increase of \$7.50 per week to be paid on the FFPP on or after 12th July 2007 and a further \$7.50 per week to be paid on or after the 12th June 2008.

The above weekly increase shall be added to the relevant prevailing weekly rate before the application of the agreed % increases (3.8% as at 12/7/07 and 1.9% as at 12/6/2008)

In addition to the above, all classifications other than BE1 shall be increased as follows:

- 3.8% to be paid FFPP on or after 12 July 2007
- 1.9% to be paid FFPP on or after 12 June 2008
- 1.9% to be paid FFPP on or after 12 December 2008
- 1.9% to be paid FFPP on or after 12 June 2009
- 1.9% to be paid FFPP on or after 12 December 2009

Wages -Adults

The minimum rates of wages for adult weekly employees are set out in Appendix 1(a) - Rates of Pay.

Wages - Juniors

Bega Cheese will employ junior staff from time to time. Junior staff shall be advised that they will be employed as "Junior employees", reflecting their age, skills and relative experience. Junior employees will be subject to a reasonable amount of on the job training by more senior staff. In addition, Junior employees may be required to undertake external training courses and/or formal traineeships to ensure the required skills and experience are developed as quickly as possible.

Junior employees may be employed in any work area as agreed between the Parties.

In assigning Junior employees' specific tasks, management will have regard to the skills and experience of each individual Junior employee. In addition, management will ensure that Junior employees will receive adequate supervision and on the job training.

Junior employees will be paid according to age, which will be a percentage of the adult rate for the relevant position held. Unless specifically addressed in Appendix 1a) or otherwise agreed between management and the Junior employee, the following Junior wage rates will apply:

Age	Percentage of Adult Wage
Under 16 years	51%
Under 17 years	58%
Under 18 years	67%

Notwithstanding the above, Bega Cheese will remunerate all employees, including Junior employees, in accordance with their relevant skills, competence, training and qualifications. Once Junior employees have gained the relevant training and qualifications and demonstrated the appropriate skills and competence they will be reclassified to the adult equivalent pay.

14.0 ALLOWANCES

In addition to base wages paid by Bega Cheese, certain employees may be entitled to allowances applicable to designated roles, which require extra commitment or additional skills. Summarised in Appendix 1(b) are all the allowances, and their definitions, which may be payable under the Bega Cheese Employees and Unions Collective Agreement 2007. During the life of this agreement new allowances may be created by agreement with the parties in accordance with Clause 4.

15.0 PERFORMANCE REWARDS

All parties to this agreement support and actively participate in all formal and informal improvement programs which increase productivity, efficiency and flexibility and reduce costs on the sites.

It is noted that during the life of this Agreement the company agrees to participate in discussions regarding the basis of productivity sharing and in conjunction with the parties to this Agreement will establish a suitable forum (possibly to include all or part of the new JCC) whereby productivity gain sharing can be discussed.

In relation to the general concept of productivity gain sharing, it is noted that;

- (a) the company will continue to explore opportunities for productivity gain-sharing, having regard to the nature and scope of the productivity gains and the overall performance of the business;
- (b) productivity sharing should be undertaken on a company-wide basis, not by individual department or work area

PART D - HOURS OF WORK

16.0 FLEXIBLE WORK PATTERNS

The parties acknowledge that flexibility in working patterns is essential to maintain and improve productivity and to manage workloads. As a consequence, it is agreed that the patterns of hours listed below may be worked across the whole site or by individual departments and that different arrangements can exist in each Department depending upon the circumstances:

- (a) 12 hour day work and/or shift
- (b) 10 hour day work and/or shift
- (c) 5 x 8 hour day work and/or shift
- (d) or any other pattern that the parties agree.

The actual rosters will be negotiated within each individual Department as appropriate. If the majority of members in a Department agree with the roster, then all employees are included in the roster if the company so requires.

The company shall pay the shift as per the hours worked on the actual days worked.

This clause shall not apply to employees working a permanent 7 day rotating roster.

The intended introduction of production split shifts shall only occur in consultation and agreement with the employer and employee representatives and shall take into consideration the intended duration of, and the operational requirements for, such split shifts, and the preparedness of a majority of the employees effected to agree to working such split shifts.

17.0 DAY WORK

The ordinary working hours of a day worker, shall be 38 per week (or 37½ for office staff) to be worked continuously except for meal breaks (i.e. meal break time is unpaid), Monday to Friday inclusive, between the hours of 6 a.m. and 6 p.m.

Following discussions between the Parties, a majority of the employees concerned and Bega Cheese may mutually agree upon starting and ceasing times between the prescribed hours. Ordinary working hours other than eight per day shall be agreed and recorded.

By arrangement between the Parties and the majority of employees concerned, ordinary hours not exceeding 12 on any day may be worked, subject to:

- (a) The Parties being guided by- relevant information on shift-work or extended hours of work from respected sources such as, but not limited to, the ACTU & WorkCover.
- (b) suitable roster arrangements being made; and
- (c) proper supervision being provided.

18.0 SHIFT WORK

(a) Requirements

All employees are engaged on the basis that they may be required to work shifts as required by Bega Cheese, with one week's written notice. In such cases, shift allowance as set out in Appendix 1(b) shall apply.

Definitions:

- (i) **Non Continuous Shift Work:** shift work which does not include rostering on weekends or public holidays;
- (ii) **Continuous Shift Work:** shift work which includes rostering on Saturday's, Sunday and Public Holidays which attract the appropriate penalty rates;
- (iii) **Rotating Shift:** shift work which requires an employee to change from days to afternoons to nights (or variations on these) on a regular and rostered basis;
- (iv) **Early Morning Shift:** start before 6.00am and finish after 9.00am and before 2.00pm;
- (v) **Afternoon Shift:** Finish after 6.00pm and at/before midnight;
- (vi) **Night Shift:** finish after midnight and at/before 9.00am;
- (vii) **Permanent Night Shift:** as for night shift, but on a fixed basis;
- (viii) **Twelve Hour Night Shift:** as for night shift, but of twelve hours' duration.

(b) Hours

The ordinary working hours of shift workers shall be fixed by Agreement between Bega Cheese and the employees but shall not exceed an average of:

- (i) 38 per week; or
- (ii) 76 in 14 consecutive days; or
- (iii) 114 in 21 consecutive days; or
- (iv) 152 in 28 consecutive days.

Notwithstanding the spread of hours prescribed for day workers, the Parties may implement mutually agreeable shiftwork provisions in any work unit to meet the circumstances of that work unit.

Employees agree to be at their designated work area at their designated/rostered start time, especially to enable "live hand-overs" in production and operational areas.

Failure to be at the designated work area at the designated time on other than an approved or occasional basis may result in appropriate counselling and performance management.

(c) Shift Roster

Shifts shall be rostered so as to provide for weekly change of shifts unless otherwise agreed. Bega Cheese shall be entitled to fix the shifts rostered and alter them by mutual consent or by giving one week's notice.

Any employee who works a rotating shift in accordance with the terms of this agreement shall receive an allowance as set out in Appendix 1(b) Allowances for all shifts worked.

19.0 CASUAL EMPLOYEES

Casual employees shall mean employees engaged on an hourly basis.

For all casual employees the hours of work shall be an average of up to 38 hours per week calculated over a 4 week period.

For all ordinary time worked on any one day, a casual employee shall be paid at an hourly rate ascertained by dividing the weekly rate prescribed for an employee of the level at which he or she works by 38 plus 15% loading

A 1/12th leave loading in recognition of foregone annual leave shall continue to be paid to casuals employed at the time of the commencement of the Agreement. All new casual employees engaged after the commencement of this Agreement will not receive the 1/12th loading.

Casual employees shall be guaranteed at least three hours pay at the casual rate for each start.

A casual employee shall be entitled to other allowances as may be applicable to weekly employees, but will not be entitled to payments for public holidays, annual or sick leave, nor shall they be entitled to payments for bereavement leave or jury service. Casual employees will accrue Long Service Leave after five years service and will be entitled to payment, if eligible, upon termination.

20.0 PART-TIME EMPLOYEES

Part-time employees shall mean an employee who works less than 38 ordinary hours per week and is not a casual employee. A part-time employee shall receive all the benefits of a weekly employee on a pro-rata basis in proportion to the hours they work.

Part-time employees working less than eight hours on any day may be offered additional hours of work, up to a total not exceeding the usual number of ordinary hours and each day shall stand alone for the shift, prior to completion of that rostered shift. These additional hours will be paid at ordinary rates. The total number of ordinary hours will not exceed 38 in any week.

By mutual agreement, a part-time employee may work their agreed, weekly part-time hours over any combination of weekdays, Monday to Friday, within the ordinary span of hours i.e. 6.00am – 6.00pm. The days/times worked may vary from week to week, provided the total hours equal the agreed weekly hours. Where such mutual agreement exists, all hours (up to the agreed weekly hours) shall be paid at ordinary rates.

21.0 NOTIFICATION OF CHANGE TO WORKING/SHIFT HOURS

The start/finish times of employees (other than casuals), including the requirement to work shifts, may be varied by Bega Cheese with one week's notice, or otherwise with the Agreement of the majority of employees in the work unit for the purposes of meeting the Company's needs.

In some circumstances, for example those related to responding to volatile retail ordering patterns, variable milk flows, equipment breakdowns and other situations reasonably beyond the company's control, the company may request employees to change their current working/shift

hours with a minimum of four full days notice (including weekends).

Any employee who can not reasonably meet a request to alter their start/finish times in accordance with the notice period detailed above, may decline the request without fear of penalty.

During the life of this Agreement, the company confirms its intention to provide at least a week's notice wherever it is able and further commits to working closely with suppliers, customers, etc to minimize their impact on Bega Cheese's capacity to comply with the terms and spirit of this clause.

22.0 38 HOUR WEEK & OVERTIME

22.1 Rostered or Flexi Days off

This clause applies where full-time employees are rostered for 8-hour ordinary days or shifts.

Bega Cheese may require employees to work up to eight ordinary hours per day with the additional time in excess of seven hours 36 minutes being aggregated for accrued RDO time which shall equate to one full RDO day and shall fall due after 19 ordinary working week days, subject to the following conditions and limitations:

- (a) The day off for accrued RDO time shall be on a fixed roster basis, unless otherwise agreed between management and the employees in the work unit concerned. Payment for the day off for accrued RDO will be on the basis of 0.4 hours for each day worked. For payment purposes "day worked" shall include paid public holidays, but shall not include the first four weeks of an employee's entitlement to annual leave, complete absence on workers' compensation, long service leave, or unpaid leave of not more than one day's duration.
- (b) If mutually agreed between the employee and management, a proportion of a day may be taken off and deducted from accrued RDO time.
- (c) Bega Cheese shall prepare a roster of days to be taken off as RDO time which will always remain as a notice of advice.
- (d) Bega Cheese, with the agreement of the employees concerned, may substitute the scheduled day employee(s) are to take off for another day.
- (e) An employee on planned RDO time off which coincides with a stand down shall be paid for the credit of RDO time which was rostered off.
- (f) In the event of sickness occurring on pre-arranged RDO time, no sick leave deductions will be made. However, the employee shall be paid the RDO payment for that day.
- (g) For the purposes of RDO time, all allowances (except shiftwork allowances) shall be paid as actually worked.
- (h) All accrued RDO credits as a will be paid out on the termination of each employee's employment.
- (i) Payment for a public holiday which falls on a rostered day off, or a short day will be for the ordinary hours the employee would have received had he or she been at work on that day. The rostered day off or short day may be rescheduled by agreement between Bega Cheese and the majority of employees in the work unit.
- (j) Where Bega Cheese and the employee agree, rostered days off, (which are not subject to a fixed schedule) which may accumulate to a maximum of ten days. These accumulated days may be taken at any time mutually agreed between Bega Cheese and employee and

shall be taken within 12 months of accrual.

- (k) Employees subject to a fixed RDO schedule who have accrued time towards and RDO must be paid the 7.6 hours or in accordance with the shift that they work (or any lesser amount of RDO entitlement) that has been accrued. Therefore, employees who have a positive RDO accrual cannot take a scheduled RDO as leave without pay.
- (l) Clerical staff on a base 37 ½ hours may, on an individual and voluntary basis in consultation with their Supervisor/Manager, elect to participate in the RDO system.

This will require an employee to work 40 hours per week, be paid for 38 at the prevailing rate (i.e. rate based on a 37 ½ hour week) and to bank 2 hours towards their RDO each week.

- (m) Engineering staff engaged at the PPU and whose ordinary hours per week (or over the course of their shift cycle) average 40 per week are entitled to participate in the RDO system. So as to facilitate access to plant and equipment for maintenance purposes, it is agreed that Engineering staff shall not normally request to take their RDO on the same day as that scheduled for the PPU production RDO, but will arrange an alternative day/s by agreement with their Supervisor.

22.2 Call-out

Where an employee is required to work overtime or call-out, either continuous or in broken periods, he/she shall be released after the completion of the overtime or call-out i.e. their clock-off time, until they have 10 consecutive hours off duty, without loss of pay for standard working time.

If mutually agreed that the person is fit to remain at work and work safely, and such employee resumes or continues work without having had 10 consecutive hours (inclusive of travelling time) off duty, they shall be paid at double their applicable rate (to recognize & include shift penalties where applicable) until they are released from duty for 10 consecutive hours (inclusive of travelling time).

After taking into account the number of hours worked by the employee as overtime or call-outs completed during “after hours” work, the Supervisor may direct an employee to take a rest break before recommencing normal duties without loss of pay.

Employees who are required to be on-call at the commencement of this agreement agree to continue to be available for “call-out”; the company will have genuine regard to any particular circumstances which may arise from time-to-time which may limit the employee’s availability for “call-out” on a temporary basis.

Prospective employees who will be required to be available for “call-out” will be advised of this during the recruitment process and in their offer of employment.

22.3 Overtime

Where overtime is not continuous with a rostered working shift or period, full time permanents and then casuals from within that department followed by full time permanents then casuals from outside the department will be offered the opportunity to work overtime before labour hire staff.

Overtime which is continuous with a shift or period of work will be offered firstly to those performing the duties during that shift or work period and thereafter, if necessary, to other

permanent, casual or labour hire staff within that department.

All time worked outside the ordinary rostered working hours shall be overtime. Overtime shall be paid at the rate of:

- **time and one half** for the first two hours and double time thereafter;
- provided that an employee called upon to work overtime on a Saturday shall be paid **time and one half for the first two hours and double time thereafter;**
- **double time** for all time worked on Sunday.

Each day shall stand alone in the computation of overtime.

Bega Cheese may require any employee to work reasonable overtime, which may include occasional weekend or Public Holiday work. In requesting employees to work reasonable overtime the company will have genuine regard to:

- (a) the agreed process of overtime allocation in accordance with paragraphs 1 & 2 above;
- (b) any potential risk to the health and safety of the employee, having regard to their total hours of overtime in any one day or week;
- (c) the hours of overtime worked on any previous days in the week (especially where an overtime request relates to weekend work and the employee has already worked reasonable overtime during the week);
- (d) the personal circumstances of the employee, especially as they may relate to temporary personal or domestic circumstances.

The company will accommodate an employee's inability to work overtime where it is genuine and temporary or where there are compelling reasons on an ongoing basis e.g. medical, parental care.

Casual employees are to be paid overtime calculated on a daily basis on the base rate of the relevant full time employee position in which the casual employee is working at the time the overtime is incurred.

An employee who works overtime at the hours required by Bega Cheese on Saturday, Sunday his/her rostered day off, or any gazetted public holiday shall be paid a minimum of 4 hours at the appropriate rates of pay.

Where overtime commences on one calendar day and extends into the following calendar day, the whole period of overtime shall be deemed to have been worked on the former day for the purposes of calculation of overtime.

Where a Monday to Friday day or shift worker is required to work weekend overtime, they shall be entitled to receive meal allowance and/or shift allowance in accordance with the terms of this agreement.

A Leisurebank scheme will operate in accordance with Appendix 4, "Leisurebank".

22.4 Rest Period After Overtime

When overtime is necessary, it shall wherever reasonably practicable, be so arranged that employees have at least ten consecutive hours off duty (or ordinary shift length, (inclusive of travel time) between the works of successive days, unless otherwise agreed with each individual employee in particular circumstances.

An employee who works so much overtime between the termination of their ordinary work on one day, and the commencement of their ordinary work on the next day, that they have not had at least no less than ten consecutive hours (or ordinary shift length) off duty between those times shall, subject to this subclause, be released after completion of such overtime until they have had ten consecutive hours (or ordinary shift length) off duty without loss of pay for ordinary working time occurring during such absence.

If on the instruction of Bega Cheese such an employee resumes or continues work without having had at least ten consecutive hours (or ordinary shift length) off duty, they shall be paid at double rates until they are released from duty for such period and shall then be entitled to be absent until he or she has had ten consecutive hours (or ordinary shift length) off duty without loss of pay for ordinary working time occurring during such absence.

23.0 REST PERIODS AND MEAL BREAKS

23.1 Rest Periods

In every period of ordinary daily hours two rest periods of at least 15 minutes shall be allowed at a time to be mutually agreed so that there is no complete cessation of work (if this is necessary). All rest periods shall be paid, and tea, coffee, milk and sugar shall be supplied free of charge by the employer, for consumption on the premises during these breaks.

Notwithstanding the above clause where required the parties will agree to stagger the rest period within half an hour either side of the customary scheduled break.

23.2 Mealtime

Day workers shall be allowed not less than 30 minutes nor more than one hour between the hours of 11.00 a.m. and 2.30 p.m. on each working day for the purpose of taking a meal. Such meal breaks are unpaid (unless otherwise mutually agreed) and may be staggered by agreement with the employees in the section concerned within each particular work area in order that full production may be maintained wherever possible.

All employees other covered by this agreement, must clock off and on when leaving the site during meal breaks.

Shift workers shall be allowed an interval of 20 minutes each shift for crib at a time agreed upon by management and the employee, such interval to be counted as time worked and paid for as such.

An employee who is called upon to work for two hours after his/her normal ceasing time shall be allowed not less than 30 minutes for a meal break, (or 20 minutes for a crib in the case of shift workers) which shall be taken immediately after the normal ceasing time, in cases where the amount of overtime is known at the conclusion of the normal ceasing time.

Where an employee is required to work during his/her meal period he/she shall be paid at the rate of double time for work so performed.

Not more than five hours shall be worked without a break for a meal or interval for crib.

23.3 Crib Allowance - Whey Plant

It is agreed by both parties that the recommended breaks are an important part of ensuring that the long term health of all members and that whenever practical these breaks should be taken in areas away from the noise and the heat of the direct workplace. In the event that a meal break can not be taken away from the workstation then 1 crib payment will be made which shall equal 1 hours ordinary pay.

Meal breaks for each shift:

Shifts	Amount of Breaks and Times
8 hrs. shift	1 meal break of 20 minutes
10 hrs. shift	2 meal breaks of 20 minutes each
12 hrs. shift	3 meal breaks of 20 minutes each
Tea/Coffee	Available at anytime during the shift

It is agreed that the operator will endeavour to arrange the time of the break when relief staff are available

Crib payments are not eligible when:

During the shift when all processing equipment is in CIP and the operator is able to leave the plant unattended.

23.4 Meal Break - 12 Hour Shift

Where a 12 hours shift is in operation, employees engaged on such shift shall be entitled to the following meal breaks:

- Two 20 minute meal breaks and one 15 minute tea break.
- The maximum period between breaks shall be 4 hours.

For the purpose of this agreement all such breaks shall be counted as time worked.

PART E - LEAVE

24.0 ANNUAL LEAVE

Annual leave entitlement shall be in accordance with annual leave provisions under the Australian Fair Pay & Conditions Standard.

All employees who as part of their roster are not scheduled to work on Public Holidays shall be entitled to the same amount of Public Holidays as rostered, payable as either a Public Holiday, Annual Leave or a day off in lieu.

25.0 ANNUAL MAINTENANCE CLOSE-DOWN

Where the company can show that they have a genuine need to close down the plant for maintenance purposes, the company shall hold discussions with the JCC and the relevant employee representatives to achieve such close down with the minimum disruption to workers entitlements, such as Annual Leave.

The company recognizes that in accordance with the Annual Leave Act 1944 only one close down per year is permitted, however the parties recognize that Bega Cheese require 2 close downs per calendar year to occur at Easter and Christmas.

In consultation with employees (or, if they choose, their representatives) the company shall ensure that such close downs coincide with and/or are added to RDO's, & public holidays so as to minimize the impact of employees having to use their Annual Leave entitlements.

Should the company require a third close down in any calendar year it shall be done so after consultation and having reached agreement with the JCC, relevant employee representatives and employees concerned.

The company shall have reasonable regard to request made by employees for the accumulation of Annual Leave for the purposes of needing to take such Annual Leave at a different time in any calendar year.

The company undertakes to genuinely consider individual requests for taking annual leave at times other than the agreed shut downs. This may include the provision of suitable work for some employees during shut downs or the granting of Leave Without Pay during the shut down period (dependant upon the individuals accrued annual leave amount).

Any disputes arising out of the granting of annual leave shall be dealt with under the Disputes Procedures provisions contained in this agreement

26.0 ANNUAL LEAVE LOADING

This Clause applies only in relation to annual holidays to which employees become or have become entitled.

In this Clause the AFPCS refers to the Australian Fair Pay & Conditions Standard.

Before an employee is given and takes his/her annual holiday, or, where by agreement between Bega Cheese and the employee the annual holiday is given and taken in more than one separate period, then before each of such separate periods, Bega Cheese shall pay the employee a loading determined in accordance with this Clause.

The loading is payable in addition to the pay for the period of holiday given and taken and due to the employee under the AFPCS and the Bega Cheese Employees and Unions Collective Agreement 2007.

The loading is to be calculated in relation to any period of annual holiday to which the employee becomes or has become entitled under the AFPCS and this Agreement and which commences on or after the date of operation of this Agreement, or where such a holiday is given and taken in separate periods, then in relation to each such separate period.

The loading is the amount payable for the period or separate period, as the case may be, at the rate per week of 17.5 per cent of the appropriate ordinary weekly time rate of pay prescribed by this Agreement for the classification in which the employee was employed immediately before commencing his/her annual holiday together with, where applicable, the Leading Hand allowances but shall not include the shift allowances, the rate for Saturday and Sunday ordinary work, any other allowances, penalty rates, overtime rates or any other payment prescribed by this Agreement.

No loading is payable to an employee who takes an annual holiday wholly or partly in advance, provided that, if the employment of such an employee continues until the day when he/she would have become entitled under the AFPCS to an annual holiday, the loading then becomes payable in respect of the period of such holiday and is to be calculated in accordance with this clause applying the agreed rate of wages payable on that day.

Where, in accordance with the AFPCS and after the date of operation of this Agreement, Bega Cheese's establishment or part of it is temporarily closed down for the purpose of giving an annual holiday or leave without pay to the employees concerned:-

- (a) An employee who is entitled under the AFPCS to an annual holiday and who is given and takes such a holiday shall be paid the loading;
- (b) An employee who is not entitled under the AFPCS to an annual holiday and who is given and takes leave without pay shall be paid in addition to the amount payable to him/her under the AFPCS such proportion of the loading that would have been payable to him/her under this Clause if he/she had become entitled to an annual holiday prior to the close-down as his/her qualifying period of employment in completed weeks bears to 52.

When the employment of an employee is terminated by Bega Cheese for a cause other than misconduct and at the time of the termination the employee has not taken the whole of an annual holiday to which he/she became entitled, he/she shall be paid annual leave loading. Where the employment of an employee has been terminated because of misconduct no annual leave loading will be paid.

27.0 SICK LEAVE

An employee, in continuous service with Bega Cheese, who is unable to attend for duty during his/her ordinary working hours by reason of personal illness or personal incapacity shall be entitled to be paid at their ordinary rate of pay for the time of such non-attendance subject to the following:-

- (a) He/she shall not be entitled to paid leave of absence for any period in respect of which he/she is entitled to workers' compensation, provided however, that Bega Cheese shall pay such to an employee, if the employee so requests, and who has sick leave entitlement under this clause, the difference between the amount received as workers' compensation and full pay. If Bega Cheese pays such difference the employee's sick leave entitlement under this clause shall, for each week during which such difference is paid be reduced by that proportion of 38 hours which the difference paid, bears to full pay.
- (b) He/she shall, as soon as is reasonably possible so as to allow Bega Cheese to make alternative arrangements and within 24 hours of the commencement of such absence, inform Bega Cheese of his/her inability to attend for duty and as far as possible state the nature of the illness or incapacity and the estimated duration of the same.
- (c) He/she shall prove to the satisfaction of Bega Cheese that he/she is or was unable on

account of such illness or incapacity, to attend for duty on the day or days for which sick leave payment is claimed, (doctor's certificate or statutory declaration will be accepted as satisfactory proof).

- (d) a full-time employee shall be entitled, in respect of any year of continued employment to 10 days sick pay. Any period of paid sick leave allowed by Bega Cheese to the employee in any such year shall be deducted from the period of sick leave which may be allowed or carried forward in this Agreement in respect of any such year.
- (e) employees including casuals, who are genuinely ill or sick are not expected or required to attend for work. This should assist in their recovery and will protect against spread of illness and minimize the threat to product contamination.
- (f) Employees engaged on other than eight hour shifts on a permanent basis shall be entitled to sick leave based on the usual length of their shift. For example those engaged on twelve hour shifts shall be entitled to 120 hours paid sick leave.
- (g) Where an employee is not engaged permanently on other than eight hour shift, they shall still be entitled to claim sick leave based on the rostered hours they would have worked had they not been sick. In such cases the sick leave debit shall be made against their entitlements of 76 hours per annum.

The rights to sick leave shall accumulate from year to year so long as the employment continues with Bega Cheese so that any sick leave which has not previously been allowed, may be claimed by the employee in a subsequent year of such continued employment.

In certain circumstances Bega Cheese will pay long serving employees for sick leave during sustained periods over and above the maximum sick days allowed to be accrued. The actual amount Bega Cheese may pay will take into account the actual sick leave accrued by each particular long serving employee, net of actual sick leave taken, (from commencement of employment).

Continuous service shall be deemed not to have been broken by:

- (h) any absence from work on leave granted by Bega Cheese; or
- (i) any absence from work by reason of personal illness, injury or other reasonable cause (proof whereof shall in each case be upon the employee).

Employees who fail to notify their supervisor of their inability to attend work, shall be required to produce a medical certificate. Failure to produce a medical certificate will mean that the employee shall not be entitled to payment for the period of absence.

Employees who take sick leave on either Saturday, Sunday, where Saturday, Sunday work forms part of their ordinary hours of work public holidays or RDO or a day immediately preceding or succeeding a public holiday may be required to produce a medical certificate or Statutory Declaration for such period of absence. Failure to produce a medical certificate will mean that the employee shall not be entitled to payment for the period of absence.

Accrued sick leave entitlements shall be shown on employee payslips. However, it should be noted that any employee who exhibits unsatisfactory behaviour in relation to the use of sick leave will be counselled and given adequate time to demonstrate an improvement. If, at the end of this period, the employee shows no willingness to improve in the opinion of management, then disciplinary action up to and including dismissal may be taken.

Sick Leave payout upon termination:

Employees with more than 5 years service who at their time of termination have a sick leave balance of 10 or more days, shall be paid 50% of their balance of untaken sick leave at the time of termination of employment, up to a maximum of 30 days total payment.

Termination of employment shall be taken to mean termination by either the employer or the employee other than termination by the employer on the grounds of serious or wilful misconduct.

28.0 LONG SERVICE LEAVE

Long Service Leave entitlements are in accordance with the Long Service Leave Act 1955 (as amended). In addition, pro-rata entitlements will be paid after 5 years service with Bega Cheese.

Option to take LSL at half pay:

An eligible employee may request the taking of long service leave on half-pay, thereby extending the period of leave to twice that which would be available on full pay.

29.0 BEREAVEMENT LEAVE

An employee upon the death of a relative shall be granted leave without loss of pay, as required by the employee on any one occasion in the case of a near relative not exceeding three days and in the case of other relatives not exceeding one day.

For the purpose of the clause, "near relative" means a parent or step-parent, spouse (including de facto), child (including step-child), brother, sister, mother-in-law or father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandfather, grandmother, or grandchild.

Should an employee be on Annual Leave at the time that Bereavement Leave is sought, upon proof of death, the company shall reinstate such Annual Leave to the employee concerned.

30.0 FAMILY LEAVE/CARERS LEAVE**(i) Use of Sick Leave**

- (a) An employee other than a casual employee, with responsibilities in relation to a class of person set out in (c)(2) who needs the employee's care and support shall be entitled to use, in accordance with this subclause, any current or accrued sick leave entitlement provided for under clause 27 of the award, for absences to provide care and support for such persons when they are ill. Such leave may be taken for part of a single day.
- (b) The employees shall, if required, establish by production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person. In normal circumstances, an employee must not take carers leave under this subclause where another person has taken leave to care for the same person.
- (c) The entitlement to use sick leave in accordance with this subclause is subject to:
 - (1) the employee being responsible for the care and support of the person concerned; and
 - (2) the person concerned being:
 - (i) a spouse of the employee; or
 - (ii) a de facto spouse, who, in relation to a person, is a person of the opposite sex to

the first mentioned person who lives with the first mentioned person as the husband or wife of that person on a bona fide domestic basis although not legally married to that person; or

- (iii) a child or an adult child (including an adopted child, a step child, a foster child or an ex-nuptial), parent (including a foster parent a legal guardian), grandparent, grandchild or sibling of the employee or spouse or de facto spouse of the employee; or
- (iv) a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis; or
- (v) a relative of the employee who is a member of the same household, where for the purposes of this paragraph:
 - (a) “relative” means a person related by blood, marriage or affinity;
 - (b) “affinity” means a relationship that one spouse because of marriage has to blood relatives of the other; and
 - (c) “household” means a family group living in the same domestic dwelling.

(d) An employee shall, wherever practicable, give the employer notice prior to the absence of the intention to take leave, the name of the person requiring care and their relationship to the employee, the reasons for taking such leave and the estimated length of absence. If it is not practicable for the employee to give prior notice of absence, the employee shall notify the employer by telephone of such absence at the first opportunity on the day of absence.

(ii) Unpaid Leave for Family Purpose

An employee may elect, with the consent of the employer, to take unpaid leave for the purpose of providing care and support to a class of person set out in (c) (2) above who is ill.

(iii) Annual Leave

- (a) To give effect to this clause, but subject to the AFPCS an employee may elect, with the consent of the employer, to take annual leave at a time or times agreed by the parties.
- (b) Access to annual leave, as prescribed in paragraph (a) above, shall be exclusive of any shutdown period provided for elsewhere under this Agreement.
- (c) An employee and employer may agree to defer payment of the annual leave loading in respect of single day absences, until at least five consecutive annual leave days are taken.

(iv) Make-up Time

To give effect to this Clause:

- (a) An employee may elect, with the consent of the employer, (and in cases where the employee has no entitlement to sick leave or annual leave) to work “make-up time”, under which the employee takes time off during ordinary hours, and works those hours at a later time, during or outside the spread of ordinary hours provided in the award, at the ordinary rate of pay.
- (b) An employee on shift work may elect, with the consent of the employer, to work

“make-up time” (under which the employee takes time off ordinary hours and works those hours at a later time), at the shift work rate which would have been applicable to the hours taken off.

31.0 PARENTAL LEAVE

Entitlement to Parental Leave shall be in accordance with the Australian Fair Pay and Conditions Standard.

In addition, permanent employees who make application for parental leave in accordance with the clause above shall, subject to the criteria noted below, be entitled to the following:

Eight (8) weeks paid maternity leave in the case of a woman, and one (1) weeks paid paternity leave in the case of the partner, such leave shall be calculated at the ordinary rate of pay which shall constitute the ordinary earnings at the time of making the application for leave.

The payment of the leave shall be requested in writing by the employee proceeding on parental leave and may be paid in the following manner

Maternity Leave

Eight weeks pay to be paid as a lump sum at the commencement of the leave; or

Eight weeks pay to be paid as a lump sum at the completion of the leave and upon returning to work; or

Four weeks pay to be paid at the commencement of the leave and a further four weeks to be paid at the completion of the leave and upon returning to work; or

Eight weeks pay to be paid weekly over an eight week period commencing at the beginning of the leave;

Sixteen weeks pay calculated at ½ pay to be paid over a sixteen week period; or

Or any other combination by agreement between the employer and employee concerned.

Paternity Leave

One weeks pay to be paid as a lump sum at the commencement of the leave; or

One weeks pay to be paid as a lump sum at the completion of the leave and upon returning to work; or

Or any other combination by agreement between the employer and employee concerned.

Payment criteria

Payment is made in the expectation that the employee will return to work, in some capacity, at the conclusion of their parental leave. Where payment has been made and the employee does not return to work in some capacity for at least three months (which includes on a part-time basis if part-time work is available), then the employee agrees to repay the sum received, either directly or by way of an authorized deduction from their final pay.

It will be the responsibility of Bega Cheese, via the HR department, to advise employees in writing, of the above criteria regarding parental leave payment and to have such advice formally acknowledged by the employee.

Where special or compassionate circumstances exist, resulting in the employee's inability to return to work, Bega Cheese may elect to waive the requirement to repayment.

32.0 JURY SERVICE

An employee required to attend for jury service during his/her ordinary working hours shall be

reimbursed by the employer an amount equal to the difference between the amount paid in respect of his/her attendance for such jury service and the amount of wage he/she would have received in respect of the ordinary time he/she would have worked had he/she not been on jury service.

Such payment shall include all entitlements and allowances.

An employee shall notify the employer as soon as possible of the date upon which he/she is required to attend for jury service. Further, the employee shall give the employer proof of his/her attendance, the duration of such attendance and the amount received in respect of such jury service.

If an employee attends for jury selection but is not selected for actual Jury service:

- a) they will be paid for their usual shift, are not required to attend for the balance of their shift, but will be required to return attendance monies paid to them;
- b) if by mutual agreement with their Supervisor/Manager they do attend for the balance of their shift (or attend work prior to their Jury selection) they will be entitled to their usual shift payment and to retain any attendance monies.

33.0 DISCRETIONARY LEAVE

In circumstances where genuine need and hardship arises an employee shall be entitled to request leave from the CEO. Such leave could be with or without pay depending on circumstances.

34.0 PUBLIC HOLIDAYS

The following days shall be holidays for the purpose of this Award and no deduction shall be made from the wages of weekly hands in respect thereof, namely:

New Years Day
Australia Day
Good Friday
Easter Monday
Anzac Day – April 25
Queen's Birthday
Eight Hour Day
Christmas Day – December 25
Boxing Day

For each holiday which occurs on a working day an employee shall be deemed to have worked such number of ordinary hours as would have been worked had the day not been a holiday.

All time worked on Good Friday, Anzac Day, and Christmas Day, shall be paid for at the rate of double time in addition to the weekly wage. All time worked on other holidays shall be paid for at the rate of time and a half in addition, provided however, that for all time worked on Good Friday, Anzac Day and Christmas Day, in excess of the hours which would have been ordinary rostered hours, had the day in question not been a holiday, shall be paid for at treble time.

Notwithstanding the provisions of this Clause, Bega Cheese may elect either:

- (a) to give employees two weeks leave of absence per annum at ordinary rates; or
- (b) to give employees one week's leave of absence per annum at ordinary rates and also to pay them one week's wages;

in lieu of making extra payment, prescribed for holidays.

In such cases, the extra leave is paid leave of absence and not additional annual leave and therefore does not attract annual leave loading

Where Bega Cheese elects to observe either of such alternatives it shall make additional payment for those hours which would have been ordinary rostered hours had the day in question not been a holiday as under:

Good Friday, Anzac Day and Christmas Day, time and one-half in addition to the weekly wage. For all other holidays, half rates in addition to the weekly wage.

Time worked on any holiday in excess of the hours which would have been ordinary rostered hours had the day in question not been a holiday shall be paid for at the rate of double time and one half.

Bega Cheese's election shall be notified to the employee's representative/s within 14 days of such election and shall also, within the same time, be notified to the employees by posting in a place conveniently accessible to them. Bega Cheese's election may apply to either the whole of the plant or to section or sections therein.

Where Bega Cheese has exercised an election the employees whose services are terminated shall, at the time of such termination, be paid in respect of all holidays standing to their credit.

An employee absent without leave or reasonable excuse (refer also Clause 28 Sick Leave) on the working day before a holiday prescribed herein, or the working day after such holiday shall forfeit wages for the days of absence and for the holiday.

PART F – OTHER CONDITIONS

35.0 PAYMENT OF WAGES

Wages are to be paid weekly by direct deposit or Electronic Funds Transfer (EFT), no later than 3.00 p.m. EST on Wednesday of each week unless extenuating circumstances prohibit Bega Cheese from meeting this deadline. Changes to this form of payment may be made to accommodate unusual situations or circumstances or by agreement between Bega Cheese and the employees.

If errors arise in the compilation of the pays and the resultant wages paid, payment of adjustments will be made with the following weeks pay. Where an employee has notified the employer of the error and request to have the money rectified immediately, the company shall do so within 24 hours of the request being made

36.0 PROBATION

All employees shall be on probation for the first three months (or a shorter period if mutually agreed) and during such probationary period can be terminated in accordance with their employment contract.

Individual employees shall only be required to complete one probationary period, unless they have applied for and accepted a higher classified position to which a probationary period applies.

37.0 OCCUPATIONAL SUPERANNUATION

Bega Cheese will make contributions to employee's nominated superannuation accounts in accordance with the provisions of the Federal Superannuation Guarantee Act.

In accordance with superannuation guarantee legislation, the company shall offer all employees the choice of superannuation fund.

The employee shall be responsible for submitting the correct paper work to the employer and upon receipt of such, the employer shall forward such amounts to the super fund of choice that the employee has elected.

When an employee fails to elect a fund of choice, the default fund shall be the allocated fund. The default fund, currently MLC, shall be determined by Bega Cheese in consultation with the Superannuation Policy Committee, and shall provide at least one annual on-site update and communication with employees. Bega Cheese is not responsible for facilitating updates and/or communication for any fund other than the company default fund.

38.0 PROTECTIVE CLOTHING ETC.

Where necessary, Bega Cheese shall provide free of charge, safety equipment and protective clothing appropriate to the employee's duties. This will include coats and other insulating work-wear for employees required to regularly work within cool-rooms as part of their responsibilities.

Issued equipment shall be properly maintained and used by the employee. All equipment issued in accordance with this clause shall remain the property of Bega Cheese and shall be returned to Bega Cheese on demand and in the event of termination of employment.

Bega Cheese shall provide all employees with replacement items as necessary due to damage or loss or if unserviceable. Employees may request issuance of new PPE or replacement of unsuitable or uncomfortable PPE through their Team Leaders or Supervisor.

39.0 TRAINING

39.1 Bega Cheese Initiated Training

By agreement with the employee/s concerned Employees shall undertake training and retraining as required by Bega Cheese, which will pay all costs associated with training whether it is formal, internal, external or on the job. Any training prescribed by an Act, legislation and/or Regulation cannot be denied by the employee.

Time off without loss of pay will be provided for employees attending Bega Cheese initiated training. Any training which may extend beyond the normal hours of work shall be paid for by Bega Cheese as follows:

If the training extends beyond the ordinary hours of work which an employee has completed on any one day the rate of pay shall be calculated at overtime rates.

39.2 Employee Initiated Training

Employees planning to undertake further training should discuss the matter with their respective Manager. Bega Cheese will consider reimbursing part or all of the costs associated with the training, provided that the training has relevance to the Bega Cheese's current or future needs. Where Bega Cheese agrees to reimburse part or all of the costs associated with the training the employee will be notified in writing.

Reimbursement for approved employee initiated training will be made at the successful completion of each stage of the course. Employees will be required to submit a claim for payment accompanied by receipts. Bega Cheese may approve any reasonable request for time off work without pay for attendance at such training including examinations and study leave. Requests for time off with pay should utilise any available Annual Leave.

40.0 DISCIPLINARY PROCEDURE

All parties to this Agreement support an approach to counselling and disciplinary procedures which is fair, transparent and provides every opportunity for employees to understand and meet the required standards of job performance and personal behaviour.

In cases other than

- i) serious and wilful misconduct
- ii) abandonment of employment
- iii) refusal or neglect of duty (issues relating to OHS are not included)
- iv) dangerous horseplay
- v) intimidation or harassment

Bega Cheese will adopt a counselling process which includes:

- 1) a formal verbal counselling session
- 2) a formal first written warning
- 3) a formal second written warning
- 4) a final written warning
- 5) termination of employment

The following disciplinary procedures shall be adhered to by Bega Cheese and the employees:

- (a) Employees who exhibit unsatisfactory performance or behaviour shall be counselled so that they understand the standards expected of them and will be offered assistance and guidance in achieving those standards
- (b) Confidential written records of such formal counselling will be made. The employee will be shown the written record and will have the opportunity of commenting on the contents of the record whether in writing or orally. The record will only be left on the employee's file where the employee has been given the opportunity of responding to the record.
- (c) Employees whose performance or behaviour is unsatisfactory will be given adequate time to demonstrate a willingness and ability to improve. If, at the end of this period, the employee shows no willingness to improve in the opinion of Bega Cheese, then disciplinary action up to and including dismissal may be taken.
- (d) Nothing in the procedure shall limit the right of Bega Cheese to summarily dismiss an employee for serious and wilful misconduct.
- (e) Bega Cheese reserves the right to suspend an employee during the disciplinary process – with or without pay – having regard to the specific circumstances of the misconduct.
- (f) At all stages of the disciplinary process the employee will be entitled to have another chosen employee representative present as a witness if desired. If requested by the employee, an employee representative shall be present at all counselling sessions, such representative shall ensure that confidentiality is maintained at all times.

41.0 TERMINATION OF EMPLOYMENT

Employees covered by this Agreement, other than casuals, are required to give, or to be given, a minimum of one week's notice of intent to terminate their employment.

Other than in relation to Redundant employees (refer Clause 42, Redundancy), Bega Cheese may provide notice of termination of employment to an employee after the disciplinary procedures as set out in Clause 40, Disciplinary Procedures, have been applied. Notice of termination of employment may be served to an employee in accordance with the following:

SERVICE	UP TO AGE 45 NOTICE	OVER AGE 45 NOTICE
Less than 1 year	1 week	1 week
1 - 3 years	2 weeks	3 weeks
3 - 5 years	3 weeks	4 weeks
More than 5 years	4 weeks	5 weeks

At the discretion of Bega Cheese, payment of wages in lieu of the required notice (as set out above) may be made.

Employees with more than 5 years service who at their time of termination have a sick leave balance of 10 or more days, shall be paid 50% of their balance of untaken sick leave at the time of termination of employment, up to a maximum of 30 days total payment.

Termination of employment shall be taken to mean termination by either the employer or the employee other than termination by the employer on the grounds of serious or wilful misconduct.

Notwithstanding the above, an employee may be dismissed without notice on the following grounds:

- a) **Summary Dismissal** - any employee who is guilty of serious misconduct may be dismissed at any time without notice or wages in lieu of notice.
- b) **Abandonment of Employment**- Bega Cheese may dismiss an employee where they have been absent from work for more than three days without the consent of management or without notification to management. In such cases, unless the employee can provide a reasonable and verifiable reason for being absent, the employee shall be deemed to have abandoned his/her employment without notice.

The Bega Cheese Employees and Unions Collective Agreement 2007 shall not affect the right of Bega Cheese to:

- c) deduct payment for any day or portion thereof during which an employee is stood down by Bega Cheese as a result of refusal of duty, malingering, inefficiency, neglect of duty or misconduct on the part of the employee; or
- d) dismiss an employee without notice for refusal of duty, (unless in relation to clause 12.2) neglect of duty, dangerous horseplay or misconduct and in such cases wages shall be payable up to the time of dismissal only and will be paid in the next schedule payroll transfer

Notwithstanding anything contained in the Bega Cheese Employees and Unions Collective Agreement 2007, an employee cannot be dismissed by Bega Cheese for any of the following:

- e)
 - i) temporary absence from work due to illness or injury, unless the employee's paid sick leave entitlement has been exhausted;
 - (ii) being a member of a union, or not being a member of a union;
 - (iii) seeking office or acting as a representative of employees;
 - (iv) filing a complaint or participating in proceedings against Bega Cheese (as the employer);
 - (v) race, colour, sex, sexual preference, age, physical or mental disability, marital status, religion, political opinion, national extraction or social origin;
 - (vi) absence from work during maternity or other parental leave as provided for in this Agreement;

42.0 OTHER EMPLOYMENT AND CONFLICTS OF INTEREST

Employees of Bega Cheese shall not, within the terms of their employment, set themselves up or engage in private business or undertake other employment in direct competition with Bega Cheese or use in any way the knowledge or materials gained in their employment with Bega Cheese to the detriment of Bega Cheese.

However, employees may undertake other employment so long as such employment is in their own time and does not conflict with their employment with Bega Cheese.

43.0 CONFIDENTIALITY

All Bega Cheese employees are required to keep information about the business of the Bega Cheese confidential. Disclosure of confidential information may only be made with the express prior written consent of Bega Cheese.

44.0 TRAVELLING ON COMPANY BUSINESS

Where an employee is required to travel to another site or between sites or to another location to complete work on behalf of Bega Cheese the employee is, wherever possible, required to use Bega Cheese vehicles, and to comply with the Bega Cheese Motor Vehicle Policy. Where no such vehicle is available the employee may use his/her own vehicle and where they maintain and provide appropriate logs/records, will be reimbursed in accordance with rates set by the Australian Tax Office. All other out of pocket expenses incurred by the employee whilst away on business will be reimbursed by Bega Cheese if adequate supporting documentation is provided to Bega Cheese.

Where an employee is requested to travel to another site by Bega Cheese and such travel time is more than the employee would normally take to get to their normal work site, the employer shall count such difference in time as time worked and pay the employee in accordance with the provisions of this agreement. The parties recognize that unusual or special opportunities may occasionally arise for employee training, with an associated need for local, interstate or overseas travel. In such cases the company and the employee will seek to reach mutual agreement on what additional compensation – over and above the employee's usual weekly wage – is reasonable.

The company will offer employees a cash advance which is agreed by the employee and Supervisor/Manager as being more than adequate to cover their anticipated expenses, especially in cases where employees are required to travel outside of the region on behalf of the company, including training activities. The Supervisor/Manager shall provide the advance to the employee, who shall acknowledge receipt of the advance and agree to reconcile any shortfall or surplus upon their return.

45.0 GRIEVANCE / DISPUTE PROCEDURE

i) The objectives of the Grievance Procedure are to:

promote the resolution of disputes by measures based on consultation, cooperation and discussion;

reduce the level of industrial confrontation; and

avoid interruption to the performance of work and the consequential loss of production and wages.

Any employee may raise a grievance regarding any aspect of their employment by way of this clause so that all grievances are resolved as quickly as possible and cooperatively to the satisfaction of all concerned.

ii) The procedure for dealing with grievances or disputes is as follows:

a) An employee or group of employees with any problem, complaint, query, misunderstanding or grievance shall notify (in writing or otherwise) the Supervisor of the work area as to the substance of the issue, request a meeting with the Supervisor for bilateral discussions and state the remedy sought. The Supervisor will make every effort to respond to the notification by establishing a suitable meeting time as soon as possible, and in any event by the end of the following business day.

- b) If the matter remains unresolved, the employee or employees shall then refer the matter to the Manager of the work area. The Manager will make every effort to respond by the end of the following business day.
- c) If the matter remains unresolved, discussions will take place between an authorised representative of the employee or employees and a Senior Manager on the site, together with the employee if they choose to be present. The Senior Manager will make every effort to respond within two business days. A "Senior Manager" may include the Human Resources Manager..
- d) If the matter is still unresolved, the representative will confer with the CEO or their nominee.
- e) At the conclusion of the discussion, the CEO or their nominee must provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.
- f) If resolution is still not reached, the dispute shall be referred to the Industrial Relations Commission of New South Wales ("the Commission"), constituted by a single member of the Commission and for that purpose the parties agree that this clause shall operate as a referral agreement within the meaning of section 146A of the *Industrial Relations Act 1996* (NSW).

The Commission shall have the power to conciliate the dispute and to make recommendations, and for the avoidance of doubt, no appeal or proceedings shall lie in respect of the performance by the Commission of its functions under this clause. All parties to this Agreement shall participate in the conciliation of the dispute in good faith."

Any employees reasonably required to attend a meeting related to such a hearing shall not lose any pay for such attendance.

During the steps (ii) a) to f) above, the employee or employees may be represented by a relevant employee representative.

For the purpose of subclause ii), if the person proposed by the employee or employees as their "authorised representative" is closely related to the employee/s involved in the grievance, Bega Cheese will have the right to consider the proposed representative as inappropriate.

During discussions under subclause ii) the "Status Quo" will remain and work shall proceed normally and without stoppage or the imposition of any ban, limitation or restriction. "Status Quo" shall mean the situation existing immediately prior to the dispute or the matter giving rise to the dispute.

It is noted that the Parties expect genuine safety issues to be resolved as a matter of urgency and that an unsafe work environment obviously would not be accepted.

46.0 HEALTH AND SAFETY

The Parties are committed to the safe operation of all plant and equipment on site, to safe working practices and to the good health of all employees. To facilitate this it is provided that:-

- (a) It is Bega Cheese's obligation to provide a safe and healthy workplace and for employees to work in a safe manner, with an appropriate duty of care to themselves and their work colleagues;

In accordance with the provisions contained in the Occupational Health and Safety Act 2000 and the Regulation, Bega Cheese shall not purchase any equipment without first having carried out a Risk Assessment in accordance with such Act and Regulation.

- (b) Employees will be provided with training on relevant safety issues on a regular basis.
- (c) Issued safety equipment, including footwear and clothing, must be worn and faulty or inappropriate equipment must be reported to the Supervisor/Manager.
- (d) It is strictly against the rules of this workplace to interfere with, or make inoperative, any safety equipment or guards.
- (e) All work-related injuries must be reported as soon as practical to the appropriate Supervisor/Manager and noted by the same. Failure to report accidents may jeopardise payment of workers compensation should this subsequently be claimed.
- (f) Any damage to plant or equipment should be reported to the appropriate Supervisor/Manager as soon as possible.
- (g) Unauthorized or irresponsible use of fire protection or safety equipment may lead to dismissal.
- (h) Failure to observe agreed OH&S practices will result in disciplinary action, under the process outlined in Clause 41, Disciplinary Procedure or Clause 42a, Summary Dismissal.

47.0 WORKERS COMPENSATION

All Parties shall comply with the following New South Wales legislation:

- Workers Compensation Act 1987(including amendments made by the Workers Compensation Legislation Amendment Act 2001 and the Workers Compensation Legislation Further Amendment Act 2001)
- Workplace Injury Management and Workers Compensation Act 1998 (including amendments made by the Workers Compensation Legislation Amendment Act 2001 and the Workers Compensation Legislation Further Amendment Act 2001).

Occupational Rehabilitation

Bega Cheese has in place an Occupational Rehabilitation Programme and this program is displayed on all main noticeboards and available from the HR Department. Bega Cheese will appoint a trained rehabilitation co-ordinator to ensure that all workplace injuries are treated in accordance with the NSW legislation as documented above.

48.0 GENERAL CONDITIONS

48.1 Access To and From Site

With the exception of scheduled lunch breaks any employee leaving the premises on other than company business must obtain prior approval from the Supervisor and notify his/her Supervisor upon departure and return.

48.2 Lockers

Lockers shall be provided to all employees. These must be kept tidy. Flammable goods and illegal items are not permitted to be stored in lockers. Employees are encouraged to keep their lockers locked. Unless otherwise agreed such inspections shall take place with a union representative or any other employee that the employee elects present and the employee concerned.

48.3 Smoking

Smoking will be permitted only in designated areas.

PART G - DECLARATION AND SIGNATORIES

49.0 LEAVE RESERVED

LEAVE RESERVED (1)

The parties agree that during the first twelve months of this agreement, a committee shall be set up comprising of members from management, employees and representatives nominated by the employees, which are party to this agreement, with the purpose of discussing drug and alcohol issues which may occur in the workplace.

The parties agree that a D & A Policy may be an outcome of such committee.

LEAVE RESERVED (2)

During the first 3 months of this agreement, a committee comprising of management, employees and representatives nominated by employees shall meet on a regular basis for the purposes of reviewing competencies. The charter of this Committee shall be two-fold:

- i) to carefully review and consider any currently disputed competency levels, as detailed by the EBA negotiating Committee
- ii) to review cl. 12.3 to ensure that it provides an efficient, fair and equitable system to review, in a timely manner, changes in position competencies which may give rise to changes in the classification level of a position.

LEAVE RESERVED (3)

The ETU and AMWU and Bega Cheese agree that a twelve month review of On-Call and Skills Premium payments will be scheduled, with either party to initiate such review. The review does not guarantee a change to the current clauses, but will:

- a) w.r.t. the on-call allowance, review labour structures in areas where on-call is required and further consider the case for provision of additional leave;
- b) w.r.t. the Skills Premium payment, review the level of the payment in relation to the company's ability to attract and retain skilled tradespeople. Such review to also identify and resolve any concerns relating to the application of this payment.

50.0 SIGNATORIES

Signed for and on behalf of The Bega Cheese Cooperative Society Limited

Signature Date

Printed Name Position

Signed for and on behalf of The Australasian Meat Industry Employees' Union NSW Branch

Signature Date

Printed Name Position

Signed for and on behalf of The Australasian Manufacturing Worker's Union NSW Branch

Signature Date

Printed Name Position

Signed for and on behalf of The Electrical Trades Union, NSW Branch

Signature Date

Printed Name Position

APPENDIX 1(a) - WAGE RATES

BEGA CHEESE LEVEL/DEPT.	POSITION	Amount	Amount \$	Amount S	Amount S	Amount S	Amount S	Amount S	Amount S
		Current	16th July 07	16th July 07	16th June 08	16th June 08	15th Dec 08	15th June 09	14th Dec 09
			Flat increase	+ 3.8% ↑	Flat increase	+ 1.9% ↑	+ 1.9% ↑	+ 1.9% ↑	+ 1.9% ↑
BE1									
	Probationary PE2 level	646.62		n/a = 646.62		658.91	671.42	684.18	697.18
BE2									
Clerical	Clerical Assistant	660.45		685.55		698.57	711.85	725.37	739.15
Whey	Whey Plant powder handlers	660.45		685.55		698.57	711.85	725.37	739.15
All	Trainee forklift operator	660.45		685.55		698.57	711.85	725.37	739.15
Heritage	Heritage Centre Assistant	660.45		685.55		698.57	711.85	725.37	739.15
Logistics	Storeperson	660.45		685.55		698.57	711.85	725.37	739.15
Milk, Cheese, Whey, C&P	Production employees	660.45		685.55		698.57	711.85	725.37	739.15
BE3									
All	Designated forklift operator	680.75		706.62		720.04	733.73	747.67	761.87
Heritage	Senior H/Centre assistant	680.75		706.62		720.04	733.73	747.67	761.87
Milk	Milk factory receiver operator	680.75		706.62		720.04	733.73	747.67	761.87
Cheese	Block-former (tower) operator	680.75		706.62		720.04	733.73	747.67	761.87
Cheese	Odenburg operator	680.75		706.62		720.04	733.73	747.67	761.87
Whey	Evaporator/dryer operator (trainee)	680.75		706.62		720.04	733.73	747.67	761.87
Whey	Sapac packing machine operator	680.75		706.62		720.04	733.73	747.67	761.87
Cut & Pack	Badar operator	680.75		706.62		720.04	733.73	747.67	761.87
Cut & Pack	Cutter/operator	680.75		706.62		720.04	733.73	747.67	761.87
Cut & Pack	Hygiene/sanitation employee	680.75		706.62		720.04	733.73	747.67	761.87
Cut & Pack	Draw-down co-ordinator	680.75		706.62		720.04	733.73	747.67	761.87
Cut & Pack	Trim co-ordinator	680.75		706.62		720.04	733.73	747.67	761.87
Milk, cheese, C&P	Relief operator (one machine)	680.75		706.62		720.04	733.73	747.67	761.87
Clerical	Clerical Assistant	680.75		706.62		720.04	733.73	747.67	761.87
Milk, cheese, C&P	Relief operator (each extra machine)	5.04		5.23		5.33	5.43	5.54	5.64
BE4									
Technical	Laboratory technician	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Milk	Assistant buttermaker (uncertified)	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Cheese	Assistant cheesemaker (uncertified)	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Cheese	Operator separating/clarifying equipment	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Cheese	Multi-function pasteuriser operator	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Cheese	Alfomatic operator	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Whey	Evaporator/dryer operator (uncertified)	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
PPU	Machine operators (as defined)	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Logistics	Senior storeperson	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
Clerical	Clerical officer	698.83	6.00	731.61	6.00	751.63	765.91	780.46	795.29
BE5									
Milk	Assnt Buttermaker (certified)	712.80	9.00	749.23	9.00	772.63	787.31	802.27	817.52
Cheese	Assnt Cheesemaker (certified)	712.80	9.00	749.23	9.00	772.63	787.31	802.27	817.52
Logistics	Inventory Controller	712.80	9.00	749.23	9.00	772.63	787.31	802.27	817.52
PPU	Machine operators (as defined)	712.80	9.00	749.23	10.00	773.65	788.35	803.33	818.60
Clerical	Clerical officer	712.80	9.00	749.23	11.00	774.67	789.39	804.39	819.67
BE6									
Maintenance	Service Attendant (Certificated)	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Clerical	Clerical Officer	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Milk	Buttermaker (certified)	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Cheese	Cheesemaker (certified)	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Whey	Evaporator/dryer operator (certified)	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Logistics	Warehouse Co-ordinator	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
Logistics	Purchasing/export co-ordinator	749.56	7.50	785.83	7.50	808.40	823.76	839.41	855.36
BE7									
Maintenance	Service Attendant (Trade qualified)	819.54	n/a	850.68		866.85	883.32	900.10	917.20
Clerical	Senior Clerical officer	819.54	n/a	850.68		866.85	883.32	900.10	917.20
BE8									
Maintenance	Tradesperson (qualified)	851.51	n/a	883.87		900.66	917.77	935.21	952.98
Clerical	Senior Clerical officer	851.51	n/a	883.87		900.66	917.77	935.21	952.98
BE9									
Maintenance	Senior tradesperson (qualified)	936.65	n/a	972.24		990.72	1009.54	1028.72	1048.27
Clerical	Senior Clerical officer	936.65	n/a	972.24		990.72	1009.54	1028.72	1048.27
BE10									
Maintenance	Tradesperson -multi-skilled;	1021.81	n/a	1060.64		1080.79	1101.33	1122.25	1143.57
	Maintenance Planner	1021.81	n/a	1060.64		1080.79	1101.33	1122.25	1143.57
Clerical	Senior Clerical officer	1021.81	n/a	1060.64		1080.79	1101.33	1122.25	1143.57
Apprentices									
	Year 1 (42% of BE8* rate)	357.63	n/a	371.22		378.27	385.46	392.78	400.25
	Year 2 (55% of BE8* rate)	468.33	n/a	486.13		495.36	504.77	514.37	524.14
	Year 3 (75% of BE8* rate)	638.63	n/a	662.90		675.49	688.33	701.41	714.73
	Year 4 (88% of BE8* rate)	749.33	n/a	777.80		792.58	807.64	822.99	838.62

APPENDIX 1(b) - ALLOWANCES

Item Number	Clause	Brief Description	Amount \$ Current	Amount \$ 16th July 07 + 3.8% ↑	Amount \$ 16th June 08 + 1.9% ↑	Amount \$ 15th Dec 08 + 1.9% ↑	Amount \$ 15th June 09 + 1.9% ↑	Amount \$ 14th Dec 09 + 1.9% ↑
1	15.1	First Aid Allowance (per week)	12.34	12.81	13.05	13.30	13.55	13.81
2	15.2	Laundry Allowance	8.87	9.21	9.38	9.56	9.74	9.93
3	15.3	Team Leader Allowance (per week) (payable only when engaged as a Team Leader)						
		- in charge of between 2 & 10 employees	29.83	30.96	31.55	32.15	32.76	33.38
		- in charge of more than 10 employees	44.74	46.44	47.32	48.22	49.14	50.07
4	15.4	Production Shift Allowances (per shift)**						
		- Early morning (finish after 9.00am, before 2.00pm)	10.79	15.54	15.84	16.14	16.45	16.76
		- Afternoon (finish after 6.00pm & at/before midnight)	14.13	15.54	15.84	16.14	16.45	16.76
		- Night (finish after midnight and at/before 9.00am)	29.14	32.05	32.66	33.28	33.92	34.56
		- Permanent Night Shift (Mon-Fri)	29.14	32.05	32.66	33.28	33.92	34.56
		- Night (12 hour night shift only)	29.14	32.05	32.66	33.28	33.92	34.56
4	15.4	Maintenance and Engineering Employees Allowance (per shift)						
		- Afternoon	15% extra	15% extra	15% extra	15% extra	15% extra	15% extra
		- Night	15% extra	30% extra	30% extra	30% extra	30% extra	30% extra
5	15.5	Tool Allowance (per week)						
		- Tradesman	14.69	15.25	15.54	15.83	16.13	16.44
		- Apprentices Year 1	14.69	15.25	15.54	15.83	16.13	16.44
		- Apprentices Year 2	14.69	15.25	15.54	15.83	16.13	16.44
		- Apprentices Year 3	14.69	15.25	15.54	15.83	16.13	16.44
		- Apprentices Year 4	14.69	15.25	15.54	15.83	16.13	16.44
6	15.6	Stand In Foreman's Allowance (per day)	10.10	10.48	10.68	10.89	11.09	11.30
7	15.7	Meal Allowance (per meal)	11.19	11.62	11.84	12.06	12.29	12.52
8	15.8	Forklift Operator Allowance (per week)	7.84	8.14	8.29	8.45	8.61	8.77
		Forklift Operator(Distribution only) per day	n/a	5.00	5.10	5.19	5.29	5.39
9	15.9	Confined Space Allowance (per Permit issued)	22.19	23.03	23.47	23.92	24.37	24.83
10	15.1	Boiler Open Ticket Allowance (per week)	15.88	16.48	16.80	17.12	17.44	17.77
11	15.11	Electrical Allowance (per week) *	33.28	36.61	37.30	38.01	38.73	39.47
13	15.13	Skills Premium Allowance (tradesperson)	n/a	an additional 3% of base salary at the relevant BE8, BE9 or BE10 level				
14	15.14	On-call (Monday to Friday), payable each day *	25.61	38.00	38.72	39.46	40.21	40.97
		On-call (Saturday and Sunday), payable each day *	51.21	76.00	77.44	78.92	80.41	81.94
	*	Special Duty (to be determined by Bega Cheese)	31.97	33.18	33.82	34.46	35.11	35.78
	*	Special Duty	35.15	36.49	37.18	37.89	38.61	39.34
	*	Special Duty	42.19	43.79	44.63	45.47	46.34	47.22
	*	Special Duty	47.97	49.79	50.74	51.70	52.69	53.69
	*	Special Duty	63.95	66.38	67.64	68.93	70.24	71.57
	*	Special Duty	80.34	83.39	84.98	86.59	88.24	89.91
		* Production shifts, Electrical Allowance & On-Call allowance have increased by more than 3.8% in the first instance in accordance with the EBA						

APPENDIX 1(b) –DEFINITIONS OF ALLOWANCES

1. First Aid Allowance

Bega Cheese will appoint as many First Aid Officers as it believes appropriate (but at least two), having regard to total employee numbers, departmental needs, shift work patterns and the relevant provisions of the NSW Occupational Health & Safety (First-Aid) Regulation 1989.

2. Laundry Allowance

Bega Cheese may launder employees work clothing or provide clean clothing to each employee at the start of each day/shift. If Bega Cheese elects not to provide clean clothing, employees will be entitled to the Laundry Allowance as set out in Item 2 of Appendix 1(b).

3. Team Leader

Bega Cheese may from time to time appoint certain employees to the position of Team Leader. This position will carry additional responsibilities as detailed in the classification structure/skills & competency review. Employees appointed as Team Leaders shall be entitled to the Team Leader Allowance as set out in Item 3 of Appendix 1(b).

The company may request an employee to “Step Up” to the Team Leader position on an interim basis in an area. If the employee agrees to “Step Up” to the position, he/she shall be paid a daily rate which shall be calculated as 1/5th of the Team Leader rate as set out in Appendix 1(b) Allowances, for each day or part thereof that he/she “Steps Up”.

Team Leaders will be expected to carry out the agreed responsibilities in an effective and committed manner, to the best of their abilities, taking into account their other responsibilities, their experience in the role and relevant training provided to them.

If concerns arise regarding a Team Leader’s performance, such concerns shall be dealt with in a manner which provides opportunities and support for the Team Leader to raise their performance standards.

4. Shift Allowance

Where employees are required to work shifts, they will be entitled to the Shift Allowances as set out in Item 5 Appendix 1 (b).

For the purposes of this agreement all shift allowances which are paid as a flat rate shall be increased by 10% from the FFPP on or after the 12th July 2007.

Maintenance shift allowances shall be remain as a % based allowance, with the night shift allowance to be doubled from 15% to 30%.

5. Tool Allowance

Certain Bega Cheese employees will be required to supply and maintain tools ordinarily used in their work at the site. Such employees shall be entitled to the Tool Allowance as set out in Item 7 of Appendix 1(b)

6. Stand In Foreperson's Allowance

In the absence of the Supervisor at weekends, or in other situations where an employee is required to assume additional responsibility for short periods, Bega Cheese will elect a Stand in Foreperson. The Stand in Foreperson shall be entitled to the Stand in Foreperson's Allowance as set out in Item 6 of Appendix 1(b).

7. Meal Allowance

An employee who is required to work overtime for two hours or more shall be entitled to the Meal Allowance as set out in Item 7 of Appendix 1(b).

8. Forklift Allowance

The daily forklift allowance shall be payable to any BE1 or BE2 level employee who holds a relevant forklift licence and who is requested by their Supervisor or Manager (or required on an ongoing standing basis) to operate a forklift as a regular component of their work. At BE3 level and above forklift allowance is included in the classification rate.

Fork lift operators who are employed in Supply Chain distribution, shall receive the daily allowance set out at Appendix 1 (b) Item 8.

9. Confined Space Allowance

An employee who is requested to enter a confined space shall only do so if a relevant permit has been issued to do so. Such employee shall receive an allowance every time a permit is issued as set out in Item 9 Appendix 1 (b)

10. Boiler Open Ticket Allowance

An employee who as part of their role must hold a Boiler Open Ticket shall be paid an allowance as set out in Item 10 Appendix 1 (b)

11. Electrician Allowance

An employee who holds an Electrical Qualified Supervisor Certificate for the purpose of carrying out electrical work shall be paid an allowance as set out in Item 11 Appendix 1 (b).

On-call Allowance

Any employee who participates in an authorized "on-call" roster and is available for duty "on-call" during a period when they are off duty shall be paid an on-call allowance as follows:

- a) with effect from the commencement of this agreement an amount of \$38.00 per day for all days Monday – Friday (except gazetted public holidays)
- b) with effect from the commencement of this Agreement, an amount of \$76.00 per day for all Saturdays, Sundays and gazetted public holidays.

Employees who receive the On-Call allowance shall be paid a minimum of four hours at double time for each recall, as detailed in Cl.23.2

On-Call allowance shall not be taken into account in calculating payments for all purposes of this Agreement.

Each Call-Out shall stand alone for the purposes of payment, unless it can be reasonably substantiated that any subsequent call-out was a clear result of work undertaken during the previous call-out.

12. Site Allowance

An employee in receipt of the Site Allowance at the commencement of this Agreement will continue to receive the Site Allowance whilst employed by Bega Cheese in a position covered by this Agreement. The allowance shall be fixed at \$9.00 per week and is not subject to any future increases and is payable only to those employees currently receiving it.

13. Skills Premium Allowance

- i) To acknowledge the present difficulties in attracting and retaining highly skilled and appropriately qualified tradespeople in the Bega region the company will apply a 3% allowance to the base ordinary rate of pay to all existing maintenance staff employed at levels BE 8, 9, and 10.
- ii) The ongoing application of this allowance to individual employees will be determined by Bega Cheese and will be based on ongoing satisfactory performance and continued application of current relevant skills.
However, Bega Cheese will not cease the payment of the allowance to any given employee, prior to giving that employee an opportunity to address, in accordance with Clause 41.0, any concerns which may lead to the cessation of payment to that employee.
- iii) The application of this allowance to new maintenance employees will be on a case by case basis and at the sole discretion of the company. New employees engaged under a probationary period may not be entitled to this allowance until such time as they have satisfactorily completed the said probationary period.
- iv) Once the allowance has been applied to an individual for a period of one week or more it then forms part of their ongoing permanent conditions of employment subject to point (ii).
- v) The company agrees to review the quantum of the allowance annually from the date of implementation. The review process will be undertaken with a consultative approach and all parties affected will be invited to participate. The company agrees that any agreed change to the allowance will not negatively impact on anyone already receiving the allowance at the time of the review.

APPENDIX 2 – BEGA CHEESE CLASSIFICATION STRUCTURE

Bega Cheese Levels/areas	Position
BE1	All probationary PE2 employees (three month probation applies)
BE2	
Whey	Wrapping Operator
All	Trainee forklift operator
Heritage	Sales Assistant
Supply Chain	Storeperson; trainee
Milk, Cheese, Whey, PPU	Production/line employees engaged in packing, de-boxing, boxing, sorting, feeding etc or not otherwise listed.
Sanitation	Hygiene/Sanitation – general/amenities/office.
Admin/Clerical	Trainee
BE3	
All	Designated forklift operator
Heritage	Senior Shop assistant; kitchen co-ordinator; groundsperson
Cheese	Odenburg operator
Whey	Cleaner; palletising operator
PPU	Cutter/operator; cryovac operator; e-line slice operator; Bemis/stringers operator
PPU	Hygiene/sanitation – blueline or redline
PPU	Draw-down co-ordinator; trim co-ordinator; dry ingredients co-ordinator
PPU	Grinding Operator
Milk, cheese, PPU	Relief operator (base level + allowance for 2 nd , 3 rd and 4 th machines)
Cut & Pack	Laboratory Assistant
Admin/Clerical	Clerical Level 3
BE4	
Technical	Laboratory technician
Milk	Trainee Buttermaker; milk receival operator
Cheese	Assistant cheesemaker (uncertified)
Cheese	Operator separating/clarifying equipment
Cheese	Multi-function pasteuriser operator
Cheese	Alfomatic operator
Whey	Packing Line Operator; trainee whey plant operator
PPU	Machine operators not otherwise specified
Supply Chain	Senior storeperson; production recorder
Admin/Clerical	Clerical Level 4
Sanitation	Red-line multi-skilled; CIP

APPENDIX 2 – BEGA CHEESE CLASSIFICATION STRUCTURE

Bega Cheese Levels/areas	Position
Engineering	Spare Parts Storeperson; Trades Assistant (unqualified)
Whey	Whey Operator (uncertified)
BE5	
Milk	Buttermaker
Cheese	Assistant Cheesemaker; String Operator/extruder
Supply Chain	Inventory Controller
PPU	A-Line PFM; A-Line Cutter, Blending; Extruder; multi-equipment operator; Advanced CIP Operator; Shred operator
Technical	Senior Laboratory Technician
Supply Chain	Inventory co-ordinator
Admin/Clerical	Clerical Level 5
BE6	
Maintenance	Service/Effluent Attendant (non-trades); stores co-ordinator
Admin/Clerical	Clerical Level 6
Milk	Advanced Buttermaker
Cheese	Cheesemaker
Whey	Evaporator/dryer operator (certified)
Logistics	Warehouse Co-ordinator
Technical	Advanced Laboratory Technician
PPU	Advanced Blending Operator
BE7	
Maintenance	Service/Effluent/Trades Assistant (Trade qualified); Tradesperson (entry)
Cheese	Advanced Cheesemaker
Whey	Advanced Whey Operator
Admin/Clerical	Clerical Level 7
BE8	
Maintenance	Tradesperson (experienced)
Admin/Clerical	Clerical Level 8
BE9	
Admin/Clerical	Clerical Level 9
Maintenance	Tradesperson (Advanced)
Farm	Farm Engineer
BE10	
Engineering	Tradesperson – specialist/multi-skilled; Maintenance Planner

Basic duties & responsibilities applicable to all positions:

- Understand and observe the company's established policies in key areas including, but not limited to:
 - OH&S, food safety, environment, housekeeping and workplace relations;
- Understand and observe basic administrative requirements, such as time-keeping; incident reporting, personal leave requests and the reporting of absences;
- Display satisfactory attendance, flexibility, and reliability;
- Display satisfactory respect for all work colleagues, including the capacity to work within teams and to resolve workplace concerns within the agreed processes

In addition to the above minimum requirements, the following classification levels detail the general skills, competencies and attitudes required to progress to each level.

Bega Level 1

This level is specifically for new employees who are serving an agreed probationary period, typically 1 month (minimum) to 3 months (maximum) – an initial 3 month probationary period may be extended by up to one month i.e. maximum total of 4 months). Labour hire employees transferring to Bega Cheese will not be required to complete this level i.e. they shall be engaged at BE2 or higher as appropriate to their role.

NOTE: An employee who has previously served a probationary period and who is re-employed in the same or a similar position, shall not be required to serve another probationary period e.g. a seasonal casual re-engaged into a BE2 position will not need to serve a further three month period at the BE1 level.

- Performs and learns duties & procedures with close guidance and supervision;
- Informs leading hand or supervisor of any apparent or obvious problems;
- Performs typical BE2 tasks to at least a minimum acceptable level, having regard to their experience, training and other relevant circumstances;
- Has satisfactorily completed the Introductory Induction Module and is prepared to undertake the Certificate of Food Processing Level 2 as soon as reasonably practicable at the completion of their probationary period;

Bega Level 2

- Meets the criteria established under the previous level AND
- Works under regular supervision;
- Is familiar with the plant layout and departmental work flows and is able to provide basic instruction to others in fundamental work procedures;
- Comprehends and applies basic food safety principles and escalates breaches of these principles to Team Leaders, supervisors or managers;
- Is required to communicate with supervisors and other staff on work related matters;
- Maintains required records in accordance with established procedures;
- May use mechanical aids (which do not require specific licensing) to assist in the execution of duties;
- Is able to move between equivalent positions within the department, or within the organisation, subject to meeting minimum training requirements;
- Undertakes basic cleaning & housekeeping duties to help ensure a safe, clean and organised work area;
- Provides basic guidance and support to Level One employees in the work unit;
- Is undertaking (or will undertake as soon as practicable) the Certificate of Food Processing (Level 2)

Bega Level 3

- Meets the criteria established under the previous level AND
- Works under routine supervision;
- If required by the company, holds a current forklift license;
- May be competent to relieve one or more Level 4 operators;
- May be required to assist customers with enquiries, orders etc;
- Is able to operate specified plant and equipment under their control safely and efficiently;

Bega Level 4

- Meets the criteria established under the previous level AND
- Works under irregular supervision – identifies and actions problems, within pre-determined guidelines, sometimes without reference to supervisors;
- Exhibits a positive attitude and example within the workplace, consistent with their training, expertise and responsibility, including the promotion of high standards of food safety, OH&S and housekeeping;
- Assists in the provision of on-the-job training to employees at levels 1-4;
- Is competent to operate specified machinery/equipment;
- Possesses and usually applies basic keyboard/computer operation skills;
- Able to interpret information such as production schedules, formulas & specifications and uses numeric skills in areas such as mass, volume, temperature, weight;
- Understands and accepts the impact of the position on productivity & efficiency;
- May be required to aseptically obtain production samples, and to perform a range of QA tests in production areas and the laboratory;
- May undertake minor adjustments and routine actions to keep plant and equipment operational (with due regard to their own level of competency & other procedural requirements e.g. food safety, OH&S);
- Is undertaking (or will undertake as soon as practicable) the Certificate of Food Processing (Level 3)

Bega Level 5

- Meets the criteria established under the previous level AND
- Works with minimal supervision - identifies and actions problems, within pre-determined guidelines, usually without reference to supervisors;
- Displays a high level of commitment, ability and judgment, reflecting their training, attitude and the responsibility of their role;
- Is suitably trained and exhibits the required skills and attitudes to be elevated to higher levels as opportunities arise.

Bega Level 6

- Meets the criteria established under the previous level AND
- Works with minimal supervision and assumes responsibility for their work output, including parameters such as accuracy, quality, environmental issues;
- Displays and encourages a superior level of commitment, ability and judgment, reflecting their training, attitude, responsibility and accountability;
- Often required to liaise with other departments to ensure proper, effective coordination and the exchange of important information;
- Possesses competent computer skills which may include console operation, data entry, file management, database/spreadsheet & BORIS systems;

Bega Level 7

- Meets the criteria established under the previous level AND
- Holds a relevant trade qualification and, in addition to undertaking duties consistent with the previous ME1 level, is willing and able to execute routine fitting and turning tasks within their usual role

Bega Level 8

- Meets the criteria established under the previous level AND
- Holds a relevant trade qualification and meets the AQF4 competency & descriptive criteria established for their position.

Bega Level 9

- Meets the criteria established under the previous level AND
- Holds a relevant trade qualification, certificates or equivalent recognized experience and meets the AQF4 competency & descriptive criteria established for their position.

Bega Level 10

- Meets the criteria established under the previous level AND
- Holds a relevant trade qualification, certificates or equivalent recognized experience and meets the AQF4 competency & descriptive criteria established for their position.

APPENDIX 3 – BEGA CHEESE REDUNDANCY PROVISIONS

- 1.0 (i) (a) "Redundant employee" means an employee whose employment is surplus to existing requirements by reason of the closing down or re-organisation of the whole or part of Bega Cheese's operations or by amalgamation of Bega Cheese's operation with the operation of another employer.
- (b) Notwithstanding anything contained elsewhere in this clause, this clause shall not apply to employees with less than one year's continuous service and the general obligation on employers shall be no more than to give such employees an indication of the impending redundancy at the first reasonable opportunity, and to take such steps as may be reasonable to facilitate the obtaining by the employees of suitable alternative employment.
- (c) Notwithstanding anything contained elsewhere in this clause, this clause shall not apply where employment is terminated as a consequence of conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, or in the case of casual employees, apprentices or employees engaged for a specific period of time or for a specified task or tasks or where employment is terminated due to the ordinary and customary turnover of labour.
- (ii) Introduction of change
- (a) Employer's duty to notify
- (1) Where an employer has made a definite decision to introduce major changes in production, program, organisation, structure or technology that are likely to have significant effects on employees, the employer shall notify the employees who may be affected by the proposed changes and the union to which they belong.
- (2) 'Significant effects' include termination of employment, major changes in the composition, operation or size of the employer's workforce or in the skills required, the elimination or diminution of job opportunities, promotion opportunities, promotion opportunities or job tenure, the alternation of hours of work, the need for retaining or transfer of employees to other work or locations and the restructuring of jobs.
- Provided that where the award makes provision for alteration of any of the matters referred to herein, an alteration shall be deemed not to have significant effect.
- (b) Employer's duty to discuss change
- (1) The employer shall discuss with the employees affected and their chosen representative, inter alia, the introduction of the changes referred to in paragraph (a) above, the effects the changes are likely to have on employees and measures to avert or mitigate the adverse effects of such changes on employees, and shall give prompt consideration to matters raised by the employees and/or the union in relation to the changes.
- (2) The discussion shall commence as early as practicable after a definite decision has been made by the employer to make the changes referred to in paragraph (a) to this clause.
- (3) For the purpose of such discussion, the employer shall provide to the employees concerned and their chosen representative, all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on employees and any other matters likely to affect employees provided that any employer shall not be required to disclose confidential information the disclosure of which would adversely affect the employer.

(iii) Redundancy

(a) Discussions before terminations

- (1) Where an employer has made a definite decision that the employer no longer wishes the job the employee has been doing done by anyone pursuant to subparagraph (1) of paragraph (a) of subclause (ii) above, and that decision may lead to the termination of employment, the employer shall hold discussions with the employees directly affected and with the union to which they belong.
- (2) The discussions shall take place as soon as is practicable after the employer has made a definite decision which will invoke the provision of subparagraph (1) of this subclause and shall cover, inter alia, any reasons for the proposed terminations, measures to avoid or minimise the terminations and measures to mitigate any adverse effects of any termination of the employees concerned.
- (3) For the purposes of the discussion the employer shall, as soon as practicable, provide to the employees concerned and the union to which they belong, all relevant information about the proposed terminations including the reasons for the proposed terminations, the number and categories of employees likely to be affected, and the number of workers normally employed and the period over which the terminations are likely to be carried out. Provided that any employer shall not be required to disclose confidential information the disclosure of which would adversely affect the employer.

(iv) Termination of Employment

(a) Notice for Changes in Production, Programme, Organisation or Structure

This subclause sets out the notice provisions to be applied to terminations by the employer for reasons arising from “production”, “programme”, “organisation” or “structure” in accordance with subclause (ii) (a)(1) above.

- (1) In order to terminate the employment of an employee the employer shall give the employee the following notice:

<u>Period of Continuous Service</u>	<u>Period of Notice</u>
Less than 1 year	1 week
1 year and less than 3 years	2 weeks
3 years and less than 5 years	3 weeks
5 years and over	4 weeks

- (2) In addition to the notice above, employees over 45 years of age at the time of the giving of the notice with not less than two years continuous service, shall be entitled to an additional week’s notice.
- (3) Payment in lieu of the notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

(b) Notice of Technological Change

This subclause sets out the notice provisions to be applied to terminations by the employer for reasons arising from “technology” in accordance with subclause (ii)(a)(1) above:

- (1) In order to terminate the employment of an employee the employer shall give to the employee 3 months notice of termination.
- (2) Payment in lieu of the notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

1.0 The period of notice required by this subclause to be given shall be deemed to be service with the employer for the purposes of the Long Service Leave Act, 1955, the AFPCS, or any Act amending or replacing either of these Acts.

(c) Time off during the notice period

- (1) During the period of notice of termination given by the employer, an employee shall be allowed up to one day's time off without loss of pay during each week of notice, to a maximum of five weeks, for the purposes of seeking other employment.
- (2) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee shall, at the request of the employer, be required to produce proof of attendance at an interview or the employee shall not receive payment for the time absent.

(d) Employee leaving during the notice period

If the employment of an employee is terminated (other than for misconduct) before the notice period expires, the employee shall be entitled to the same benefits and payments under this clause had the employee remained with the employer until the expiry of such notice. Provided that in such circumstances the employee shall not be entitled to payment in lieu of notice.

(e) Statement of employment

The employer shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee a written statement specifying the period of the employee's employment and the classification of or the type of work performed by the employee.

(f) Notice to Commonwealth Employment Service

Where a decision has been made to terminate employees, the employer shall notify the Commonwealth Employment Service thereof as soon as possible giving relevant information including the number and categories of the employees likely to be affected and the period over which the terminations are intended to be carried out.

(g) Department of Social Security Employment Separation Certificate

The employer shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee an "Employment Separation Certificate" in the form required by the Department of Social Security.

(h) Transfer to lower paid duties

Where an employee is transferred to lower paid duties for reasons set out in paragraph (a) of subclause (ii) above, the employee shall be entitled to the same period of notice of transfer as the employee would have been entitled to if the employee's employment had been terminated, and the employer may at the employer's option make payment in lieu thereof of an amount equal to the difference between the former ordinary time rate of pay and the new ordinary time rates for the number of weeks of notice still owing.

(v) Severance Pay

- (a) Where an employee is to be terminated pursuant to subclause (iv) above, subject to further order of the Industrial Relations Commission, the employer shall pay the following severance pay in respect of a continuous period of service:
 - (1) If an employee is under 45 years of age, the employer shall pay in accordance with the following scale:

Under 45 Years of Age	Years of Service Age Entitlement
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 over	16 weeks

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

Years of Service	45 years of Age and over entitlement
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 over	20 weeks

- (3) ‘Weeks pay’ means the all purpose rate of pay for the employee concerned at the date of termination, and shall include, in addition to the ordinary rate of pay, over award payments, shift penalties and allowances provided for in the relevant award.

(iv) Savings Clause

Nothing in this award shall be construed so as to require the reduction or alteration of more advantageous benefits or conditions which an employee may be entitled to under any existing redundancy arrangements, taken as a whole, between the union and any employer bound by this award.

1.1 Compensation

When an employee is made redundant, the Redundant employee will be paid a redundancy compensation. The amount of redundancy compensation shall be equal to at least the sum of the following:

- * accrued annual leave;
- * accrued long service leave;
- * accrued sick leave;
- * for employees with less than five years service, the redundancy payment detailed under the Table at 1.0 v (a) 1 or in the case of an employee with five or more years service, three weeks pay for each completed year of service, uncapped.
- * **or, if greater,** the redundancy payment as determined by the Industrial Relations Commission of New South Wales (“the Industrial Commission Redundancy”) at 1 v)a,(1) or (2) above.

1.2 Alternative Employment

Bega Cheese will provide Redundant employees every opportunity to seek new employment between the time notice is given and the last day of employment, which will include, inter alia:

Providing references for each Redundant employee to provide to prospective new employers;

Allowing Redundant employees to spend time at work after notice of redundancy has been given seeking out new employment opportunities and attending interviews for jobs elsewhere;

Introducing employees to Government funded job search assistance programs.

1.3 Identification of Redundant Employees

To the extent possible, Bega Cheese will offer voluntary redundancies to employees occupying those positions which become redundant. However, if a sufficient number of redundant positions are not removed by way of voluntary redundancy, Bega Cheese will be required to identify employees occupying specific surplus positions and advise them that their employment is to be terminated as they are Redundant employees.

If Bega Cheese is required to select a Redundant employee from a number of existing employees it will have regard to the following:

- * The length of service of each of the existing employees;
- * The skills and training of each of the relevant employees;
- * The contribution each relevant employee has made to Bega Cheese in the past;
- * The contribution each relevant employee is likely to make in the future to Bega Cheese;
- * The ability of each relevant employee to be redeployed within the operations of Bega Cheese;

(Whilst length of service will be a key factor, it will not be the only criteria taken into account in identifying Redundant employees.)

1.4 Redundancy as a Last Resort

Wherever possible, Bega Cheese will attempt to redeploy an employee to another area of the operations (commensurate with the remuneration, skills, competence and training of the individual employee) if the position occupied by the employee becomes redundant. Accordingly, Bega Cheese will only pursue compulsory redundancy as a last resort.

APPENDIX 4 – BEGA CHEESE LEISUREBANK

1.0 INTRODUCTION

The Bega Cheese Collective Committee has agreed to introduce a voluntary form of Leisurebank under the Bega Cheese Employees and Unions Collective Agreement 2007.

2.0 DEFINITION OF LEISUREBANK

Leisurebank is a formal system of time-in-lieu of overtime which is gaining greater acceptance throughout industry. It enables an employee to accrue overtime during busy periods and take the time off at a later date, rather than being paid for the overtime at the time it is worked.

3.0 BEGA CHEESE LEISUREBANK ARRANGEMENTS

i) Eligibility

All weekly and Permanent B employees operating under the Bega Collective Award would be eligible to participate in the Leisurebank scheme.

ii) Prior Approval

Leisurebank time can only be accrued if the overtime to be “banked” was approved by the Departmental manager prior to the time being worked and it was agreed that the overtime would be accrued to the staff member’s Leisurebank.

iii) Recording Leisurebank Hours

At the end of each week the amount of overtime to be accrued to the staff member’s Leisurebank is to be noted on their time sheet and approved by the supervisor/departmental manager. The Payroll Officer will then record the actual hours of overtime in the Leisurebank of each staff member. The Leisurebank will record the actual hours worked and the penalty rate escalation which would have applied if the overtime was taken as overtime paid.

iv) Minimum Number of Hours

A minimum of one hour of approved Leisurebank time must be worked on any day before Leisurebank is accrued.

v) Maximum Number of Hours

Each employee is only entitled to accrue up to a maximum of 500 hours of overtime as Leisurebank. If additional overtime is worked such that the balance of the Leisurebank would exceed 500 hours, the staff member is to be paid the overtime and not accrue any more than the maximum of 500 hours.

vi) Maximum Duration for Accruing Leisurebank

The balance of Leisurebank is not to be accrued for more than 12 months. That is, if a staff member accrued 20 hours into Leisurebank in January 2000, that 20 hours must be taken off prior to January 2001.

vii) Taking Time Off

Given the seasonal nature of our Lagoon Street business, the Leisurebank would ordinarily be accrued in spring/summer and taken off in autumn/winter. The Leisurebank should therefore largely be cleared before the next season's peak period begins.

For the Ridge Street business, the "season" will be influenced by our major customers, with November/early December traditionally being very busy and late December/January traditionally being very quiet. In addition, given the short term cycle of the Ridge Street business (affected by BCT promotions, activities of our competitors in the domestic market, demands of export customers, etc) overtime may be necessary over 1 – 3 weeks, but then a shut down may be required. We would expect time to be accrued to Leisurebank in the busy weeks and taken off in the quieter weeks.

Notwithstanding the above, the Leisurebank hours can only be redeemed/taken off at a time mutually agreed between the employee and the supervisor or Departmental manager.

viii) Notice That Leisurebank is to be Redeemed

The time sheet is to record all hours of Leisurebank taken off by each staff member each week. The time sheet is to be signed by the supervisor. The Payroll Officer is to record the actual Leisurebank hours redeemed and adjust the employee's Leisurebank.

ix) Rate at Which Leisurebank is Accrued

Leisurebank is to be accrued on an actual hours worked basis, and no penalty rate "gross-up" is to apply. That is, if an employee accrues ten hours to his/her Leisurebank, they will be entitled to take ten hours off at a later date.

x) Voluntary Scheme

The decision to accrue Leisurebank hours will be at the discretion of the employee and is subject to prior approval by the supervisor/departmental manager. The employee may choose to take overtime as paid overtime if he/she does not wish to participate in the Leisurebank scheme.

Unless otherwise advised, the Payroll Officer will assume that employees wish to take overtime, not Leisurebank hours.

xi) Payout of Leisurebank

Leisurebank hours may subsequently be paid out as cash from an employee's Leisurebank, if specifically requested in writing by the employee. The amount paid out will be at the same hourly rate which existed at the time the overtime was initially worked. In addition, the amount paid shall be "grossed-up" for the overtime hours, such that the amount subsequently paid is equal to the amount which would have been paid if the overtime had originally been taken as overtime paid.

On termination/resignation, employees will be paid out the balance of their Leisurebank at the end of their last day of work on the same basis as above (i.e. grossed-up but at original rates of pay).