

**REGISTER OF
CONTRACT AGREEMENTS**

CONTRACT AGREEMENT NO: CA10/2

TITLE: Veolia Environmental Services Pty Ltd NSW Hunter Region Carriers Agreement 2009

I.R.C. NO: IRC10/273

DATE APPROVED/COMMENCEMENT: 7 May 2010 / 1 July 2009

TERM: 24

**NEW AGREEMENT OR
VARIATION:** New.

GAZETTAL REFERENCE: Published 25 June 2010

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COVERAGE/DESCRIPTION OF

EMPLOYEES: The Contract agreement applies to all Carriers engaged by Veolia Environmental Services, located at Unwin & Shirley Street, Rosehill, who fall within the coverage of the Transport Industry General Carriers Contract Determination.

PARTIES: Veolia Environmental Services Pty Limited -&- the Transport Workers' Union of New South Wales

Schedule 1.

**VEOLIA ENVIRONMENTAL SERVICES PTY LTD NSW
HUNTER REGION CARRIERS AGREEMENT 2009**

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THIS CARRIERS AGREEMENT is made effective from the 1st day of July 2009 between:

VEOLIA ENVIRONMENTAL SERVICES PTY LTD ACN 20061316584
of corner of Unwin & Shirley Streets in Rosehill in the State of New South Wales (hereinafter referred to as "the Company") of the one part; and

AND

THE TRANSPORT WORKERS OF NEW SOUTH WALES (hereinafter referred to as "the Union") of the other part.

This Carriers Agreement is made pursuant to Section 323 of the Industrial Relations Act 1996 (NSW) as amended.

WHEREAS

- A. The Solid Commercial Waste Division carries on the business of waste collection and removal to and from various locations in the State of New South Wales.
- B. The Company requires third party carriers to provide transport services to the Company in order to support its business of waste collection and removal ("the Carriers").
- C. The Carriers providing transport services to the company have selected the Union as their bargaining agent for the purposes of securing the Agreement referred to herein.
- D. It has been agreed that the Company will offer and the Carriers will accept assignments for the carriage of solid waste on the terms set out below.

NOW THIS AGREEMENT WITNESSETH and the parties hereto hereby agree as follows:

1. Scope & Term of Agreement

- 1.1. This Agreement applies to all Carriers engaged by the Company in the Solid Commercial Waste Division currently operating in Newcastle and the Hunter region and other such locations that this Division may operate from who provide transport and cartage services for the collection and removal of waste.
- 1.2. This Agreement provides the whole of the terms and conditions of engagement of Carriers by the Company and operates to the exclusion of any other pre-existing contract agreement or contract determination.
- 1.3. The term of this Agreement is for a period of three (3) years ending on the 30th day June 2012 for the Bulk Commercial and Construction, Rearlift and Frontlift Divisions. However during the negotiation period and until this agreement is replaced by a new agreement this agreement shall apply.

2. General Provisions

- 2.1. The Carrier agrees to supply, man and operate one vehicle. The operation of this vehicle is to be in accordance with the reasonable directions of the Company, which are necessary and desirable for the good conduct of the business.
- 2.2. The Carrier agrees to comply with the Company's policies applicable to work under this Agreement.
- 2.3. The Carrier must understand, and must ensure that its employees and subcontractors understand, fully, follow and abide by the safe working practices and procedures instigated by and covered in the safety induction training and any other safety training conducted by the Company from time to time.

3. Relationship of the Parties

- 3.1. The Carrier shall operate as an independent contractor engaged under a contract of carriage with the Company.
- 3.2. The Carrier shall not perform waste collection/transfer for any party other than the Company.
- 3.3. The Carrier and any of its employees or contractors have no authority (express or implied) to bind the Company or represent themselves as an agent of the Company.
- 3.4. Any person engaged as a relief driver shall be engaged by the Carrier and shall be and remain either an employee or a contractor of the Carrier not the Company.
- 3.5. Any relief driver supplied by the Carrier must first be approved and accredited by the Company before being permitted to join the fleet and drive the vehicle for the day or days in question. Where no such approval is given then the Company shall have the right to refuse allocation of work to the vehicle driven by the relief driver who has not been approved.

4. Cartage

- 4.1. The Carrier shall perform all transport as is allocated by the Company in the ordinary course of business.
- 4.2. The Carrier shall not refuse any job allocated by the Company provided the job can be conducted safely and the load for the job is within the legal load limit of the Carrier's vehicle. Where a Carrier refuses a load where the job can be conducted safely and the load is within the legal load limit of the vehicle concerned then the Carrier shall be liable to have its contract terminated immediately. In such cases either party can refer the matter to the Disputes Procedure.
- 4.3. The Carrier shall at all times:
 - (a) perform all jobs in a manner that maintains a level of reliability and service consistent with the Company's requirements from time to time; and
 - (b) use its best endeavours to further the business and custom of the Company.

- 4.4. The Company shall pay the Carrier for each job performed in accordance with the cartage rate specified in Schedules attached to this Agreement. The company will pay all disposal fees associated with the disposal of waste carted by the contractor on behalf of the company.
- 4.5. Payment of cartage fees shall be made weekly by EFT.
- 4.6. It is agreed that cartage fees shall be paid on the basis of a recipient prepared tax invoice.
- 4.7. Rates will be adjusted annually by CPI less fuel component (All Groups Sydney) increases effective 1st July. Any interim fuel variations will be as per the attachments, Schedules B(i) & B(ii).
- 4.8. Where the Company or Carrier wishes to use a cartage rate other than that contained in Schedule A (e.g. for work located in a close range of transfer stations or landfill or work located in extremely difficult to access areas or where extended running times are involved), then the either party has the right to negotiate such a cartage rate with the delegates and the Branch Manager concerned. It shall be fundamental to such negotiations that any cartage rates so negotiated and agreed will only apply to the specific work identified for that purpose by the parties and will not affect the other work which will continue to be paid for in accordance with cartage rates detailed in Schedule A hereto.

5. Legal Compliance

- 5.1. It is a fundamental obligation of the Carrier under this Agreement to ensure that any driver of the vehicle used by the Carrier for the purpose of this Agreement, whether or not that driver is a principal director and shareholder of the Carrier or a relief driver employed by the Carrier, shall strictly observe all Federal and State laws and regulations and Company policies with respect to the driving of a vehicle for the purposes of road transport and in particular shall strictly observe all Federal and State laws and regulations with respect to fatigue management.

6. Drivers

- 6.1. The Carrier in engaging a driver will ensure that the employment conditions for the driver are at minimum those required by the relevant award.
- 6.2. It is a fundamental obligation of the Carrier to ensure that both the nominated driver and any relief driver must hold at all times a valid and current drivers licence appropriate to the vehicle supplied by the Carrier for the purposes of this Agreement.

7. Vehicle

- 7.1. The vehicle supplied by the Carrier for the purposes of this Agreement must meet the technical specifications of the Company.
- 7.2. Where a Carrier purchases a new vehicle during the life of the Agreement the Carrier must have proper consultation with the Company prior to any such purchase being made to ensure that the new vehicle complies with the technical specifications and requirements of the Company. The Company will make recommendations re vehicle type as a basis for discussion.
- 7.3. Where the Carrier vehicle is older than (6) years ,the Company may give the Carrier no less than three(3) months notice to replace the vehicle with another vehicle which is suitable. Such notice shall be given in writing.
- 7.4. It is a fundamental obligation of the Carrier to ensure that the vehicle supplied is roadworthy at all times and complies with all relevant statutory requirements with respect to vehicles of this type in the State of New South Wales.
- 7.5. Where equipment which is the property of the Company has to be removed from a Carriers vehicle because of mechanical or structural failure of the equipment, or because the Carrier has upgraded its vehicle after a period of six (6) years and such upgrade has been agreed to by the Company then the cost of removal of the equipment shall be borne by the Company, if available, the carrier may use the designated spare vehicle subject to clause 8.4 and the daily hire rate of \$250.00 or a half day rate of \$125 will be waived ,except for running costs e.g. fuels and oils. Should the Carrier terminate the Carrier's contract and the Carrier wishes to maintain ownership of the vehicle, the cost of removal of the body shall be borne by the Carrier.

- 7.6. The Company shall be responsible for maintenance and where needed replacement of all parts of the body, which is attached to the vehicle. The supply and maintenance of the PTO equipment required for operation of the vehicle body will be borne by the Carrier, however if the carrier seeks to have the PTO covered by the Company, then a rev limiter must be fitted, the cost of which will be borne by the Company.
- 7.7. Where the body or trailer attached to the vehicle is damaged in an accident whilst the vehicle is being driven either by the nominated driver or the approved relief driver (or any other driver except for an employee of the Company) and the driver(s) are at fault, then the Carrier shall be liable for the insurance excess which is charged to the Company to a maximum liability of \$20,000.
- 7.8. A comprehensive motor vehicle insurance policy covering any damage occurring to the Vehicle and to the Equipment. Insurance cover under this policy must be for the full insurable value of the Vehicle and \$20,000 for the Equipment against loss or damage howsoever caused that gives a minimum cover for each accident claim or event of \$10 million. The Carrier vehicle insurance must extend to cover a substitute vehicle whilst the Insured's is disable & only to the sum insured shown on the policy.
- 7.9. Insurance cover under this policy must extend to substitute vehicle against loss or damage howsoever caused
- 7.10. It is an essential clause of this Agreement that the Carrier must report to the Company immediately any accident involving the vehicle. Likewise the Carrier must report any apparent or actual damage to the vehicle body immediately the Carrier is aware of such apparent or actual damage. Where a Carrier fails to report either an accident or apparent or real damage the Company has the right to terminate its contract with the Carrier summarily and without compensation.

8. Maintenance

8.1. It is the obligation of the Carrier to ensure the following:

- (a) The vehicle must be maintained at all times in a safe and roadworthy condition and also have a clean and tidy appearance.**
- (b) All loads are to be covered and secured to comply with the law. Spare tarpaulins must be kept in the vehicle for this purpose and no bin should be carried unless covered.**

The Company will regularly inspect the vehicle for the purpose of assessing its roadworthiness, appearance and other matters going to satisfactory maintenance.

8.2. The Company shall monitor all Carriers service levels being provided by the Company and service sources being accessed by the Carriers. The intention of this monitoring is to ensure that proper service on vehicles is being effected at all times.

8.3. It is the obligation of the Carrier to keep the paintwork on the vehicle in good order and condition and such paintwork maintenance shall be at the expense of the Carrier. This shall include regular washing of the vehicle and making good any paintwork damage. In maintaining this clause the Company will give fair and reasonable regard to the system of work in which the Carrier is engaged.

8.4. The Company will make available a designated spare vehicle which may be used by Carriers when and if the spare vehicle is able to be used having regards to the needs of the business. A roster of spare vehicle availability and use will be maintained by the Company and distributed on the noticeboard to Carriers. Provision of a spare vehicle is subject to the approval of the Company, this approval will not be unreasonably withheld. Should the Carrier require the use of the Company's spare vehicle the daily rate will be \$250.00 or half day rate of \$125 plus running costs e.g. fuels and oils and likewise should the Company use the Carriers vehicle the Company shall pay the Carrier \$250.00 per day.

8.5. All statutory and other charges associated with the running of the vehicle including registration, licence fees, road tax if any, and all expenses for fuel, oil, tyres or similar running and maintenance costs

shall be borne by the Carrier. Waste Services licence or permit fees (if any) shall be borne by the Company.

9. Liabilities, Indemnities and Insurance

9.1. The Carrier will be liable for and must indemnify the Company against all actions, claims, costs, expenses and damages whatsoever (including the cost of defending or settling any action or claim) in respect of:

- (a) Loss of or damage to any property; or
- (b) Personal injury (including death) to any person;

arising out of or by reason of anything done or omitted to be done, intentionally or negligently by the Carrier or by the Carrier's employees, contractors or agents in the performance of the Carrier's obligations under this Agreement.

9.2. The Company shall maintain insurance on all bodies and trailers hauled by sub-contractors under this agreement. The Company or its agents (including the Insurers of the bodies and trailers) shall not pursue the recovery of funds to cover the cost of repair to the vehicle bodies or trailers beyond the liability detailed in 7.7 either directly to the subcontractor or through the subcontractors insurer in the event of damage caused by vehicle accident.

9.3. The Carrier shall be responsible for any fines incurred where bins have been left on public property without the necessary permits being obtained or where bins are placed in a location without specific direction from the management of the Company. It is the obligation of the Carrier to obtain an allocation number and appropriate directions from the Company before leaving any bin at a location and such allocation numbers and directions must be recorded on the relevant docket. Where a Carrier provides the Company with the use of their vehicle then the Company will be responsible for the insurance excess of that vehicle, conversely where the Company provides a Carrier with the use of a vehicle the contractor will be responsible for the insurance excess of the vehicle during its agreed use. The maximum excess payable for either party is \$20,000.00 per claim

9.4. The Company may provide parking space for the vehicle of the Carrier at a nominated company location. Where the Carrier seeks to house the vehicle at premises other than those offered by the Company the Carrier must first seek written approval from the Company.

- 9.5. It is the obligation of the Carrier to maintain as valid and current the following:
- (a) Registration of the vehicle;
 - (b) Appropriate drivers licence for the nominated driver and any approved relief driver;
 - (c) Comprehensive vehicle insurance, effective for all drivers of the vehicle;
 - (d) Third party comprehensive personal injury (i.e. CTP) policy and public liability insurance to the value of ten million dollars in respect of any single occurrence;
 - (e) Registered Pty Limited Company, A.B.N;
 - (f) Workers compensation insurance for any employee of the Carrier involved in driving the vehicle;.
- 9.6. The Company has the right to require production of documentary evidence of the validity of the abovementioned insurances and statutory documents at any time during the life of this Agreement.
- 10. Goods and Services Tax**
- 10.1. The parties agree that the Goods and Services Tax ("GST") shall apply strictly in accordance with the legislation to the cartage services provided for under the terms of this Agreement.

11. Sale of Vehicle

- 11.1. It is acknowledged and agreed by the parties to this Agreement that the Company does not recognise and has no liability in respect of any "goodwill" or premium which may have passed between a Carrier and a third party at any time prior to during or after the life of this Agreement, as per attachment Schedule C..
- 11.2. Where a Carrier seeks to sell the vehicle in work then it is acknowledged and agreed that the Company has the right to approve any such purchaser of the vehicle which approval shall not be unreasonably withheld. The procedure in Clause 13 hereof will apply in all cases.
- 11.3. It shall be a condition of such approval that the outgoing Carrier and the incoming purchaser acknowledge and agree that:
- (a) an engagement by the Company of a Carrier to undertake work under this Agreement does not commit the Company to guarantee any minimum level of work; and
 - (b) the Company has no liability for any "goodwill" or premium whatsoever.

12. Availability

- 12.1. The Carrier must supply and man the vehicle to comply with the directions of the Company on the basis that the availability of the manned vehicle must be for no less than 52 weeks per annum as a minimum or a lesser amount with approval of the Company. Where the Carrier is unable to man the vehicle either with the nominated driver or an approved relief driver then the Company has the right to place an accredited trained driver in the vehicle for the purposes of serving the Company's customer base adequately on the date in question. Where the Company is compelled to take this action then the costs of the driver supplied by the Company will be borne by the Carrier. All subcontractors may be required to work only a Saturday or Sunday as required

13. Option on Sale of Vehicle

- 13.1. Where the Carrier seeks to sell its vehicle then it must give the Company the first right of refusal. If the Company agrees to buy the Carriers vehicle and it is under 6 years old it then the agreed price will be based on the formula as set out in Schedule D.
- 13.2. If the Company declines to buy the vehicle and the company wants the work that the carrier is doing to continue to be done by a carrier and not by company vehicle then the Carrier may offer the truck for sale to existing employees of the Company or other Carriers. Where either a Company employee or another Carrier indicates willingness to purchase the vehicle then the Company has the discretion to determine which employee or Carrier will be given preference such discretion to be exercised on the basis of assessment by the Company of suitability.
- 13.3. If no Company employees or other Carriers are interested in purchasing the vehicle and the company agrees, then the Carrier may offer the vehicle (in work) on the open market subject to the approval process referred to in Clause 14 hereof.
- 13.4. If no Company employees, other Carriers or the Company are interested in purchasing the vehicle (in work), then the company will remove all equipment owned by the Company at the Carriers expense and the carrier is free to dispose of the vehicle as they see fit.
- 13.5. Any fair valuation of the vehicle undertaken for the purposes of this clause must have regard to the conditions attaching to the approval process as referred to in clause 14.3.

14. Termination

- 14.1. In the event of either party wishing to terminate the contract, 90 days shall be given by either party.
- 14.2. Where the Carrier has committed a fundamental breach of its contract with the Company or has committed through its nominated driver an act of serious misconduct then the Company may terminate its contract with the Carrier without notice. Where an approved relief driver commits an act of serious misconduct and there is associated culpable conduct on the part of the Carrier (e.g. deliberately ignoring previous conduct by the approved relief driver) then the Company may terminate its contract with the Carrier without notice. It is agreed that such action by the Company shall only be taken following a thorough investigation involving the Carrier the Union Delegate and other union representation

if desired by the Carrier. During the period of any such Investigation the Company may suspend the Carrier from the assignment of any jobs.

- 14.3. It is agreed that for the purposes of this Agreement a fundamental breach of this agreement or an act of serious misconduct shall include but not be limited to the following matters:
- (a) The consumption of alcohol or drugs of intoxication immediately before or during the supply of transport services under this agreement.
 - (b) An act of violence by the carrier or nominated driver or approved relief driver at any time during the provision of transport services.
 - (c) An act of fraud or theft or damage to the company's reputation by the Carrier or nominated driver or approved relief driver.
 - (d) A breach of clauses 4.2, 5.1 or 7.10 of this Agreement;
 - (e) The Carrier being unable to pay its debts as and when they fall due or having a receiver or liquidator appointed;
 - (f) Any act by the nominated driver which threatens either the continuation or viability of a contract between the Company and its customer.
- 14.4. Where the nominated driver of the Carrier commits another act, which does not justify summary termination of the contract of carriage, but is still an act of misconduct (including dishonesty, lateness etc) then the Company shall follow a standard warning procedure involving counselling and formal written warnings. Where an approved relief driver commits such an act then Veolia Environmental Services has absolute discretion to withdraw its approval for that relief driver. It is acknowledged by the parties that such a procedure may ultimately lead to the termination of the contract of carriage of the Carrier concerned provided the conduct involved on the part of the driver is not corrected.
- 14.5. The Carrier acknowledges any goodwill accruing over the term of this Agreement remains at all times the sole property of the Company.

15. Settlement of Disputes

15.1. Where an industrial dispute occurs or is likely to occur the following steps should be taken:

- (a) The Carriers representative and or the delegate shall discuss the matter with the appropriate Manager or Supervisor of the Company.
- (b) If those discussions do not resolve the matter then a cooling off period of 24 hours shall be observed by both parties.
- (c) If the matter in dispute is still not resolved then an official from the union will discuss the matter with senior management from the Company.
- (d) If the matter in dispute is still not resolved then it should be taken before the Industrial Relations Commission of New South Wales.
- (e) At all times while the matter remains in dispute the parties shall observe this disputes procedure and there shall be no stoppage, ban or limitation imposed on transport services.

16. 16. Death and Disability

16.1. Where a nominated principal driver of a Carrier dies during the life of this Agreement the Company shall permit the estate of the deceased driver to operate the vehicle pursuant to the terms of this Agreement for a period of twelve (12) months from the date of death of the Driver provided that the estate engages a relief driver approved by the Company and further provided that all reasonable operational requirements are met.

16.2. If at the completion of the twelve (12) month period the estate is still not complete or probate has not been granted then it shall be entirely at the discretion of the Company as to whether the estate will be permitted to continue to operate the vehicle.

17. Signage and Uniforms

- 17.1. The cost of all signage required by the Company to be placed on vehicles operated pursuant to this Agreement shall be met by the Company.
- 17.2. The Company shall provide one annual issue of a Company uniform to the principal nominated driver for each Carrier. The Carrier has the option to purchase a uniform at cost for the purpose of providing such uniform to an approved relief driver.
- 17.3. It is a requirement of this Agreement that both the principal nominated driver and any approved relief driver must wear the Company uniform and required safety gear and this will be enforced by disciplinary action where necessary.

Signed for and on behalf of)
VEOLIA ENVIRONMENTAL)
SERVICES (AUSTRALIA) PTY LTD

in the presence of:

RHONDA HEWITT
JUSTICE OF THE PEACE
158520

Signed for and on behalf of)
THE TRANSPORT)
WORKERS UNION OF NSW

) W.F. Forno
Wayne Forno



in the presence of:

Suzana Hall

Schedule A : VES Hunter Region Carriers Agreement Carriers Rate

The following rates shall form the bases of this agreement with CPI (All Groups Sydney) rise and fall to apply from the 1st July each year with the first increase due 1st July 2009. These CPI increases will have the fuel component deducted as it is covered under schedule B (attached)

Frontlift Subcontractors

| Contractor | WasteType | \$ per metre |
|---|------------------|---------------------|
| Sweet Truck Haulage Pty Ltd | General | 3.87 |
| | Cardboard | 4.60 |
| Black & Four Transport Pty Ltd | All | 3.87 |
| Max Bawpa Pty Ltd | All | 3.87 |
| Gross Waste Pty Ltd | General | 3.87 |
| | Barter site | 2.00 |

Hooklift Subcontractors

| Contractor | Service Type | Rate (\$) |
|-----------------------------|------------------------------|------------------|
| MA & CA McLennan | Service | 110.05 |
| | Delivery | 51.77 |
| | Removal | 84.31 |
| | Out of area Service | 148.80 |
| | Compactor | 129.48 |
| | Futile | 51.77 |
| | Spemar & Partners | Service |
| Delivery | | 51.77 |
| Removal | | 84.31 |
| Out of area Service | | 148.90 |
| Compactor | | 129.48 |
| Futile | | 51.77 |

Schedule B(i) : VES Hunter Region Carriers Agreement 2009 Fuel Rise & Fall

Fuel rise & fall will be applied by the % shown in "Rate Increase / Decrease" column

To be adjusted at the beginning of each quarter (January, April, July, October) based on the the average fuel price for the previous quarter.

| Base Enfield Yard rate is \$1.05 litre | Enfield Yard bowser price per Litre | Rate Increase / decrease |
|--|--|-----------------------------------|
| | \$1.06 to \$1.25 | 2% |
| | \$1.26 to \$1.45 | 2% |
| | \$1.46 to \$1.65 | 2% |
| | \$1.66 to \$1.85 | 2% |
| | \$1.86 to \$2.05 | 2% |
| | \$2.06 to \$2.25 | 2% |
| | \$2.26 to \$2.45 | 2% |

For example - If the fuel price averaged \$1.16 between July & September then the Carriers rate would increase 2% at 1st October. If the average price then rose to \$1.39 between October & December then the Carriers rate would increase another 2% In January. If the average rate then dropped to \$1.05 in the January to March quarter then the Carriers rate would drop by 4% at 1st April.

 **VEOLIA**
ENVIRONMENTAL SERVICES

B (ii)

NEW SOUTH WALES

Date 11/08/08

Subcontractors Fuel and CPI Increases

This letter is to confirm that the attached spread sheet is the full and final settlement to all outstanding claims that may arise out of Clause 4.6 and 4.7 of the Collex Pty Ltd Enfield Carriers Agreement of 2005.

And furthermore it is agreed that the formula in the attached spread sheet will be used in any further claims that may arise out of clause 4.6.

It is further agreed that all outstanding monies owed to the contractor by Veolia in relation to Clause 4.6 or monies owed by the contractor to Veolia will be paid no later than the close of business 29th August 2008.

Contractor's rates will be adjusted annually by the CPI (all Groups Sydney) with any increases effective 1st July.

Should fuel cost increase more than 20cents a litre (averaged over the Quarter Dec-March April-June July- Sept) contractors will be entitled to a 2% increase expressed as a separate payment added to their invoice before deductions.

It is agreed by the parties that any interim fuel increases paid to contractors between the CPI payments for the higher price of Diesel will cause the annually adjusted CPI payment to be discounted by 25%, as this represents the fuel component of the CPI (all Groups Sydney).

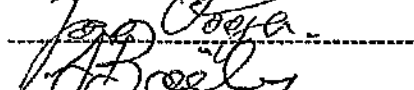
Keven Thompson
Operations Manager-Commercial Services



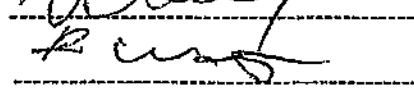
Signed on behalf of Enfield Subcontractors
Mark Denny



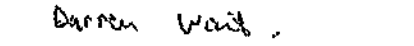
Joe Vargo



Les Bailey



TWU Official



Darren Wait



Schedule C : VES Hunter Region Carriers Agreement 2009 - No Goodwill

Sale of vehicle from existing subcontractor to new subcontractor

[REDACTED]

[REDACTED]
[REDACTED]

PURCHASE OF VEHICLE - [REDACTED]

I understand that you are currently negotiating for the possible purchase of a vehicle owned and operated by a contract carrier [REDACTED] currently providing transport services to VES' Solid Commercial Waste Division.

It is important that I draw to your attention prior to your potentially entering into any binding contract for the purchase of that vehicle to the following terms of the current Carrier's Agreement under which work is undertaken for VES (a copy of which is enclosed), namely:

- (a) Where a carrier seeks to sell its vehicle then it must give the Company the first right of refusal (see clause 13.1);
- (b) Any fair valuation of the vehicle undertaken for the purposes of determining the sale price must have regard to the conditions attaching to the approval process as referred to in clause 11 (see clause 13.5);
- (c) The Company has the right to approval of any such purchase of the vehicle, which approval shall not be unreasonably withheld (see clause 11.2);
- (d) It is a condition of such approval that the outgoing carrier and the incoming purchaser acknowledge and agree that:
 - i. An engagement by the Company of a carrier to undertake work under this Agreement does not commit the Company to guarantee any minimum level of work; and

- ii. The Company has no liability for any goodwill or premium whatsoever (see clause 11.3).
- (e) In the event of either party wishing to terminate the contract 90 days shall be given by either party (see clause 14.1);
- (f) The Carrier acknowledges any goodwill accruing over the term of the Agreement remains at all times the sole property of the Company (see clause 14.5).

VES requires, as a condition of its granting approval to any potential purchaser of the vehicle that you obtain independent legal advice in relation to the terms of the Carriers Agreement and the terms of this letter and that you provide to us a certificate attesting to the provision of that advice in a form acceptable to us.

Yours faithfully

For and on behalf of Veolia Environmental Services (Australia) Pty Ltd

Schedule D : VES Hunter Region Carriers Agreement 2009 - Truck Buyback

Purchase by VES of an existing Carrier's truck up to the age of 6 years

This schedule is designed to indicate the value that the Company will pay a Carrier for his vehicle under clause 13.1 of the agreement. Note that the dollar value indicated here is for example only and the real value will be based on the original purchase price for the new vehicle as sold by the dealer at the cost VES has obtained for the Carrier based on the Company's discount as available to the Carrier.

Example Buyback for new 8x4 Volvo depreciated at 15% diminishing value (ATO ruling IT 2685)

New Vehicle purchase price \$200,000

| Age (years) | Value |
|--------------------|--------------|
| new | 200,000 |
| 1 | 170,000 |
| 2 | 144,500 |
| 3 | 122,825 |
| 4 | 104,401 |
| 5 | 88,741 |
| 6 | 75,430 |

BEFORE THE INDUSTRIAL RELATIONS COMMISSION
OF NEW SOUTH WALES

or as required by Schedule 1

No. IRC of 2009

In the matter of an
application for approval of a
contract agreement

And in the matter of the
Veolia Environmental
Services (Australia) Pty
Limited NSW Hunter
Region Carriers Agreement
2009

AFFIDAVIT IN SUPPORT
OF THE APPLICATION

Deponent:

Date:

Filed on Behalf of:
Applicant

Filed by
Veolia Environmental
Services (Australia) Pty Ltd

Contact name
Colin O'Malley

Address
Cnr Unwin & Shirley Streets,
Rosehill NSW 2142

Telephone (02) 9841 2942

Facsimile (02) 9841 2990

By their Solicitors

Holman Webb Lawyers

Name

Tony Gooch

Address

Level 17, 123 Pitt Street,
Sydney NSW 2000

Telephone (02) 9390 8000

Facsimile (02) 9390 8390

DX 233 Sydney

On 2010, I, Colin O'Malley say an oath:

1. I am the Industrial Relations Manager for Veolia Environmental Services in New South Wales.
2. I have been involved in the course of negotiations between the parties that have led to the Agreement presently the subject of this Application, a true copy of which is set out in the document which is schedule 1 to the Application.
3. The application to approve the Agreement is made by consent between the Parties to the Agreement.
4. In my opinion:
 - (a) The Agreement meets all relevant statutory requirements including the requirements of Part 3 of Chapter 6 of the Act and of the Anti Discrimination Act 1977.
 - (b) The Agreement does not, on balance, provide a net detriment to the carriers who would be covered by the Agreement when compared with the aggregate package of conditions of engagement under the relevant contract determination – namely the Transport Industry – General Carriers (State) Contract Determination that would otherwise apply to the carriers.
 - (c) The parties understand the effect of the Agreement.
 - (d) The parties did not enter the Agreement under duress.

Sworn by the deponent)

at (place))

)

Before me:)

Justice of the Peace

BEFORE THE INDUSTRIAL RELATIONS COMMISSION
OF NEW SOUTH WALES

or as required by Schedule 1

No. IRC of 2009

In the matter of an
application for approval of a
contract agreement

And in the matter of the
Veolia Environmental
Services (Australia) Pty
Limited NSW Hunter
Region Carriers Agreement
2009

AFFIDAVIT IN SUPPORT
OF THE APPLICATION

Deponent:

Date:

Filed on Behalf of:

Applicant

Filed by

Veolia Environmental
Services (Australia) Pty Ltd

Contact name

Colin O'Malley

Address

Cnr Unwin & Shirley Streets,
Rosehill NSW 2142

Telephone (02) 9841 2942

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By their Solicitors

Holman Webb Lawyers

Name

Tony Gooch

Address

Level 17, 123 Pitt Street,
Sydney NSW 2000

Telephone (02) 9390 8000

Facsimile (02) 9390 8390

DX 233 Sydney

On 2010, I, [] say an oath:

1. I am the [].
2. I have been involved in the course of negotiations between the parties that have led to the Agreement presently the subject of this Application, a true copy of which is set out in the document which is schedule 1 to the Application.
3. The application to approve the Agreement is made by consent between the Parties to the Agreement.
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 - (c) The parties understand the effect of the Agreement.
 - (d) The parties did not enter the Agreement under duress.

Sworn by the deponent)

at (place))

)

Before me:)

Justice of the Peace

SCHEDULE 2

Comparison between 'Veolia Environmental Services Pty Ltd NSW Hunter Region Carriers Agreement 2009' and the 'Transport Industry – General Carriers Contract Determination'

| General Carriers Contract Determination | Hunter Region Carriers Agreement |
|---|---|
| Clause 1 – Definitions | Not applicable |
| Clause 2 – Class of contract of carriage, locality and duration | See clauses 1.1 to 1.3 inclusive |
| Clause 3 – Annual leave – entitlement to four (4) weeks annual leave without payment | See clause 12.1 – carrier must supply and man the vehicle to comply with the directions of the company on the basis that the availability of the manned vehicle must be not less than 52 weeks per annum or a lesser amount with approval of the company. The Company as part of its policies (see clause 2.2) however requires the employees / drivers of the carrier to have at least 4 weeks annual leave p.a. |
| Clause 4 – Uniforms | See clause 17.2 |
| Clause 5 – Lunch break - ½ hour lunch break on each day when a contract carrier is performing work for a principal contractor | The Company require the employees / drivers of the carrier to take the appropriate breaks to comply with the Company's Driver Fatigue management policy |
| Clause 6 – Obligations of the contract carrier | See clauses 4.1 to 4.3, 5.1 and 6.1 to 6.2, 7.1 to 7.4, 7.7 to 7.10, 9.1, 9.3 and 9.5 |
| Clause 7 - Obligations of the principal contractor | See clauses 7.5, 7.6, 8.4, 9.2 and 9.4 |
| Clause 8 – Pay in hand | Not applicable |
| Clause 9 – Claims record | Not applicable |
| Clause 10 – Termination | See clause 14 |
| Clause 11 – Selling of Vehicles | See clauses 11, 13 and Schedules C & D |
| Clause 12 – Corporations and Partnerships | The Agreement is with corporate entities only |
| Clause 13 – Disputes procedure | See clause 15 |
| Clause 14 – Savings clause | Not applicable |
| Clause 15 – No guarantees | See clause 11.3 |
| Clause 16 – Remuneration | See clauses 4.4 to 4.8 and Schedules A & B |
| Clause 17 – Unit Hourly or Other Rates Schedules 1 to 4 | Carriers are paid by the agreed metre rate,(adjusted by CPI annually) that has been in place for a number of years. Fuel costs are dealt with in Schedule B(ii) |

| | |
|---|------------------------|
| Clause 18 – Enterprise Arrangements | Not applicable |
| Clause 19 – General | See clauses 8.1 to 8.5 |
| Clause 20 – Area incidence and duration | See clauses 1.1 to 1.3 |