

AUSTRALIAN INDUSTRIAL RELATIONS COMMISS1014

Workplace Relations Act 1996
s.170LS Agreement about industrial dispute (Division 3)

Ford Motor Company of Australia Ltd

and

Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union

and

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia

and

Australian Municipal, Administrative, Clerical and Services Union

and

Association of Professional Engineers, Scientists and Managers, Australia, The
(AG2003/7636)

FORD AUSTRALIA ENTERPRISE AGREEMENT 2003

Vehicle industry

COMMISSIONER FOGGO

MELBOURNE, 26 SEPTEMBER 2003

CERTIFICATION OF AGREEMENT

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

This agreement shall come into force from 26 September 2003 and shall remain in force until 9 July 2006.

BY THE COMMISSION:

COMMISSIONER

Printed by authority of the Commonwealth Government Printer
<Price code 55>

FORD AUSTRALIA ENTERPRISE AGREEMENT 2003

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1.0 ADMINISTRATIVE MATTERS

1.1 Title

This agreement shall be known as the Ford Australia Enterprise Agreement 2003.

1.2 Relationship to other Awards and Agreements

This Agreement shall be read and interpreted in conjunction with the Awards (as varied from time to time) and Agreement specified below which shall continue to apply to relevant employees provided that to the extent of any inconsistency between a specified Award or Agreement and this Agreement, the latter shall prevail:

- * Ford Australia (Enterprise Bargaining) Award 1991
- * Ford Australia (Enterprise Bargaining) Certified Agreement 1993
- * Ford Australia Structural Efficiency Agreements
- * Ford Australia Enterprise Bargaining Agreement 1995
- * Vehicle Industry Occupational Health and Safety Award 1986
- * Ford Australia Enterprise Bargaining Agreement 1997
- * Ford Motor Company (Vehicle Industry) Consolidated Award 1998
- * Ford Australia Enterprise Bargaining Agreement 2000

1.3 Area and Parties Bound

1.3.1 This agreement shall be binding upon,

(a) Ford Motor Company of Australia Ltd ("the company") in respect of its employees employed throughout Australia, who are covered by the Ford Motor Company (Vehicle Industry) Consolidated Award, 1998

(b) The following organisations, their officers and members:

- * Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (Vehicle, Metals and Technical and Supervisory Divisions).
- * Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union.
- * Australian Municipal, Administrative, Clerical and Services Union (Clerical and Administrative Division).
- * The Association of Professional Engineers, Scientists and Managers Australia. (APESMA)

1.3.2 This Agreement has been reached as a result of all unions' party to the Agreement negotiating with the Company as a single bargaining unit.

1.3.3 Throughout the life of this Agreement, all existing terms and conditions of employment shall prevail unless agreed otherwise by the parties. These conditions are derived from the Awards and Enterprise Agreements binding on the parties in operation on the date of certification of the Agreement,

1.4 Agreement Objectives

To ensure the ongoing viability of Ford Motor Company of Australia and to provide for employment and income security for employees, the parties to this agreement acknowledge:

- * The importance of producing high quality, cost competitive products to enable Ford Motor Company of Australia to successfully compete with local and overseas manufacturers in an increasingly global market place; and

- * Ensuring that Ford Motor Company of Australia is a competitive business into the future

This agreement facilitates meeting these objectives by:

- * Maximising capacity and asset utilisation.

- * Expanding on gains to quality and productivity negotiated at previous agreements.

- * Allowing for affordable business growth.

- * Implementing agreed processes to allow the Company, employees and the unions to work together effectively to significantly improve quality and productivity.

The Company and Unions agree to work together to:

- * Co-operatively support Ford's growth plans and provide ongoing job security for mutual benefit.

- * Ensure high standards in open and honest communication based upon trust and respect for the individual and those that are party to this agreement.

1.5 Period of Operation

Consistent with section 170LX of the Workplace Relations Act, this Agreement will operate from the date of certification in the Australian Industrial Relations Commission. The Agreement will remain in force until July 9, 2006. The parties will commence discussions to establish a new Agreement no later than three months prior to the expiration of this Agreement.

1.6 No Extra Claims

Apart from the wage increases specified in this Agreement, and-increases through career progression (e.g. CAMII, AQF3, Trades and Salaried Progression) there will be no other wage increases granted during the life of this agreement. During the period of the Agreement, the parties undertake to make no extra claims for either Award or over Award items whether dealt with in this agreement or not.

1.7 Continuity of Operations

All parties will follow the existing Grievance Procedure, which will address employee grievances quickly and fairly without disruption to the Company's operations or loss

of income to employees. Supervision and shop stewards are committed to this Grievance Procedure and will work to ensure it's effective application. The agreed Grievance Procedure, Code of Conduct and Behaviour at Work Agreements contained in the 1995 Enterprise Agreement are reaffirmed in this Agreement.

The implementation of any matters contained in this Agreement may be reviewed with the AIRC should either party conclude that unsatisfactory progress is being made in implementation.

1.8 Preference for Collective Bargaining

The Unions respondent to this Agreement are committed to bargaining collectively with the Company under the auspices of the Federation of Vehicle Industry Unions (FVI U). It is the Company's intent to work collaboratively with individual unions and the FVIU toward the achievement of the objectives set out in this Agreement. Through the establishment of this Agreement, the parties reaffirm their continued support for the collective bargaining process, which is viewed as having operated successfully for many years. The parties to the Agreement recognise that under the Workplace Relations Act 1996 the parties bound by the agreement are unable to enter an Australian Workplace Agreement during the life of the agreement that prevails over the certified agreement

1.9 Substantive and Procedural Fairness

The Company and the Unions jointly developed Behaviour At Work Agreement seeks to ensure compliance with the principles of substantive and procedural fairness in circumstances where disciplinary action (including a termination of employment may eventuate).

Disciplinary action involving a termination of employment may be delayed for one (1) to three (3) working days before becoming effective to allow a review of the decision. The Company will only consider initiating such a delay on receipt of a request from an official of the Union. If it is agreed to delay the implementation of a termination, the employee(s) involved will receive their normal pay for the working time involved.

1.10 Implementation of Agreement

This Agreement reflects the collective efforts of the Company and the FVIU to position Ford Australia as a competitive, consumer focused Organisation. The thorough implementation of the agreed content will be critical to attaining this outcome. The implementation of this agreement will involve the collaborative/agreed efforts of Company Management and the members of the FVIU at Corporate, Site and Plant Manager/Operational levels throughout the Company. (Appendix #1 details some of the implementation working parties identified in this Agreement.)

2.0 WAGES OUTCOME

2.1 Schedule of Increases

Effective the first pay period on or after:	General Increase
July, 10 2003	5.5%
July, 10 2004	5%
July, 10 2005	5%

Refer Appendix #2 for table of scheduled wage increases.

2.2 Performance Based Pay

Clause 2.2 in the 2000 EBA on Performance Based Pay for Salaried employees in grades 1 to 8 continues to apply.

2.3 Allowance Adjustments

2.3.1 The following allowances will be adjusted by the percentage wage increase specified in clause 2.1 of this Agreement.

- * NWG Leader
- * Foundry Allowance
- * First Aid Allowance
- * Relief Operators Allowance
- * E Class Electrical Licence
- * Mech/Elec. Allowance

The first allowance adjustment will be in the first pay period following certification. Allowance adjustments in years two and three of the Agreement, will be paid concurrently with the scheduled wages increase.

Expense related allowances (including the Meal Allowances) will be adjusted by the existing mechanisms outlined in the 2000 Enterprise Agreement.

Confined Space and Dirt Money will be increased as detailed in clauses 2.3.2 and 2.3.3 respectively.

2.3.2 Confined Space

The confined space allowance will be increased to 53 cents per hour from the start of this agreement and will then be increased in accordance with the wages increases specified in this agreement in subsequent years.

2.3.3 Dirt Money

Dirt Money will be increased to 53 cents per hour from the start of this agreement and will then be increased in accordance with the wages increases specified in this agreement in subsequent years. A minimum payment of \$1.66 as set out in the Ford Consolidated Award 1998 (as varied from time to time) or three hours, whichever is greater, will apply in respect of dirt money.

Clause 4.6.6B of the Ford Consolidated Award (1 998) provides for dirt money and confined space to be paid simultaneously.

2.3.4 Proving Ground

The parties have agreed to increase the Proving Ground Allowance to \$5.55 per day. This amount will further be increased throughout the lie W the agreement consistent with the 20040005 scheduled wage adjustments. During the term of this agreement a working party of Company and Union representatives will be established to examine the Proving Ground competitiveness and practices.

The working party will have equal representation from Management and the Union and will conduct their first meeting within two weeks of the Agreement being certified by the AIRC.

Recommendations of the working party may include further increases in the Proving Ground Allowance.

The non-traditional employment provisions covered elsewhere in this agreement will apply to the Proving Ground non-salaried employees (Vehicle Division). An Area consultative committee will be established at the Proving Ground to oversee these

arrangements.

3.0 EMPLOYEE BENEFITS

3.1 Salary Packaging

The Company acknowledges the merit of salary packaging principles and agrees that, where practicable, salary packaging principles will be applied broadly to the provision of employee benefits.

3.2 Superannuation

The FVIU and the Company acknowledge the importance of superannuation to employees. The parties agree to provide hourly employees hired after January 1 @ 1990 the opportunity to transfer from the Ford defined benefit plan to an industry defined contribution plan (STA or MTAA).

Eligible employees will have a six-week period to determine whether they intend to transfer to STA or MTAA. This six-week period will commence on the date of the first STA / MTAA information session following certification of this Agreement. During this six-week period, employees will be provided with information to assist in their decision-making. The effective date of any transfer will be January 1 2004.

This opportunity to opt & to an industry fund will be provided every 12 months.

It is agreed that Fund Trustees and the Company will review opportunities for other Ford employees to transfer to the Industry Superannuation Funds (STA or MTAA) in a manner that adds no incremental cost to the Company, is manageable and does not act to undermine the Ford Defined Benefit Plan or injure the retirement income of employees. This matter will be discussed and timetabled at the first available Trustee meeting.

3.3 Work cover Make-up Pay

The parties have a shared interest to encourage return to work of employees as soon as possible and to provide incentive and support for them to do so. Accordingly, the following changes in the Make Up Workers' Compensation Payments provisions of the Ford 1998 Consolidated Award are agreed:

3.3.1 Employees deemed to be totally incapacitated

In the case of an employee who is deemed to be totally incapacitated and is entitled to weekly compensation payments on an accepted WorkCover claim, the following improvements to make-up pay calculation will apply:

* For weeks 2 to 13 of the entitlement, make up pay w01 be the difference between the WorkCover entitlement and the employees' 38-hour current weedy base rate for a day worker, which would have been payable for the employee's normal classification for the week in question, if they had been performing their normal duties.

* For weeks 14 to 52, make up pay will be the lesser of the difference between:

1/. The WorkCover entitlement and the employees' 38-hour current weekly base rate for a day woleq which would have been payable for the employee's normal classification for the week in question, if they had been performing their normal duties,

QR

2/. The employees' 38-hour current weekly base rate for a day worker, which would have been payable for the employee's normal classification, and eighty percent of Pre Injury Average Weekly Earnings (as deemed by the compensation legislation) excluding

overtime and/or shift allowances.

Shift premiums, overtime payments, fares and travelling allowances, tool allowance, special rates or other similar payments are not included for the purposes of the above calculations.

3.3.2 Employees deemed to be partially incapacitated

In the case of an employee who is deemed to be partially incapacitated and is entitled to weekly compensation payments on an accepted WorkCover claim, the following improvements to make-up pay calculation will apply:

Make-up pay will be the employees' 38-hour current weekly base rate for a day worker, which would have been payable for the employee's normal classification for the week in question if they had been performing their normal duties, less notional earnings (as deemed by the compensation legislation) and less the WorkCover entitlement,

Shift premiums, overtime payments, fares and travelling allowances, tool allowance, special rates or other similar payments are not included.

3.3.3 Application of Clauses 3.3.1 and 3.3.2

The above clauses 3.3.1 and 3.3.2 are intended to take precedence over clauses 7.1.3 (a) and 7.1.3 (b) of the Award but not otherwise elect the application of clause 7.1 of the Award.

4.0 PRODUCTION CAPACITY & ASSET UTILISATION

4.1 Non Traditional Shift Arrangements

Non traditional shift arrangements are defined as shift arrangements not considered within existing Awards and Agreements.

The enterprise agreement between Ford Motor Company and the Federation of Vehicle Industry Unions acknowledges the need for enhanced flexibility and working arrangements. The introduction of non traditional shift arrangements may enable Ford to be more responsible to change with regard to customer's expectations, seasonal and market factors and ultimately be competitive in a world class market.

The Parties acknowledge the impact of such change on employees' well being and that the introduction of non traditional shift arrangements not provided for in Awards and Agreements would require consultation, evaluation and employee acceptance before successful implementation. A Joint Working Party will be set up to oversee the process outlined in this document. These arrangements will act so as not to, disadvantage any employee participating in the change.

In order to achieve this objective the following initiatives will be undertaken:

Education:

Joint education and consultation will be conducted with employees regarding the proposed non traditional shift arrangements. The joint education/communication meetings will allow employees affected by the change to ask questions, seek classification and provide feedback regarding the proposed non traditional shift changes. Response to feedback would be given to employees via the Joint Working Party. Surveys may be used to assist the parties in this process.

Ballot:

A ballot developed jointly would be put to all employees affected by the proposed non traditional shift changes. For the purposes of this agreement "affected employees" are employees in the area being considered for a non traditional shift arrangement who are directly involved in daily operations and includes hourly employees,

maintenance, supervisors and technical employees. Occupational groups will be balloted separately for these purposes; however, the Parties agree that all occupational groups will need to express a clear majority (66.66%) prior to implementing the non traditional shift arrangement trial group.

Trial Group:

A Trial Group for the non traditional shift arrangements) will be determined and agreed by the Working Party. The trial group will be conducted to highlight and resolve any issues that may arise for employees and the Company. The issues will be fully addressed prior to any continuation of the non traditional shift arrangements.

Joint Working Party:

A Joint Working Party will oversee and monitor progress of these initiatives.

Objectives

Education:

- * Ensure all employees affected by the change understand the reasons for the change, the terms and conditions of the change and when the changes are proposed to take effect.
- * Give employees affected by the change an opportunity to ask questions regarding the changes, raise concerns they may have regarding the changes and receive a response to their feedback.
- * Allow the Parties to understand the issues relating to the proposed changes and put steps in place to address the issues.

Ballot:

A ballot of all affected employees will be developed and conducted jointly by the Company and the Union. The purpose of the ballot is to determine whether the 'clear majority' (66.66%) of employees affected by the non traditional shift arrangements agree to the change. The ballot is conducted after education, consultation and feedback has been made available to employees and their issues have been responded to.

In instances where it would be a requirement to have day, afternoon and night shift of the same area participate in non traditional shift arrangements then the Group would be balloted as a single group. In instances where it was possible to have one shift but not the other changing to the non traditional shift arrangement the day, afternoon and night shifts can be conducted separately.

The Union will be given adequate time to consult employees regarding the proposed non traditional shift arrangements via the education phase of this process.

It is agreed that unless there is a clear majority (66.66%), it would not be in either the Company or the employees' interests to proceed.

For the purposes of this Agreement, "a clear majority" is defined as at least two thirds, (66.66%) of the employees in the ballot group voting in favour of alternative shift arrangements.

Trial:

- * Evaluation of working arrangements that may assist in providing greater flexibility and efficiency in meeting customer requirements- and utilisation of labour.

* Evaluation of working arrangements that provide an enhancement to employee's family childcare responsibilities, health and social / leisure interests.

* Addressing all stakeholder issues and ensuring that stakeholder needs are being met.

Monitoring Working Party

A Joint Working Party with equal numbers (not exceeding a total of 10) of Company and Union representatives that are affected by the non traditional shift arrangement will seek to address, evaluate and resolve any concerns and problems as they arise throughout the process ensuring the interest of the employee and Company are taken into account. They will monitor the operation of the education phase, ballot and trial as well as communicate to stakeholders. Any issues that arise that cannot be resolved by the Working Party will be referred to Ford Management and the FVIU for assistance. This group will resolve the issues within two weeks from the point of referral.

Conditions of Employment

The Company will, prior, to the commencement of any ballot, education phase and trial, negotiate through the FVIU, terms and conditions of employment applicable to the proposed non traditional shift pattern. The Company Convenor of the 2003 EBA Jobs and Capacity Working Party and the Regional Secretary of the Vehicle Division of the AMWU will be responsible for negotiating the terms and conditions of employment for the changes proposed. Once this process is complete, the affected employees will be given a new Contract of Employment reflecting the agreed terms and conditions. These arrangements will not erode existing Awards and Agreements. Once the conditions of employment have been agreed, they will be confirmed in writing by the relevant Human Resources Manager and the Regional

Secretary of the Vehicle Division of the AMWU.

The Company and Union acknowledge that affected employees (hourly, maintenance, supervisors and technical employees) may not have as ready access to formal off job training. Consistent with the existing Agreements and the change to competency based approaches the Company will take the needs of all affected employees into account when scheduling training.

Further Implementation

If the ballot is favourable, (i.e. greater than a 66.66% majority) and the FVIU and Management are satisfied:

1. Objectives as outlined have been fulfilled
2. Outstanding issues that arose during the course of the trial period have been mutually resolved

the non traditional shift arrangement will be considered capable of being implemented over the life of the Enterprise Bargaining Agreement affording all the safeguards outlined in this document.

It is agreed by the Company and the Union that employees may substitute jobs with employees from other areas to accommodate a smooth transition. This will be done on a voluntary basis. In circumstances where an employee is not able to accommodate the proposed non traditional shift pattern change the employee will be provided with other alternative employment in the Plant location. The employee must be prepared to move to another area within the designated Plant location.

This agreed by the Company and Union that no implementation will occur in any area of the Plant/s without following the process agreed to in this document.

Each new proposal for an area will be handed separately in a manner consistent with the principles outlined in this Agreement.

For the purposes of this Agreement, "Plant" is defined as designated plant location. These are: Stamping, Powertrain, Iron Foundry and B/M Assembly Plant.

Timing

For timing requirements guidelines regarding all stages of the non traditional shift change process please refer to table one.

Future needs

It is understood by the parties that non traditional shift patterns are proposed to respond to change. If business, conditions change, further shift changes may be required. In this situation, the Company maintains the right to re-establish traditional shift patterns. The Working Party will be reconvened to oversee the process to facilitate this change.

Steps and Timing

Table One:

Step	Timing
1. Company advises Union of proposal and proposed designated area.	
2. Company and Union negotiate terms	Maximum one week from step 1 and conditions.
3. Joint Working Party made up of those affected by the non traditional shift arrangement is established to oversee the education, ballot, trial and implementation of the proposed non traditional shift changes.	Maximum one week
4. Union and Company consult, educate	Maximum four weeks from and respond to employee's feedback conclusion of step 2 regarding the proposed non traditional shift changes.
5. Employees affected by the change given opportunity to vote in a ballot to accept or reject the proposed changes.	Within 2 weeks (maximum) of conclusion of step 4
6. If the outcome is (greater than 66.66%) successful, Working Party monitors implementation of a 3 month trial area where any issues that arise can be identified and fully addressed within the three month period.	* Trial implemented within 2 weeks (maximum) of step 5 * Trial period 3 months (maximum) * Two weeks (maximum) for the working party to finalise any outstanding issues (including those referred to FVIU and Management)
7. Shift changes are implemented in the	

agreed detonated areas.

4.2 Non Traditional Shift Arrangements - Electrical Group

The ETU recognises the non-trades group has reached agreement on the procedure for Non Traditional Shift Arrangements.

The Electrical Trades Group commits to cover all production shifts, using current work practices.

The Company and the Electrical Trades group acknowledge that different shift arrangements and patterns of work may apply to electrical employees compared with production employees. Where this may be the case, the parties will meet to determine and agree the most appropriate shift pattern for the Electrical Trades group, based on current normal hours of work, in support of the new shift arrangements.

To facilitate this procedure the Company and the Senior Shop Stewards will meet to discuss the alternative arrangements and appropriate turns and conditions, Where the company and the Senior Shop Stewards cannot resolve the matters being considered they will be referred to Ford Management and the Organiser for assistance. These parties will resolve the issues within two weeks from the point of referral.

These discussions are to include, but are not limited to:

- * Labour Levels
- * Education and Training
- * Hours of Work
- * Current Agreements
- * Preventative Maintenance

While these arrangements apply to the ETU, the parties recognise the need to a consistent approach to determine terms and conditions.

Discussions with the ETU Senior Shop Stewards will occur immediately once the Company has an alternative shift arrangement proposal confirmed.

4.3 Shift Premiums

In addition to the circumstances which attract the application of shift premiums as described in the Ford Consolidated Award 1998, shift premiums will also apply in the following circumstances where leave is authorised in accordance with the Award or EBA provisions:

- * Public Holidays
- * Family Leave
- * Jury Service Leave
- * Bereavement leave
- * Blood Donors Leave
- * Emergency Services Leave
- * Military Service Leave
- * Shop Steward Education
- * Voluntary Redundancy
- * Long Service Leave to a Maximum of 5 Days
- * Sick Leave Used (Not Accrued or Paid) to a Maximum of 10 Days annually. In the event that less than 10 sick leave days are used in a calendar year, remaining days will be cumulative and carried into the following year but will not be carried forward past the term of this Agreement.

Employees will be required to work on the shift for a minimum period of six (6) months before shift premiums will apply for the purposes of the items listed above.

4.4 Shift Workers (ERT/CRO - continuous shift)

An employee working continuous shifts on an afternoon or night shift will be paid an additional 20 percent to their regular rate.

This should be read in the context of the existing shift work provisions outlined in the Ford Motor Company (Vehicle Industry) Consolidated Award 1998.

4.5 Market Response and JIT Mechanisms

Existing Agreement and Award provisions will continue to apply in the administration and applicability of JIT and Market Response Provision. The parties hereby acknowledge that the Income Security Benefit clause (3.3.2) and the Reduced Inventory payment clause (3.3-3) in the Ford Consolidated Award 1998 are separate clauses.

4.5.1 Market Response

Consistent with the 2000 EBA, in the event that a temporary downturn in the market necessitates the scheduling of down days, it is agreed that the first three (3) down days will be alternated on a one for one basis with the converted RDO's to PDO's. These arrangements would provide for the first required non production day to be a converted RDO, the second day to be a scheduled down day, the third to be a converted RDO etc....

The 1997 EBA provisions will apply in terms of the duration for Downtime.

Employees will be able to draw on outstanding accrued entitlements to top up their payments (of 50% or 60% as the case may be) to 100%.

4.5.2 Just in-time Provision

The parties agree to extend the Just in Time (or Reduced Inventory) payment to a maximum of 20 days in any 12 month period where employees are stood down due to a supplier disruption.

Payment will also not be made to any Union member as a consequence of industrial action taken or engaged in at any time by members of their Union/Division in any of the plants or operations of the vehicle manufacturers or their suppliers (eg. Vehicle Division disputes will result in no payment to Vehicle Division members).

4.6 Hours of Work

The Parties acknowledge that the 2000-2003 EBA provided for consideration of any reduction in working time only where appropriate and sustainable productivity actions could be achieved to fund the costs associated with a shorter working week. The parties also agreed not to pursue a 35-hour week through the bargaining process; however, they did commit to establishing working party during the course of the Agreement, to identify productivity actions needed to fund the reduction in working time.

It is agreed as part of this current EBA that a working party will meet within three (3) months of certification of this Agreement with a view to meeting the objectives set out in the 2000 EBA with respect to Hours of Work. This work may necessitate an examination of issues such as:

- * Cost impact of reduced hours of work.
- * Scope for, increased capacity as a result of a reduction in hours of work.
- * Potential for reduced annual hours of work.
- * Potential for reduced hours of work to be viewed across a normal working life.
- * Employment creation costs and offsets.

The parties also reaffirm their commitment not to pursue a shorter working week through the bargaining process.

4.7 Crib Breaks on Early Start Mid Week Overtime

According to Ford Award Clause 5.5.5(b) an employee working mid week overtime (Monday to Friday) will be allowed a crib break of twenty minutes without deduction of pay after each four hours of overtime provided they continue work after the paid crib break

The parties agree that for employees working overtime of four hours prior to their normal shift (Monday to Friday) that the 20 minute crib break may be soilt and employees may take a break of 1 0 minutes after each 2 hours of overtime worked. Alternatively, local operations may agree to spread the 20 minute break in some other manner.

4.8 Hot weather relief

The parties agree that should the temperature reach 37C the entitled hot weather relief break for that next hour and any subsequent hour while the temperature remains at 37⁰C or greater will be 15 minutes.

This should be read in the context of the existing Hot Weather Relief Procedures outlined in the 1997 EBA.

4.9 Travel Time

When travel time is necessary, occupational health and safety considerations will be taken into account, so that where practicable. It can be arranged that employees have at least a ten hour break without loss of pay before resuming regular working hours.

Where an employee has not had a break of at least ten consecutive hours between the end of travel time (as defined in the Ford Motor Company Vehicle Industry Consolidated Award 1998) and the start of their ordinary hours of work, the employee is required to contact their supervisor before the ordinary start time, to determine when they are required to commence work.

Where an employee has notified their supervisor (as above) and he/she has been directed to recommence ordinary hours of work for operational reasons, without having had a ten consecutive hours break, the employee will be paid at double the ordinary rate of pay until they are released from duty.

Should an employee not be able to contact their supervisor they will take the mandatory ten hour break before recommencing work.

4.10 Business Structure Change

4.10.1 Vision

The parties acknowledge that Ford of Australia's business success will be determined by its ability to transform itself over time to respond to changes in the external environment, including customer choices and competitive challenges. Furthermore, to the extent the Company is unable to move nimbly through implementation of strategy, the business viability will be impacted over time.

The parties believe strongly that effective change management requires appropriate consultation and involvement with the unions at all levels as early as possible prior to implementation of key decisions.

The parties will Work together to:

* Support Ford of Australia's efforts to generate acceptable returns on investment by all reasonable means so that the Company can fund:

- Future technological developments
- New product plans and associated investment
- Increases in capacity
- Investments into facilities and equipment.

* Achieve best in class levels of performance in terms of quality, productivity, cost and reliability of supply to all Ford of Australia locations.

All parties recognise that the Company's continued development of product plans and investment in Ford of Australia is dependent upon the successful achievement of this vision, and that this vision forms the only real basis for lasting security of employment. All parties agree to take the necessary actions to realise success in this area.

4.10.2 New Processes for Consultation on Business Structure Change

The parties recognise that significant changes to business structure are required from time to time to sustain the business as described in the parties' vision of arranging change. The Union(s) recognise that commercially based decisions to change the business structure go to the viability, efficiency, and profitability of the Company and remain the responsibility of Management. The Company recognises that it has an obligation to present the business rationale for any significant business structure change to the Union(s) representing employees who will be impacted. Further, the Company has an obligation to:

* Assure consensus is reached with union leadership regarding the business case for the proposed business structure change.

* Negotiate the social plan for employees impacted by any business structure change.

The process for developing consensus on these matters follows:

1. Ford of Australia will notify and consult with the relevant Union/Divisions on any proposals where:

* Consideration is being given to introduce significant organisational change including restructuring and outsourcing, but not including day to day operational and continuous improvement matters covered elsewhere in this Agreement.

* The Company has taken an outsourcing decision and the Union does not support the decision.

2. The relevant Union/Divisions will be notified in writing of the business case for the proposed business structure change along with the expected impact on employees.

3. The Company and the Union will, at this stage, develop a consensus with respect to the business case and social plan.

4. Appropriate union representatives will be involved in the process of consultation and communication with affected employees.

5. Company and Union leaders will meet to reach consensus on the business case and the social plan, including communications, for employees impacted by the business structure change.

6. The Company will, in good faith, consider alternatives proposed by the Union which meet the business objectives. Company and Union leaders will reach consensus on the business case and the social plan within 4 weeks of the proposal being provided to the Unions for consideration. The parties may agree as a part of the process to extend the time frame if required.

7. The Company and FVIU will refer any open issues surrounding the business case and/or the social plan to the AIRC for resolution via conciliation. If the issues have not been resolved through the conciliation process, the matter may be referred to the AIRC for arbitration with joint agreement.

4.10.3 Outsourcing

Definitio

Outsourcing shall be defined as situations where Ford contracts work that is currently performed exclusively by employees of Ford to another company or contractor.

The Company acknowledges that there is a legal framework pertaining to the "Transmission of Business". The Company remains committed to fully complying with these arrangements.

Notification and Consultation on Outsourcing Studies

The Company will provide written notification to the relevant Divisional or State Secretary of the affected Union and the Chairperson of the FVIU prior to the decision to outsource work.

A meeting with State and/or Federal officials of the union will be held to discuss the sourcing decision being considered prior to the Company taking a decision. The Company will provide the union with:

- * Business rationale;
- * Potential suppliers being considered;
- * Anticipated timing of the action being considered; and
- * Numbers of employees (both direct and indirect) affected by the outsourcing action.

It is the intent of the Company to redeploy all employees impacted by outsourcing actions within the same shift, classification, and Site (Broadmeadows, or Geelong) under the principle of no disadvantage during the term of this Agreement.

In the event that the Company needs to consider an outgoing action that is not presently foreseen and it is of the magnitude that there would be insufficient opportunities to place all employees, the Company will present the Union with the business case which will include an assessment of potential suppliers' technological capability, quality and delivery performance, cost competitiveness, and their industrial environment. All things being equal, those companies that have demonstrated a sound industrial environment will be given priority in the selection process.

The Company and the Union will then attempt to reach consensus on the business case and the social plan for impacted employees. If the parties are unable to reach consensus on these matters within two (2) weeks, the Union will notify the Company in writing that it seeks to reach resolution on these matters through the Business Structure Change provision of this Agreement.

In the course of information exchange, the Unions commit to dealing with commercially secret information provided in this process responsibly, and commit to not reveal this information to any third party.

The Unions recognise the Company's right and responsibility to make these business decisions while the Company recognises the Union's rights to represent employees as described in our Agreements.

The Company reaffirms the Contractor Consultation process outlined in the 2000 Agreement, however, this process is outside the scope of the Outsourcing provision.

4.10.4 Structure of Consultative Bodies

The parties agree to establish consultative mechanisms to address areas of shared interest, operating to standard agendas developed by the parties. It is essential that the Senior Company and Union officials take their responsibilities with respect to consultation seriously. Therefore, it is not appropriate for appointed members of consultative bodies to send representatives or proxies.

PLANT/SITE COMMITTEE STRUCTURE:

The conduct of the following consultative committee structure will not diminish the conduct of committees such as the OH&S Committee at each Plant, Site or Location

Area Consultative Committees (ACC)

The role of the ACC is to assure improved consultation between Area Management and Area Stewards on continuous improvement matters, including:

1. OH&S
2. Total Cost Improvements
3. Diversity/Work Life Balance
4. Labour Levels Changes
5. Non-Traditional Forms of Employment
6. FPS
7. Sales Performance
8. Facility Changes
9. Volume Changes
10. Quality Results
11. Implementation of EBA
12. Other matters deemed relevant by either party.

Membership of ACC:

1. Area Manager
2. Area HR Co-ordinators
3. Area Stewards

The ACC will meet on a weekly basis and the minutes shall be distributed for display on notice boards.

* Plant/She Consultative Committees (PSCC)

The role of the PSCC is to assure improved consultation between Company management and Senior Stewards at each Plant or Site on continuous improvement matters, including:

1. OH&S
2. Total Cost Improvements
3. Diversity/Work Life Balance
4. Sales Performance
5. Facility Changes
6. Volume Changes
7. Quality Results
8. Other matters deemed relevant by either party.

In addition, the PSCC will, as part of the agenda, include the following matters. The parties will reach consensus that these matters are being executed in accordance with the Agreement:

1. Labour Levels Changes
2. Non-Traditional Forms of Employment

3. FPS
4. Implementation of EBA

PSCCs are defined for the purposes of this provision as:

1. Broadmeadows Assembly Plant
2. Geelong Powertrain (including Casting Plant)
3. Geelong Stamping Plant
4. FCSD.
5. Product Development (includes representatives from Proving Ground and Product Engineering Office).

Membership of the PSCC:

1. Plant Manager or Site Manager
2. Plant/Site HR Manager
3. Plant/Site Senior Stewards of Each Union/Division Represented at the Plant/Site
4. AMWU - Vehicle Division Organiser

The PSCC will meet weekly or as otherwise agreed fortnightly. Minutes of the meeting will be distributed for display on notice boards.

JOINT STEERING COMMITTEE STRUCTURE

* Joint Strategic Issues Committee (JSIC)

The role of the JSIC is to operate at a Corporate Strategic Level on matters pertaining to OH&S, Diversity and FPS. This committee replaces the former Corporate Steering Committees in the areas of:

1. OH&S
2. Diversity and Work Life
3. FPS

The parties will meet quarterly, and they will devote equal time to each of these three important areas of mutual interest. Extraordinary meetings may be called as required.

Membership of the JSIC

1. Vice President, Manufacturing
2. Vice President, Human Resources
3. Labour Relations Manager
4. Chairperson FVIU
5. Assistant Federal Secretary Vehicle Division
6. Regional Secretary Vehicle Division AMWU
7. Organisers Vehicle Division
8. Organiser Metals Division AMWU
9. Organiser T&S Division AMWU
10. Organiser CEPU - ETU and Plumbers
11. Organiser APESMA

4.11 Labour levels - Non Trades

The parties acknowledge that Labour level mechanisms are required at each location to ensure effective operations. The parties therefore agree to:

* Conduct a joint review of Labour levels at each plant/location.

* In Manufacturing Operations this review will consider:

* Base operating levels or required to operate numbers;

- * Review & attendance patterns and leave entitlements to establish absence cover where appropriate;
- * In other operations (eg - FCSD), a required to operate number will be established to take into consideration the needs of that operation.
- * Any changes to required Labour levels will be communicated through the relevant area consultative committee.
- * The Company commits to ensuring Labour levels are maintained taking into account demonstrated productivity plans/actions, attrition, attendance levels, light/restricted duty requirements and volume/capacity changes based on the standard operating pattern in each operating area.
- * Hiring decisions will be based on established Labour levels. Where a hiring need has been identified, a commitment to hire will be confirmed at the next Plant/Site Consultative Committee.
- * These provisions will be read in conjunction with the Managing Change provisions.

4.12 Non traditional forms of employment - Non trade

In considering the use of non traditional forms of employment, the Company and the Union are jointly committed to growing the Company and full-time employment opportunities. The use of fixed term, part time or supplemental labour will not be used to erode full-time employment opportunities or replace full-time positions. Both the Area and Plant/Site Consultative committees will examine and confirm that all proposals to add fixed term, part-time and supplemental labour are consistent with this Agreement.

These forms of non traditional employment will be the only forms of non traditional employment to apply to non-trade employees in the life of this agreement and will apply to the exclusion of the existing casual, temporary and part time provisions in the manufacturing plants.

4.12.1 Fixed term employment - Non Trade

This provision is intended to clarify the arrangements covering the use of fixed term employment.

Fixed term employment will be used to cover short-term requirements including new model launches, short term needs and to provide coverage for leave.

It is intended that fixed term appointments should be for a period of not less than two weeks, up to a period of not more than three (3) months in the first instance.

Further periods of employment may be offered when a business need exists and the Plant/Site Consultative Committee confirms. The Union commits to not unreasonably withhold confirmation to offer further periods of fixed term employment where a business case can be established or where exceptional circumstances apply.

Where the short-term needs of the Ford Customer Service Division cannot be accommodated within this clause, the Company and the Unions will have separate discussions around the use of alternative forms of employment in the Customer Service Division.

4.12.2 Supplemental Labour - Non Trade (Weekend Production Overtime)

Employees from other Ford operations will be given the opportunity to work overtime at weekends. This will be done via a Company bulletin which will normally be posted at least one week in advance, except in exceptional circumstances (e.g. to make up production time lost due to a JIT stand-down). When there is a shortfall in uptake

for production overtime, the Area Consultative Committee will agree to augment labour via the use of the supplemental labour pool.

The parties agree to extend provisions related to supplemental labour to cover Geelong. The supplemental labour pool will initially be limited to 50 employees to cover weekend overtime requirements with the understanding that all employees in the same Division on the Site have been advised of the overtime opportunity and those employees expressing a desire to work the overtime have been accommodated before the supplemental labour pool is utilised.

If the initial pool of 50 people is insufficient to support weekend production overtime, the Plant/Site Consultative Committee will take the following steps

- * Review employee take-up of overtime
- * Review supplemental labour pool take-up
- * Review upcoming overtime requirements
- * Extend the supplemental labour pool up to 150. The Parties agree that the pool may be extended beyond 150 once the above conditions are met and the plant/site consultative committee confirms. The Union commits to not unreasonably withhold confirmation to extend the supplemental labour pool in these circumstances.

Introduction and subsequent extension of a supplemental labour pool at Geelong will be discussed at the appropriate plant/site consultative committee.

In addition, the supplemental labour pool will be engaged using the appropriate employment classification. The rate of pay for these employees will be in line with the award and enterprise agreement and will be established in an exchange of thus between the Divisional Secretary of the AMWU and the relevant HR manager

A rostering system for the supplementary labour paid will be established to ensure access to work for people with the requisite skills is fair.

4.12.3 Part-Time -Non Trade

Part-time work is available to current employees, providing the arrangements take into account the needs of the business and work/life balance.

Examples of where part-time work arrangements may apply include:

- * To allow primary care givers to work part-time for an agreed period; and;
- * To accommodate phased retirement.

Before commencing part-time employment, the Company and the employee must agree:

- * the employee may work part-time;
- * the work to be performed; and
- * the commencement and duration of part-time employment;
- * the hours to be worked each day;
- * the actual commencing and finishing times for the work day; and
- * the terms of this agreement or any agreed variation must be in writing and signed by the Company and a copy given to the employee and Plant/Site Consultative Committee.

The designated hours a week for a part-time employee will be between 16 hours to 24 hours per week. The Plant/Site Consultative Committee will review current part-time working arrangements that fall outside of these hours, taking legal, social and personal circumstances into account.

All pay and leave entitlements shall apply on a pro rata basis for part-time employees. In addition, when a part-time employee's normal paid hours fall on a recognised public holiday, employees shall not lose pay for that day.

Work in excess of an employee's agreed hours per day will be paid at the appropriate

overtime rate.

Appointments to part time may be up to twelve (12 months and will be reviewed by the Plant/Site Consultative Committee on an annual basis.

4.13 Consultative Mechanisms

The parties recognise that effective implementation of Labour levels and non traditional forms of employment provisions will require monitoring.

To this end Area and Plant/Site consultative mechanisms will monitor labour levels and non traditional forms of employment as a standard agenda item at each of their meetings.

The Plant/Site Consultative Committee membership will be the Senior Shops Stewards of the Unions or Divisions represented at the location, the Vehicle Division of the AMWU Organizer, the Plant Manager, HR Manager and the Operations Manager.

Area Consultative Committee membership will consist of all Shop Stewards in the area, the Area Manager, Superintendent and HR Coordinator. The Area Consultative Committee will have equal Company and Union representation with a minimum of four (4) participants,

The Plant/Site Consultative Committee will be the principal operating mechanism. The Plant/Site and the Area Consultative Committees will:

Review terminations and transfers and initiate actions to* ensure the maintenance of established labour levels.

* Review any need for fixed term employment.

* Establish exit plans for fixed term employees where there is no permanent employment opportunity or the employee is not deemed suitable for permanent employment.

* Communicate opportunities for part time employment.

* Assess requests for part time employment,

* Review and confirm part time employment applications for extensions of their arrangements beyond 12 months.

* Assure Area Consultative Committees are managing supplemental labour for weekend production overtime in a manner consistent with the Agreement.

* Monitor the roster of supplemental labour for equitable access to overtime.

* Ensure that all employees appointed for the supplemental labour pool have an induction prior to their working a production overtime shift.

Plant/Site Level Consultative Committees will review labour levels and Non Traditional forms of employment and will have labour levels and Non Traditional Employment as a standard agenda item. These committees will ensure that areas are maintaining their labour levels and that non traditional forms of employment are appropriately implemented and monitored. A standardized report will be developed for this purpose and tills will be jointly developed by the Plant/Site consultative committee.

This notwithstanding, it is the responsibility of line management and the local HR management to make employment decisions. These decisions will be consistent with this Agreement.

5.0 BUSINESS GROWTH & CONTINUOUS IMPROVEMENT

5.1 Ford Production System (FPS)

Ford Australia in partnership with the FVIU will work together to continuously improve our operations with the aim to achieve best in class manufacturing, to maximise business viability, future growth opportunities, enhanced employee satisfaction and job security.

The parties re-affirm that for FPS to provide significant benefits to employees it must have full involvement, joint understanding, trust and commitment of the Company, Unions and all employees. To develop and strengthen these four factors the parties agree to establish joint consultative committees at the Corporate, Plant/Site and Area levels. These committees will replace the broad range of existing consultative committees and will operate with transparent and clear systems, goals, roles and responsibilities for consultation, decision-making and communication within the framework below:

Joint Strategic Issues Committee
(JSIC)
Strategic

Plant/Site Consultative Committee
(PSCC)
Tactical

Area Consultative Committee
(ACC)
Operational

The Joint Strategic Issues Committee (JSIC) holds responsibility for monitoring, reviewing and agreeing on the successful implementation strategies for FPS tools and processes prior to the rollout to the Plant/Site Consultative Committees (PSCCs). As a part of this ongoing role the parties agree that

* The JSIC will continuously evaluate changes to FPS as it evolves, The parties intend that this process will ensure the continued smooth implementation of FPS within the context of an agreed framework (Consultative Committee Structure).

* Should either party be of the view that the implementation framework is acting to the detriment of either the Company or the Union the JSIC will meet to discuss and resolve all issues on a consensus basis.

Neither party will proceed with further action on an issue under review by the JSIC. All parties commit to extend their best efforts to resolve every agenda item presented for their consideration during the meeting, To the extent these issues are not resolved the JSIC will hold extraordinary meetings in order to resolve the issues.

Where there is a concern raised regarding the implementation of FPS, the issue will be addressed at the Area Consultative Committee (ACC). If the concern remains unresolved it will be raised at the PSCC for resolution. The parties recognise that strategic issues will be resolved to the satisfaction of the parties once elevated to the JSIC level.

To enable these outcomes both Parties agree:

* That FPS activities and initiatives must be consistent with, and not breach, present Awards and EBAs.

* To no compulsory redundancies as a consequence of the initiatives associated with FPS.

5.2 Supply and Logistics

To provide employment growth and job security, future product programs will require efficient and globally competitive logistics practices including the continued implementation of sequencing. In building on these practices, previously introduced in the 1997 & 2000 EBA's, the industrial parties recognise the importance of these methods, and the need to work together to ensure their introduction in a timely and safe manner.

The parties agree that these new logistical arrangements are designed to ensure successful growth, based around the introduction of the next generation Falcon, Territory and other programs.

The parties accept that the joint focus is the maintenance of Australian manufacturing jobs. To this end, it is agreed that any external sequencing will be locally sourced and that the delivery arrangements for these are for a Hated number of commodities as specified in this Agreement and any exchange of letters between the company and the chairperson of the FVIU.

The parties agree to the following

5.2.1 Externally Sourced Commodities

The Parties have agreed in the 2003 EBA to the continued implementation of sequenced point of fitment delivery in Broadmeadows Plant for up to 20 externally sourced commodities. Where the Company may require the delivery of externally sequenced parts to the point of fitment up to and beyond the agreed maximum of 20 commodities the Company will identify the need to the Chairperson of the FVIU and reach agreement through an exchange of language. This does not imply that further agreement is required for the Company to continue to deliver commodities presently being delivered in this manner. The introduction of all new commodities to this process are subject to the provisions below:

1. Delivery of externally sequenced parts and material to the point of fitment by suppliers or representatives, over and above those commodities presently being delivered in this manner, will only involve commodities which are mutually agreed by the parties. These arrangements are not applicable to externally sequenced parts delivered to the Receiving Zone.
2. Delivery for other parts will be to the Receiving Zone (defined below) via the most appropriate plant entry point. For these other externally sequenced parts, where a forklift is required to the point of fitment, it will be by Ford Personnel. In these cases, Ford personnel will be responsible and accountable for timely delivery to the point of fitment
3. Where these delivery arrangements include commodities outsourced from Ford, the terms and conditions of Ford employees will not be undermined. Outsourcing shall be handled in a manner consistent with the provisions of the "outsourcing clause" of this agreement.
4. Ford will only contract for delivery arrangements with a potential supplier in accordance with this Agreement.
5. To improve the efficiency of the current Lead Logistics Provider (LLP) delivery arrangements, a Receiving Zone at Broadmeadows Plant will be defined by:

North of Trim Lines and Body Operations, East of Clam 2 Line, South of Clam 3 Flat Top (refer diagram below).

"Receiving Zone"

"Main Arena"

Final - Flat Top

PDA

Manufacturing Trim

Wheels

EDU

R/A

For the Lead Logistics Provider (LLP), this will invoke unloading/reloading their deliveries at market places and bulk storage areas at designated locations within the defined Receiving Zone. Access will be via the most appropriate plant entry point. The Joint Introduction Team will work together to identify the optimal locations of these market places and bulk storage areas.

These arrangements are aimed at reducing congestion and increasing efficiency of existing delivery arrangements, not at increasing the number of parts delivered by the LLP. This notwithstanding, the number of parts delivered by the LLP may increase over the term of this Agreement

5.2.2 Introduction of Changed AMP&L Practices and Processes

The Joint Introduction Teams, consisting of the relevant Senior Steward and Plant Organiser with the inclusion of the Shop Steward(s) of any affected area, will oversee this process with appropriate Management representatives. The intent of this process is to work towards consensus in the successful introduction of these changes.

New delivery arrangements will be signed off by the Joint Introduction Teams to assure all matters relating to the following are considered:

1. Congestion and OH&S will be addressed
2. information on delivery routes, marketplace locations, employee impact and any other matters deemed relevant by the Joint Introduction Team will be provided.
3. Communication - ensuring all employees are aware of the introduction plans, timing and logistics will be assured.

Any expansion of the Receiving Zone will be a matter for the Joint Introduction Teams to consider and reach agreement. Concerns identified will be resolved prior to implementation.

All discussions within these meeting(s) shall be minuted and outcomes stipulated. Outcomes of these meetings will be confirmed in writing, between the HR Manager and the Vehicle Division Secretary.

Where any matter of interpretation arises which requires clarification, it shall be referred to the relevant Union/Divisional Secretary and the relevant Ford HR manager for discussion and agreement over the most appropriate course of action. These arrangements shall be formalised, once resolved, through an exchange of letters.

It is recognised that a limited number of MP&L or Transport drivers may be affected by these changes. There will be no compulsory redundancies as a result of these changes - any current MP&L or Transport drivers directly impacted by this provision will be provided alternative employment, in their same classification (e.g., mobile equipment and driving). The small number of production employees who may be directly impacted by these changes (due to their current involvement in sequencing) will have the opportunity to be placed in a market place.

5.2.3 Supply and Logistics Practices - Geelong

* A Supply and Logistics Review Committee consisting of Senior Stewards (Vehicle Division), Plant Organiser, the steward/s of the affected area and the relevant management will be established in Geelong to review the potential for logistics improvements. Extension of the Broadmeadows supply and logistics practices described in the 1997 and 2000 EBAs to the Geelong facilities will be mutually agreed to by the parties through this committee. Should the parties agree to extend the subject practices, those agreements will be confirmed through exchange of correspondence between the Vehicle Division Regional Secretary and the relevant HR representative.

* Geelong's Supply and Logistics Review Committee will operate upon the same basis as the charter defined in this agreement for the Joint Company/Union Introduction Committee for the Broadmeadows site as defined in this agreement.

5.2.4 Drivers of Mobile Equipment

The parties recognize the inherent safety risks associated with the use of mobile equipment as well as the direction of Legislation and Worksafe. The parties agree to cooperate to eliminate the risks associated with the operation of mobile equipment and identify safe practices for their use. Further, the Company will ensure that drivers receive training and education to ensure that they are able to perform their duties in a safe and effective manner.

6.0 ORGANISATION & EMPLOYEE DEVELOPMENT

6.1 Transition from VIC to Certificate II Automotive Manufacturing

The Company and Union jointly recognize the significant contribution the Vehicle Industry Certificate (VIC) has made in providing Ford with a highly skilled and flexible workforce. Governments, employers and unions have jointly supported the introduction of the Competency Based model of vocational training and assessment as an integral part of the Structural Efficiency Principle. The new endorsed Certificate II Automotive Manufacturing - Passenger Motor Vehicle has formally replaced the de-registered VIC.

The Parties agree to work collaboratively on all issues impacting on the transition from the present, curriculum based VIC, to the new competency based Cert II Automotive Manufacturing. The Parties agree that the implementation/transition to new structures, systems and procedures, etc will comply with the requirements of current Ford Industrial Agreements, the Australian Quality Training Framework (AQTF) and the Automotive Industry National Training Package (NTP).

The Parties further agree as a guiding principle that no employee will suffer any reduction or diminution of pay or conditions of employment as a result of the transition process.

The Vice President HR and FVIU Chairperson will jointly agree on, and formally sign-off all processes by December 2003 (at the latest) to ensure that the Company maintains compliance with the AQTF requirements, including:

Consultative Structures:

The existing VIC Joint Steering Committee has been renamed as the Non-Trades Joint Steering Committee (NTJSC) and will input into and make recommendations to ensure a smooth transition.

Qualifications Transfer

The Parties agree that under the AQTF principles the Company recognizes the Equivalence of Qualification between the VIC and the Cert II Automotive Manufacturing.

Progression models/completion timeframes:

The present Non-Trade Classification Structure (pay levels and points) will not change; however the Parties jointly acknowledge the Ws and knowledge requirements for progression through the paypoints will differ from the current curriculum based VIC model to the new competency based Cert 11 Automotive Manufacturing system.

The Parties agree that consistent with present practices, Competency Based approaches are explicitly not time-served and the individual trainees will progress in line with their personal aspirations and abilities. The Parties jointly agree that the nominal times for progression will be equivalent between the old and new processes and that the Company will ensure that resources are available so that employees are not disadvantaged through lack of access to off -on-job training or job rotations.

Delivery of Training:

The Parties acknowledge that the transition to the competency based training and assessment model will impact on delivery methodology. The Parties agree that while maintaining an appropriate level of off-job training to ensure a sound knowledge base, the emphasis will be more strongly on practical on-job learning, coaching and feedback, and holistic development and application of competence in the work place to suit the learning and progression needs of the individual.

The Parties agree to complete the transition to the new structure and systems by the end of 2003 in line with AQTF, NTP and present Agreement requirements. The timing of full implementation/transitioning of operational procedures and practices will be jointly agreed but be rolled out in an ongoing manner to maintain compliance with all requirements.

* RPL/RCC:

The Parties agree that for transitional purposes, existing employees at the 3B level will not require Recognition of Current Competencies (RCC) or Recognition of Prior Learning (RPL) processes. As per present Agreements and Policies, and in line with the AQTF the Company will continue to support RPL/RCC as appropriate.

* Appeals Mechanisms:

* Assessment processes/criteria:

* English as a Second Language issues:

6.2 Translation to the Non-Trades Integrated Career Path

The parties agree to implement a competency based integrated career structures for Non-Trades employees under the following Rules and Conditions:-

* An appropriate joint working committee with representatives from the Union and the Company will hold responsibility to ensure effective implementation.

* An agreed external consultant will be appointed to align positions against

appropriate nationally endorsed standards, qualifications and training packages at AQF3 and beyond.

* All structures, systems and procedures will comply with the requirements of the present Industrial Agreements, the Australian Quality Training Framework (AQTF) and the appropriate National Training Packages.

* Assessment systems will include procedures for:

* Assessment against defined standards

* Moderations to ensure quality control and reliability

* All parties to have an equal right of appeal to ensure fairness through an agreed mechanism.

Throughout the life of this Agreement the parties agree to analyse and align existing 3A (designated positions) or other potential positions identified by the parties, against identified AQF3 qualifications (benchmarked as equivalent to the AQF3 FCSD Warehouse and Base-Trade positions using the process agreed in Appendix #3 & 4.

* If positions are identified beyond the present Non-Trade Classification Structure the parties have an in-principle agreement that they will negotiate and agree on appropriate structural level(s) and pay rate(s).

* NWGL positions will be aligned against agreed AQF3 qualifications (e.g. FMI Cert 3).

* If, as a result of an employee being assessed, the employee does not satisfy all requirements of the job they are performing and which has been identified at either a NWGL or 3A Level, the employee will retain their existing classification and pay level. In this case the employee will be required to gain the competencies required, over an agreed period of time and in line with their IDP to ensure performance consistent with their required level, or before they can progress further through the classification structure.

* As previously agreed, retirement scenarios developed as part of the Ford 2000 EBA: Section 6.0 Organisation and Employee Development - Appendix Agreement: Natural Work Group Leader Development Program, Guidelines for Selection, Development and Support (November 2001) Section 4.2 will be utilised as required.

To assist the Unions with a better understanding of transitioning to Competency Standards the Company agrees to providing union representatives relevant training prior to implementation.

The parties agree to comply with the agreed Administrative Rules contained in Appendix #3 & 4 in the development and implementation processes,

6.3 AQF 3 Natural Work Group Leader Development Program

The parties agree to implement the Front Line Management Certificate 3 for Non-Trades NWGL.

The parties agree that the program will commence within three months of the ratification of this Agreement and will be fully implemented within twelve months of this date.

Wherever they match the Training Package/Qualification requirements, the previously agreed procedures developed as a result of the Ford 2000 EBA: Section 6.0 Organisation and Employee Development - Appendix Agreement: Natural Work Group Leader Development Program, Guidelines for Selection, Development and Support (November 2001) Section 4.2 will be utilised in the roll out of this program.

The parties agree that consistent with previous agreements, that NWGL who are presently at the 3B level will be reclassified to the 3A pay point in addition to their NWGL Allowance, upon successful attainment of the qualification.

6.4 Non trades - Adult Apprentices

The Company and Unions are committed to the principles of diversity and equal employment opportunity as defined within the Company Policies. The Company will continue to actively seek and encourage inclusively in our processes on access to appropriate learning and development, recruitment and career progression relating to:

- * Gender Balance
- * Age
- * Ethnicity
- * Internal/external hiring

6.5 Trades - Competency Based Classification Structures

The parties agree to maintain the principles of the Structural Efficiency Agreements and subsequent agreements including:

- * All employees will have access to career progression through the levels in the structure subject to their acquiring the appropriate competencies (skills and knowledge) and exercising these competencies as required in their employment.
- * All trade employees will continue to have access to the training programs to enable them to progress through the career classification levels.
- * Current arrangements concerning training leave and Individual Training Plans will be maintained, unless agreed otherwise.
- * There will be no artificial restrictions on the number of employees who can progress to each level in the structure in each defined work area.

The parties acknowledge the following:

- * The relevant training qualifications are progressively moving to a competency basis as was envisaged in the original Structural Efficiency Agreements.
- * When the transition is complete the current requirements for each classification level will need to change.

The Company and Unions agree to implement Competency Based Classification structures for all trades employees.

The parties recognise the need to understand the ramifications and limitations of competency based training systems. To facilitate this a joint working party will be established comprising Trade Union and Company nominee,⁴ to develop and identify recommendations for an agreed progressive implementation. The status quo in regard to trades progression will remain until the joint working party reaches agreement on the details of the competency based system.

To support this transition from the current trades career structure the following general guidelines will apply:

- * An agreed joint working committee with representatives from all Trade Unions and Company representatives will hold responsibility to ensure effective implementation.
- * An agreed external consultant will be appointed to align the skills required in each major work area against the appropriate nationally endorsed standards,

qualifications and training packages. The (dimensions of each work area will continue with changes being agreed by the joint working committee.

* All structures, systems and procedures will comply with the requirements of the present Australian Quality Training Framework (AQTF) and the appropriate National Training Packages.

* Assessment systems will include procedures for:

* Assessment against defined standards

* Moderations to ensure quality control and reliability

* All parties to have an equal right of appeal to ensure fairness through an agreed mechanism.

* New employees after the system is finalised will be able to achieve each classification level if they acquire the necessary competencies from those relevant to their broad work area or if they compete a relevant competency based qualification.

* If as a result of an existing employee being assessed the employee does not satisfy all requirements of their existing classification level, the employee will retain their existing classification and pay level. Employees who do not satisfy the requirements for their existing classification level must be prepared to undertake agreed reasonable training which will be incorporated in their agreed Individual Development Plan so as to move towards matching the new requirements for their existing classification level, provided access to such work and training is made available by the company. When an employee wishes to progress beyond their current level they will be required to gain the required competency levels prior to further progression in the structure.

Progression will continue as per the existing system during the period until the new system is fully agreed and available.

To assist the unions with better understanding of transitioning to competency standards the company agrees to providing union representatives relevant training prior to implementation.

The parties therefore agree to comply with the agreed Administrative guidelines in the development and implementation processes.

6.6 Trades Training

6.6.1 Progression within trades structure

Employees will be able to request assessment when they feel they have reached the required standards. The assessment will be carried out as soon as possible in line with work requirements and availability of staff. This will normally be within two weeks.

6.6.2 Training Consultative Group)

The parties agree to re-establish a Trades Training Consultative Group. The members of the Trades Training Consultative Group will be comprised of:

* Relevant Plant/Site Union, Management and L&D representatives

This committee will have a broad range of roles & responsibilities including:

* Identifying training directions and strategies,

* Overseeing training and assessment system and processes;

* Promoting training relevant to operational areas; and

* Overseeing transition to competency based structures.

An agreed external consultant with experience in trade classifications will be used to support this transition process.

6.6.3 Trades Career Structure

All parties agree that relevant training is important to the future strategic direction of the Company and thus individual development should be an integral part of the career progression mechanisms.

Present shared training arrangements will continue to apply, unless otherwise agreed.

The parties agree to conduct a review on the extension of the existing Trades Classification Structure following the full transition and implementation of Competency Based Structures, Systems and procedures with all relevant trades employees.

If appropriate the review will also include representation from the Technical and Supervisory Division of the AMWU.

6.6.4 Trades training on new machinery and technology

Ford commits to ensuring that departmental trades employees, who will work with that new machinery and technology, will receive the appropriate training. This opportunity will be extended to those trade employees as the job requires, and within an agreed timeframe. For the purpose of this clause, appropriate training is that which has considered:-

(a) the possibility of conducting on site training be given by manufacturers/suppliers, or certified training provided by other providers); and

(b) the ability to apply the learning outcomes to agreed competency standards.

6.6.5 Electrical Apprentices Training

Ford agrees to support an on-going and viable Electrical apprentice program. To this end the Company commits to maintaining an electrical apprentice presence across its manufacturing Operations of a minimum number of 40 apprentices, 12 for Powertrain Operations, 12 for Stamping Operations and 16 for Broadmeadows Vehicle Operations.

The Electrical intake of apprentices commencing in January 2004 and subsequent years will comprise 6 for Geelong and 4 for Broadmeadows each year building to the numbers agreed above. These apprentices will not be guaranteed employment with Ford at the completion of their apprenticeship.

Operating Management and the Senior Electrical Stewards will conduct a review no later than June each year to consider whether offers of on-going employment will be made to those graduating apprentices hired from January 2004, and should consider attrition during that year, appointments to traineeships, volume increases and facility programs.

6.7 Training Department

The Parties agree that the roles and responsibilities of the Trainers have changed and evolved over time. To reflect these changes it is agreed that the trainers' role will now include the following:

6.7.1 General Training Duties

* The principle role of the trainer is to deliver accredited vocational training, to ensure that employees have knowledge and skills to operate competently in the workplace and progress effectively through the career structure. Trainers will also deliver and facilitate a range of formal and informal training, (for example but not limited to: FPS, ECPL refresher, diversity training etc.), to their content/vocational level, irrespective of the level or classification of the trainee.

* As per all direct and indirect Roles and Responsibilities included in Ford Agreements.

6.7.2 Specific focus duties recording NWG's:

Notes: Trainers to be aligned to specific work areas, however they may not be geographically located in the work area unless already situated there or with their agreement.

Deliver training, coaching and ongoing support in line with Company requirements to individuals and NWG's so that knowledge and skills acquired are applied and improved as per agreed training plans

* Liaise with a range of staff (eg; Individuals, NWG's, NWGL's, supervision, shop stewards, management L&D, safety and appropriate committees), etc to:

* Identify training needs (in/formal).

* Plan and schedule training and development activities.

* Monitor and maintain individual, area and department Training Plans/Matrices,

* Monitor compliance of training/development against agreed plans o Evaluate outcomes/effectiveness of training activities.

* Monitor, review and evaluate NWG/Individual's training outcomes against learning outcomes and competency standard .

* Report compliance and effectiveness of NWG/individual training and development activities as required.

* Liaise with L&D Co-ordinators re: scheduling/development of training and development activities as required.

Employees who presently receive the Training Allowance and who are assigned to specific duties including NWG Coordination or VIC/Cert II transition, etc, will also receive the increased Allowance on the condition that their roles and responsibilities are agreed and updated to reflect the evolution of their roles.

Notwithstanding the agreements on the equivalence of job roles and responsibilities, in response to the requirement to achieve competence in this specific qualification only, the Company agrees to increase the Senior/Trainer Allowance by \$10/week.

The parties and the trainers agree that an allowance, as opposed to et career structure, is the appropriate means by which to recognise and reward the skills of Trainers.

6.6 Shared training

The Company re-iterates its ongoing support to the principle of accredited training and progression through the career structures as outlined in the Structural Efficiency Principles for trades and non-trades employees.

In accordance with the principle, the Company will continue to support the concept of shared training in line with our previous agreements, and in line with the requirements of competency-based training.

7.0 EMPLOYMENT SECURITY

7.1 Voluntary Separation

The parties agree that Voluntary Separation Packages (VSP) will be enhanced by the Company providing:

- * Severance payout of 3.1 weeks per year of service up to a maximum 75 weeks (excluding notice).
- * External Financial Management counselling up to the value of \$500.00 by an FVIU approved provider
- * Outplacement services to the value of \$1000.00 by an FVIU approved provider
- * EAP Counselling services where requested
- * Senior Stewards will be provided capacity to recommend employees for VSP on compassionate grounds. These arrangements will require the approval of the Plant Manager or Site Manager.

8.0 SALARIED ISSUES

8.1 Preamble

Matters raised in this section of the Enterprise Agreement are intended to deal with specific issues relevant to salaried employees.

This section should be read in conjunction with the full Agreement.

Where similar issues are covered by other clauses in the full agreement, provisions in this section will prevail for salaried employees where any inconsistency exists.

8.2 Weekend International Travel - Salaried Employees

The following applies in relation to international air travel taken on weekends and Australian gazetted public holidays.

Where possible, the Company will encourage employees to travel overseas on weekdays. If an employee is requested by management to undertake international air travel on a weekend (Saturday Sunday) or Public Holiday for business purposes. The employee will be eligible to receive a lump sum payment of \$465 or K agreed by management and the employee to take time off in lieu. The lump sum payment will be reviewed annually.

Claims for the lump sum payment should be made after the employee returns from overseas and be signed by the employee's manager.

Detailed guidelines related to the application of this clause are subject to a memorandum of understanding between the parties.

8.3 Travel Arrangements for Salaried Employees

The parties agree to establish travel protocols for employee travel, paying particular attention to Occupational Health and Safety issues, within three months of certification of, this agreement.

8.4 Newly appointed supervisors

A program will be developed by the parties within 3 months of the certification of

the Agreement to provide mandatory training for newly appointed supervisors (including graduates and trainees).

This program will provide familiarisation with the basic skills and knowledge for orientation to their new position and will cover subjects such as occupational health and safety, employee relations, rehabilitation, timekeeping and employee records. Elements to be completed prior to commencement of supervisory duties shall be agreed by the parties

8.5 Training

The Company will continue its present practice of providing opportunities for all salaried employees to undertake professional development and/or to gain formal qualifications in line with their development needs and aspirations, and the business needs of the Company.

To facilitate this practice, the Company agrees to maintain an up-to-date database of professional development opportunities and educational pathways, and continue to promote these via the Ford Intranet.

Any concerns regarding professional development opportunities will be raised with local management and, if necessary, with appropriate levels of union representation.

8.6 Salaried Recording of Time Off in Lieu (TOIL)

A process for recording authorised TOIL will be developed and jointly reviewed as part of the pay system currently being planned. This will be utilised where an employee is required by the Company to work in excess of or outside their regular hours of work and it is mutually agreed by the Company and the employee that the applicable compensation will be time off in lieu.

It is expected that TOIL will normally be used within one month of accrual unless otherwise agreed between the employee and their supervisor. Employees and their Supervisors will be accountable for ensuring that the TOIL is planned and taken before commencement of the annual closedown in December each year.

The parties will review the operation of this provision within twelve months of certification of the 2003 Enterprise Agreement.

8.7 Supervisory Work Organisation

The Parties have agreed to implement a process to review and update the future operational/ leadership responsibilities outlined in the Supervisory Work Organisation document dated May 2000 and relevant documents relating to non-supervisory/ technical work. This process is necessary to effectively respond to ongoing changes to business challenges/work organisation models and to improve role clarity. The review process will commence within 3 months of the certification of the Agreement and will also include:

(a) Defining roles and responsibilities for benchmark salary positions (eg. Business Unit Leader)

(b) Developing guidelines on reporting structures. The Parties recognise that the span of control of a supervisor and the appropriate ratio to employees may vary due to a range of factors, including (and not limited to):

* Required level of knowledge, experience and direction

* Operational work patterns

* Level of complexity and variability of operations

- * Responsibility and accountability
 - * Mandatory requirements, including occupational health and safety obligations
 - * Nature and number of external and internal interfaces, including responsibilities for coaching new employees and contractors
 - * Physical nature of operations
 - * Technical and managerial support available
 - * Shift coverage and support provided on shift
- (c) Developing guidelines on career pathways

8.8 Salaried Consultation

The parties recognise the need for a consultative and participative approach into the future. The parties agree to the following consultative process to resolve any issues that may arise at the local level.

Ford shall meet regularly with the relevant salaried shop stewards, to raise matters deemed relevant to salaried employees. Specific issues may be raised with the relevant union,

The parties agree that the objectives of the consultative process shall be as follows:

- * Improve business performance so that the Company's competitiveness within Australia and internationally continuously improves;
- * Ensure that local working conditions are adequate;
- * Develop & foster effective communication, team building and participation within the work location and with other parts of the Company;
- * Contribute to improved productivity including development of employee skills and career opportunities;
- * Review industry relevant benchmarks to assist with business improvements aimed at the Company's competitiveness; and
- * Provide an update on the business direction, forward work program, resourcing, and issues identification.

The consultative process will not directly consider employment terms and conditions which are governed by the Award or provisions of the Certified Agreement which will be monitored by the parties to the EBA.

8.9 Contract Personnel

The use of contract personnel in supervisory roles is generally not considered appropriate. Where an exceptional circumstance arises, all other options have been exhausted and the Company deems it necessary to use a contractor short term in a supervisory position, the matter will be referred to the relevant local union representative and Company personnel to be handled under Clause 8.8 in this agreement, the Salaried Consultation Provision with the objective of reaching agreement.

If a resolution cannot be reached the established grievance procedure will be

utilised. The parties will ensure that the grievance procedure will come into effect as soon as practicable.

The parties agree to meet and develop protocol for the use of contractors in salaried areas within three months of the date of certification.

8.10 Monthly Pay

The parties agree to jointly review the Company's proposal to adjust the pay frequency of salaried employees from four-weekly to monthly. This review will consider the interests of employees, opportunities and benefits with a view to reaching a mutually beneficial outcome.

Implementation of monthly pay will be subject to agreement between the parties.

9.0 WORK, FAMILY & DIVERSITY

9.1 Women's participation

9.1.1 Union Sponsored Activities

The Company and Union agree to support women's involvement through the release on full pay, of women employees to attend the following union sponsored activities:

- * Industry Women's Committee;
- * Annual Women's Conferences;
- * Anna Stewart Memorial Project.

The parties agree to maintain the current level of women's involvement in these activities, but recognises business requirements also need to be met.

9.1.2 Shop Floor Women's Committees

The parties agree to maintain the existing Shop Floor Women's Committees at each Manufacturing site, Membership will ensure representation from major areas of the site and major employment groups. The parties also recognise to have an effective working group there will need to be between 5 and 8 members per Women's Committee with no more than one member from each operational area unless otherwise agreed by Management.

The Women's Committee will form a sub Committee of the JSIC and will report to the Council on objectives and outcomes. Their membership will be reviewed and endorsed by the JSIC. The Women's Committee provides a consultative role to the JSIC on strategic matters relating to shop floor women.

The Company will support the Women's Committee by agreeing to meetings every second month within working hours. These meetings will be scheduled at least one month in advance. The parties recognise, however, that business priorities must also be met in accommodating the above requirements.

9.1.3 Deputy Female Shop Steward Positions

This program is set up to allow women to gain the skills, knowledge and confidence to advance the views and interests of women on the shop floor.

The Company has agreed to continuation of the female Deputy Shop Stewards Program. The Company agrees to two female Deputy Shop Stewards in Broadmeadows on day shift, three Deputy Shop Stewards in Geelong and one female deputy shop steward in FCSD.

The female Deputy Steward positions will continue to be provided with the equivalent union education and meetings, as called by the Union organiser, providing appropriate

union notice and approval by the Company. When there is less than twenty four hours notice the release of the female 'Deputy Shop Steward will depend on production requirements. However, following a three-month induction period, the Deputy Steward will share steward duties with the mentoring steward on a day to day basis providing no net increase in time taken for steward duties will occur.

A review of the program will be presented to the JSIC by the Union within 6 months of the certification of this Agreement. The review will focus on analysing the effectiveness of the program. Following this review, the JSIC will implement any necessary modifications to the program to ensure its ongoing effectiveness.

9.1.4 Equity in Recruitment

The parties agree the current recruitment project team will include two union representatives as nominated by the Work and Family 2003 EBA working party. Within 3 months of the certification of this Agreement the recruitment project team will make a recommendation to the JSIC on recruitment strategies. Following the sub committee's recommendation ongoing membership will be the subject of a review by the JSIC.

The objectives of the recruitment project team are to:

- * Review current recruitment processes and practices for all hires including apprentices to ensure equitable access;
- * Present to be JSIC recommendations for changes to the recruitment guidelines and processes;
- * Present recommendations for initiatives aimed at increasing the recruitment of women across the organization;
- * Establish clear key performance indicators (KPI's) that will be used to measure effectiveness of increasing women's recruitment;
- * Ensure the effective implementation of new initiatives; and
- * Report out KPI's and progress to the JSIC on a quarterly basis.

The JSIC will track the KPI's quarterly. When improvements are not occurring, the Recruitment Sub Committee will develop additional recommendations that are aimed at addressing equity in recruitment. The project team will present their action plans to the JSIC by the next quarterly meeting.

9.2 Child Care

The Geelong shop floor Diversity Resource person will co-ordinate a Geelong Childcare Sub Committee and provide recommendations to the JSIC regarding childcare issues in Geelong.

\$25,000 carried forward from the 2000 EBA and up to an additional \$25,000 will be made available during the life of this Agreement, to support the recommendations once endorsed by the JSIC.

The Geelong ChildCare Sub Committee will be established within 3 months of certification of this Agreement. Recommendations will be presented to the JSIC within 6 months of the certification of this Agreement.

9.3 Indigenous Workers

The parties are committed to supporting the implementation of the Company's current Indigenous Employment Strategy. Issues related to implementation of the strategy will be brought to the JSIC to assure adequate communication with employees and union who

represent them.

The aims of the Indigenous Employment Strategy are as follows

1. Increase, encourage and foster Indigenous employment at all levels of work and across all classifications;
2. Develop the respect and trust required within the Indigenous community that Ford Motor Company is an employer that will act upon the needs of Indigenous employees;
3. Use a Change Management process to ensure the effective preparation of the workforce for the introduction of the Indigenous Employment Strategy;
4. Understand the skill level of the prospective Indigenous employees and provide appropriate pre-employment training where necessary or work experience and support programs for those not currently job ready;
5. Provide support to ensure the retention of Indigenous employees at Ford Motor Company; and
6. Integrate the Indigenous employment strategy as a core component of the Diversity program.

9.4 Diversity Resources

The Company agrees that the shop floor Diversity Resource positions will be a minimum of .25 per site. Each position will be integrated into an appropriate off line position to allow flexibility so that Diversity projects can be implemented.

The parties agree to the following requirements for these positions:

- * the current Diversity Resource Officers have the option of retaining this role;
- * the off line position will not displace a current existing employee;
- * the roles and responsibilities of this offline position will be newly created and contained within existing plant headcount;
- * the off line position in Geelong will be implemented by the end of August, 2003;
- * that the Company will assist with identifying skill gap, and respond with appropriate training, for the tanker of the currency incumbent at Geelong to the off line position; and
- * both off-line positions will be sufficiently resourced to ensure minimum.25 of the position.

The parties agree that where a vacancy occurs in either Diversity Resource positions:

- * an off line position will be retained for the Diversity Resource Officer role;
- * the position will be filled internally by a shop floor employee;
- * selection will be based on the skills required to fill the Diversity Resource role;
- * the appointment will be made jointly by the Company and the Union; and
- * to meet the requirements of the full time off line position skill gap for the incumbent will be identified and appropriate training provided.

9.5 Work and Family Responsibilities - Leave Provisions

9.5.1 Parental Leave

The 2003 EBA includes a provision for unpaid Extended Parental Leave. This means that eligible employees may choose to take more than one period of Parental Leave (up to a maximum of 52 weeks) until the child reaches the age of 5 years. The same requirements apply in terms of providing notice for taking leave and returning to work (4 weeks in writing). Leave is granted on the understanding that the employee is taking on the role of primary caregiver to the child. The leave cannot be taken simultaneously with any Parental Leave taken by the employee's partner. Existing Awards and Agreement will be used for any situation where the employee is outside these guidelines.

The minimum period of leave shall be one month. The employee must return to work for a minimum period of six months before taking any additional period of unpaid parental leave, except where there are compelling circumstances eg. death of a caregiver.

The employee can return to work at or before the 52 weeks leave is used - as long as they provide 4 weeks notice in writing of their intention to return. Should they have any leave remaining from their 52 week entitlement, they can apply to take additional period/s of unpaid parental leave (one month minimum duration) after they have returned to work for a minimum of six months. This applies until all 52 weeks is used and/or the child reaches 5 years of age.

If the employee has another child and becomes eligible for another 52 weeks of parental leave - this is treated as a new parental leave entitlement. However, the new entitlement can be added to the remaining entitlement - as long as:

- * It is taken prior to the child's 5th birthday
- * Leave is taken in periods of a minimum period of one month apart from the six weeks of maternity leave following the birth
- * Any return to work is for a minimum of six months before further leave is taken
- * Total leave for any single entitlement is 52 weeks maximum

Note : In some adoption procedures, it is a requirement for one parent to be the primary care-giver to the adopted child for an unbroken period of 12 months following the adoption/placement. In these situations it is not possible to extend Parental leave.

9.5.2 Family Leave

The Family Leave provision as outlined in the 2000 EBA, (clause 8.8.2), will be extended to allow access to an additional 3 days front accrued sick leave credits (from 7-10 days) when an employee has exhausted their current year sick leave entitlement.

The Family Leave provisions outlined in the 1997 EBA will be extended to allow employees to access

Family Leave for unavoidable, extenuating and pressing domestic necessity which, absents, the employee from work. Employees will need to provide sufficient evidence to the Company relating to the absence eg. police report, insurance claim report, medical report. Existing Awards and Agreements will be used for any situation where the employee is outside these guidelines.

9.5.3 Maternity Leave

The Company has agreed to extend the Maternity Leave provisions (currently 6 weeks

paid leave with 12 months service) by providing a further eight (8) weeks payment capped at a maximum gross weekly rate of \$800 to any employee with at least two years service.

9.5.4 Long Service Leave - Phased Retirement

The Company agrees to consider requests from employees to facilitate Phased Retirement through the use of Long Service Leave in cases where it is operationally feasible, including instances where the labour may be supplemented with part-time employees to cover labour requirements. These cases will be discussed through Area Consultative Committees (ACC).

SIGNED by the parties as an agreement:

SIGNED for and on behalf of the
FORD MOTOR COMPANY OF AUSTRALIA LTD
this day of 2003 in the presence of:

Name of Representative

Witness

Position of Representative

Name of Witness

SIGNED for and on behalf of the
AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING
AND KINDRED INDUSTRIES UNION

this day of 2003 in the presence of:

Name of Representative

Witness

Position of Representative

Name of Witness

SIGNED for and on behalf of the
COMMUNICATION, ELECTRICAL, ELECTRONIC, ENERGY,
INFORMATION, POSTAL, PLUMBING AND ALLIED
SERVICES UNION

this day of 2003 in the presence of:

Name of Representative

Witness

Position of Representative

Name of Witness

SIGNED for and on behalf of the
AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL
AND SERVICES UNION

this day of 2003 in the presence of:

Name of Representative

Witness

Position of Representative

Name of Witness

SIGNED for and on behalf of the
THE ASSOCIATION OF PROFESSIONAL ENGINEERS,
SCIENTISTS AND MANAGERS OF AUSTRALIA
this day of 2003 in the presence of:

Name of Representative

Witness

Position of Representative

Name of Witness

APPENDIX #1

LIST OF WORKING PARTIES

As referenced in clause 1.10 of this Agreement, detailed below is a list of working parties identified as having, a role in implementing certain provisions of this Agreement. The working parties include but are not limited to:

- * Consultative Bodies

- * Joint Strategic Issue Committee
- * Plant/Site Consultative Committee
- * Area Consultative Committee
- * Proving Ground Matters working party
- * Non Traditional Shift arrangements working party
- * Joint introduction Team (Introduction of changed MP&L practices)
- * Supply and Logistics Review Committee (Geelong)
- * Hours of Work working party
- * Non Trades Joint Steering Committee
- * Joint working committee - Competency based training systems (Trades)
- * Supervisory work organization working party
- * Monthly pay working party
- * Shop floor women's committee
- * Recruitment project team
- * Geelong childcare subcommittee

APPENDIX #2

SCHEDULE OF INCREASES

Classification	Current	Jul-03	Jul-04	Jul-05
		5.5%	5%	5%
Non Trade				
Level 1 Entry	\$648.27	\$683.92	\$71112	\$75103

Level 1	\$674.66	\$711.77	\$74735	\$784.7
Level 2	\$690.28	\$728.25	\$76406	\$8=89
Level 3B	\$727.91	\$767.95	\$806	\$84616
Level 3A	\$770.51	\$812.89	3	\$89621

Trade

Level 1	\$783.48	\$826.57	\$867.90	\$911.29
Level 2	\$819.83	\$864.92	\$908.17	\$953.58
Level 3	\$856.41	\$903.51	\$948.69	\$996.12
Level 4	\$892.52	\$941.31	\$988.69	\$1,038.12
Level 5	\$968.23	\$1,021.48	\$1,072.56	\$1,126.18
Level 6	\$1,005.74	\$1,061.06	\$1,144.11	\$1,169.81

APPENDIX #3

TRANSITION TO NON TRADES INTEGRATED CAREER PATH ADMINISTRATIVE RULES

Intent:

This document must be read in conjunction with Clause 6.2 - Transition to Non-Trades Integrated Career Path. It defines the agreed Rules and Conditions that will control the process of implementing the Structures, Systems and Procedures.

Governments, employers and unions have jointly supported the introduction of the Competency Based model of vocational training and assessment as an integral part of the Structural Efficiency Principles.

New models of vocational training and assessment, structures and qualifications have been endorsed under the Australian Quality Training Framework and the Australian Qualifications Framework. Nationally accredited Competency Standards and Qualifications specific to the automotive industry have been jointly developed by the Industry and Unions, and included within the endorsed Automotive Industry National Training Package. These standards and qualifications have replaced older, de-registered courses such as the Vehicle Industry Certificate. To ensure relevant and portable qualifications for employees in the industry the Company and Unions have agreed to work collaboratively on implementing the new competency based courses.

The Company and Union agreed in the 1997 and 2000 EBAs to processes that would lead to development/identification of matching competency standards to be included in the Automotive industry National Training Package.

INTEGRATED NON-TRADE CAREER STRUCTURE

The Company and Unions maintain their commitment to operating within the framework of: Legislative Requirements, the Structural Efficiency Principles, Industrial Agreements and the National Quality Training Framework.

Within this framework the parties agree to implement competency-based classification structures, training & assessment systems and processes (INTEGRATED NON-TRADE CAREER STRUCTURE).- This structure will be provided to non-trades employees to access continued progression beyond the present Skilled Vehicle Builder (313) Level. Access beyond the 3B Level will be based on the employees individual attributes, personal aspirations, the acquisition and ongoing application of agreed job competencies as per the National Training Package requirements.

Throughout the life of this Agreement, the parties agree to analyse and align existing 3A (designated positions), or other potential positions identified by the

parties, against identified AQF3 qualifications, (benchmarked as equivalent to the AQF3 FCSID Warehouse and Base-Trade positions). The process will be consistent with the existing process being applied by Automotive Training Australia.

The NWGL positions will be aligned against agreed AQF3 qualifications (e.g. FMI Cert 3).

The parties agree to implement these qualifications under the following rules and conditions:

General:

- * The Non-Trades Joint Steering Committee NTJSC (or equivalent agreed joint consultative committee) will hold responsibility to ensure effective implementation.
- * An agreed external specialist will align all positions against the Australian Qualifications Framework (AQF). To ensure equity, these AQF3 positions will be benchmarked as equivalent to the AQF3 FCSID Warehouse and Base Trade positions.
- * As per previous agreements, only endorsed qualifications included in the Automotive Industry National Training Package will be applied.
- * All structures, systems and procedures will comply with the Australian Quality Training Framework (AQTF) and the Automotive Industry National Training Package (NTP).

The agreed assessment system will include procedures for:

- * Assessment against defined and agreed standards
- * Moderations to ensure quality control and reliability
- * All parties to have an equal right of Appeal to ensure fairness through the NTJSC or equivalent

* Job Positions:

The following positions will be analysed and aligned.

- * Quality Launch Auditors
- * Quality Checkers/Inspectors
- * HR Clerks
- * ISO/Quality Clerks
- * Road Crew
- * Fork Lift Drivers/Buggy/Mobile Equip/Crane Driver

* If a presently rated 3A position is formally analysed and aligned at an AQF2 level during this process, the position will be maintained. The parties recognise there are positions which are paid at the 3A Level as a result of previous Industrial Agreements (former D rate jobs) and that other positions which may be recognised at an AQF2 standard, may be paid at 3A because of the specialist nature of the work performed.

Rules:

- * Future progression will be within this competency-based structure as agreed.
- * An employee must maintain competence to their level, before progressing further through the structure.
- * Consistent with present arrangements, the underpinning principle is that employees will be rewarded for the acquisition and application of competence to specific performance standards identified and agreed between the parties.

* In the future, any employee will be able to request competency assessment when they feel they have reached the required standards. The assessment will then be carried out as soon as possible in line with work requirements and availability of staff. This will normally commence within 2 working weeks of initial application. The effective date for a successful assessment leading to a pay rise will be from the date of the initial application.

* All employees are required to sustain their competence. Consistent with present practice, it is the Supervisor's role to ensure that all employees perform to the level of their job.

* There will be an automatic acceptance of competence for employees already holding a formal vocational Qualification (or Statement of Attainment) and using the skills normally associated with the gaining of these qualifications, within the Company.

* As previously agreed, retirement scenarios developed as part of the Ford 2000 EBA: Section 6.0 Organisation and Employee Development - Appendix Agreement: Natural Work Group Leader Development Program, Guidelines for Selection, Development and Support (November 2001) Section 4.2 will be utilised as required.

Exceptions for the initial implementation (Skills Audit) only:

Note: The Skills Audit is a once off process to transition employees from the old curriculum model to the new competency-based model.

* As the introduction of an extended Non-Trade Classification Structure requires the implementation of new qualifications and new methods of defining them, all employees holding a NWGL or 3A position will participate in a Skill Audit using a Recognition of Current Competency (RCC) process.

* If, as a result of an employee being assessed the employee does not satisfy all requirements of the job they are performing and which has been identified at either a NVVGL or 3A Level, the employee will retain their existing classification and pay level. In this case the employee will be required to gain the competencies required, over an agreed period of time and in line with their IDP to ensure performance consistent with their required level, or before they can progress further through the classification structure.

* Retirement scenarios described in the Rules will be applied as required

Access and Application:

* To facilitate the smooth introduction of the process through-out the Company, application of this Agreement will be strictly on a lock-step approach with the full implementation (in compliance with this agreement) of each step being formally reviewed and signed-off by the Parties before commencement of the following step. Application of this agreement will be in the following order:

1. Positions identified for analysis in bullet point ~1 under Job Positions - Complete within 3 months of ratification

2. NWGL Leader positions - Commence within 3 months of ratification Implementation complete within 12 months

3. 3A (Designated position) - Commence within 12 months of ratification

4. Others

The process is mandatory for employees holding Designated (3A) and NWGL Positions (either existing or those identified by the analysis and alignment process)

APPENDIX #4

TRANSMON TO NON TRADES INTEGRATED CAREER PATH RECLASSIFICATION OF NON-TRADES JOBS

Intent:

This language is to be read in conjunction with Clause 6.2 Non-Trades Integrated Career Path, Appendix 3 of this Agreement and MOU NTI/2003. It defines the agreement regarding the reclassification of Non-Trades Jobs based on the analysis and alignment process.

Process:

The Non-Trades Joint Steering Committee NTJSC (or equivalent agreed joint consultative committee) will hold responsibility to ensure effective implementation

An agreed external specialist will align all positions against the Australian Qualifications Framework (AQF). To ensure equity, these AQF3 positions will be benchmarked as equivalent to the AQF3 FCSD Warehouse and Base Trade positions.

The parties will jointly compare the job profile against a range of agreed criteria to ensure that the specialist nature, or the operational needs of the organisation are taken into account. The parties will agree a set of criteria to be applied to this process to ensure that each job is measured fairly and consistently.

As a result of the analysis and alignment process:

1. There is the potential for job portions to be identified above or below their present level within the structure. If positions are identified beyond the present Non-Trade Classification Structure the parties have an in-principle agreement that they will negotiate and agree on appropriate structural level(s) and pay rate(s).
2. A current 3A position aligned at an AQF2 level will be maintained. When the present position holder retires the position the parties will re-analyse the position at that time.
3. If the position is not clearly aligned against the classification structure, the parties will, where practical re-design the position to the appropriate level.

The parties will not take the opportunity to use this process to downgrade an existing 3A position by artificially re-designing a position to a lower level. Similarly, the parties will not take the opportunity to use this process to maintain or upgrade an existing 3A position by artificially redesigning a position to a higher level.