

Memorandum of Understanding



MEMORANDUM of UNDERSTANDING

Between

**Holcim (Australia) Pty Ltd
ABN 87 099 732 297**

and

CSR & Holcim Staff Association

April 16, 2014

Memorandum of Understanding

1. Background

- 1.1 During 2013, the CSR and Holcim Staff Association (the Staff Association) approached Holcim requesting that Holcim employees who are in a role graded JG 11 and above be paid leave (annual, personal and long) and severance payments upon termination of their employment calculated at their full salary rate.
- 1.2 The Staff Association, separate from the above request, also had a number of discussions with Holcim regarding the group of employees who are in a role graded JG 11 and above. In particular, there was a focus on industrial instrument coverage, the protection of unfair dismissal and the merit of modernising the *Readymix Holdings (Staff) Award 2003* (the Staff Award).

Holcim and the Staff Association made a decision some years ago to consider the merit of making an application to modernise the Staff Award once there had been some established relevant precedent regarding the likely prospect of such an application proceeding.

2. Rate of Pay

- 2.1 In response to the Staff Association request in 1.1 above, Holcim and the Staff Association have agreed:

2.1.1 Annual and long service leave will be paid upon termination at Fixed Annual Remuneration (FAR) less minimum superannuation contributions prescribed under the *Superannuation Guarantee Administration Act 1992* as amended (the Super Act).

2.1.2 All other termination payments shall be paid at an employee's base salary.

2.1.3 An employee's base salary shall be defined as FAR less minimum superannuation contributions prescribed under the Super Act less a nominal motor vehicle allowance.

2.1.4 The nominal motor vehicle allowance applicable to each Job Grade shall be:

2.1.4.1	JG 11	\$ 22,000
2.1.4.2	JG 12	\$ 27,000
2.1.4.3	JG 13	\$ 32,000
2.1.4.4	JG 14	\$ 40,000
2.1.4.5	JG 15 plus	\$ 45,000

These nominal amounts shall be reviewed annually in accordance with the Holcim annual salary and allowances review.

2.1.5 An employee's base salary shall be used for all other purposes (other than those specified in 2.1.1) including, for employees who are in a role that is graded JG 11, 12 or 13, when calculating an entitlement to the Holcim performance bonus payment.

3. Modernisation of the Staff Award

- 3.1 In consideration of the other award modernisation applications that have already been dealt with by the Fair Work Commission and the majority of Holcim employees outside of the JG 11 and above group who are covered by current enterprise agreements, both Holcim and the Staff Association have agreed that the prospect of an application to modernise the Staff Award succeeding is highly unlikely.

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3.2 Holcim is of the opinion that the *CSR Limited Senior Staff Remuneration Packaging Arrangements Certified Agreement, 1998* (the Staff Packaging Agreement) continues to apply to this group of employees.

3.2.1 Holcim believes that this industrial instrument, under the *Fair Work Act 2009* (section 382), provides the mechanism to preserve the protection of unfair dismissal to this group of employees.

3.3 Given this opinion, both the Staff Association and Holcim have agreed that it is not necessary to modernise the Staff Award in order to preserve the protection of unfair dismissal for the JG 11 and above group of employees.

3.5 As the Staff Packaging Agreement is understood to be the instrument providing the mechanism to preserve the protection for unfair dismissal for the JG 11 and above group of employees, both Holcim and the Staff Association agree not to take action to terminate this Agreement.

4.0 Application of Staff Award entitlements post 31 December, 2013

As Holcim and the Staff Association have agreed not to modernise the Staff Award, Holcim provides the following undertaking:

4.1 All existing employees engaged in a JG11 and above role as at the time of commencement of this Memorandum of Understanding will retain all applicable terms and conditions of employment, including those applicable entitlements in the Staff Award, as contractual entitlements on an individual basis until the date of each individual employee's termination of employment;

4.2 All existing employees engaged in a JG 10 or below role as at the time of commencement of this Memorandum of Understanding will, when subsequently transferred to a JG 11 and above role, be entitled to the terms and conditions of employment that would have been applicable to an employee in a JG 11 and above role under the Staff Award as contractual entitlements on an individual basis until the date of each individual employee's termination of employment.

5.0 Application and Term of this Memorandum of Understanding


This Memorandum of Understanding shall apply from the date at which both Holcim and the Staff Association have executed this document.

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6. Signatories

Signed for and on behalf of

HOLCIM (AUSTRALIA) PTY LTD

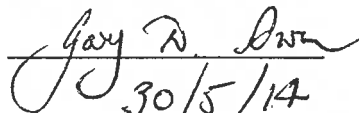
NAME Alenda Harvey
POSITION EAM HR
SIGNATURE 
Dated 3/6/2014

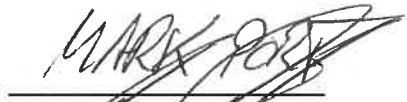
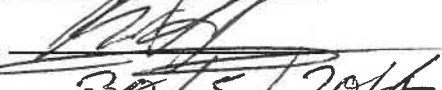
WITNESS

NAME Jenna Burrows
SIGNATURE 
Dated 3/6/14

Signed for and on behalf of

CSR & HOLCIM STAFF ASSOCIATION

NAME GARY SWAN
POSITION SECRETARY
SIGNATURE 
Dated 30/5/14

NAME 
SIGNATURE 
Dated 30/5/2014