

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA00/56

TITLE: Dyno Nobel Asia Pacific Limited Agreement

I.R.C. NO: 99/6636

DATE APPROVED/COMMENCEMENT: 11 February 2000 and commenced 1 March 2000

TERM: 1 March 2002

**NEW AGREEMENT OR
VARIATION: New**

GAZETTAL REFERENCE: 17 March 2000

DATE TERMINATED:

NUMBER OF PAGES: 13

**COVERAGE/DESCRIPTION OF
EMPLOYEES: It applies to all employees at the Warkworth Plant and other associated off site operations in the Hunter Valley**

PARTIES: Dyno Nobel Asia Pacific Limited -&- Transport Workers' Union of Australia, New South Wales Branch



THE TRANSPORT WORKERS' UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

AND

DYNO NOBEL ASIA PACIFIC LIMITED

AN INDUSTRIAL AGREEMENT made on the 23rd day of April 1999, between Dyno Nobel Asia Pacific Limited (hereinafter called the Company) of the one part and Transport Workers' Union of Australia, New South Wales Branch, a duly registered Industrial Union of Employees, of the other part, and shall apply to the operations of the Company at its Warkworth Plant and other associated off site operations in the Hunter Valley and to the employees hereinafter referred to as the "employees", "casual employees" or "driver" as the case may be.

WHEREAS it has been agreed by the parties that the rates of pay and conditions of employment in this Agreement set out shall apply for 2 years from the date specified in Clause 19.

1. AGREEMENT

Clause No.

2. Statement of Intention
3. Hours of Employment
4. Wage Rates
5. Meals
6. Meal Allowance
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19. Area, Incidence and Duration
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22. Redundancy



2. STATEMENT OF INTENTION

- 2.1 It is the objective of the Parties to develop the Company's operations into a world class operation, delivering competitively priced quality products and services to our customers.
- We will do this by:
- 2.1.1 Carrying out all our operations and activities with a focus on safety.
 - 2.1.2 Focusing on the needs of our customers
 - 2.1.3 Continually improving all facets of our operation through flexibility and efficiency.
- 2.2 The parent Award for this Agreement is the NSW Transport Industry (State) Award.

3. HOURS OF EMPLOYMENT

- 3.1 Day shift ordinary hours shall be 8 ordinary hours per day nominally between 6.30 am and 3.00 pm Monday to Friday with a scheduled Rostered Day Off (RDO) once every four weeks, making 38 ordinary hours per week. Start times may vary between 5:00 am and 7:00 am with the first 8 hours paid at normal time. For weekly pay calculations the actual start and finish time will be rounded to the nearest half-hour.
- 3.2 Afternoon shift ordinary hours shall be 8 ordinary hours per day nominally between 2.30 pm and 10.30 pm Monday to Friday with a scheduled Rostered Day Off (RDO) once every four weeks, making 38 ordinary hours per week. A paid meal break of 20 minutes will apply to afternoon shift.
- 3.3 An RDO shall be scheduled for each employee once every 4 working weeks up to a total of 12 RDO's per year. Unclaimed RDO's cannot be accumulated. Unless otherwise mutually agreed only one person will be on RDO at any one time.
- 3.4 The Company will only pay according to the employee's formal time card/sheet. It is agreed by all parties that any abuse of the time keeping system will result in disciplinary action as per the Company's Procedures.
- 3.5 The Company shall fix the time and place at which each employee shall be in attendance at the yard, depot, garage or other agreed starting place ready to commence work in ordinary working hours and work shall be deemed to have commenced, for each employee in attendance, at the time and place so fixed.
- 3.6 The Company, unless otherwise mutually agreed, shall give at least 24 hours of any changes in starting and finishing times.
- 3.7 All hours worked in excess of 8 ordinary hours per day, or in excess of 38 hours per week, shall be paid for at the specified overtime rate for the classification.

4. WAGE RATES

- 4.1 The wage rates are as set out below. These rates shall be all purpose to the Award and shall be deemed to be paid in full recognition of any additional duty or responsibility imposed or any inconvenience encountered through strict observance by employees of the provisions of the Dangerous Goods Act 1975 and working with the products such as dust nuisance, and handling dangerous materials, etc.



4.2 Schedule of Day Work Wage Rates.

Leading Hand/Level 4	\$28.51 per hour
Level 3 Driver/Operator	\$27.32 per hour
Level 2 Driver/Operator	\$25.40 per hour
Level 1 Driver/Operator	\$23.92 per hour
Casual	\$23.92 per hour

4.3 Afternoon shift will attract a loading of 17.5% on the above rate.

4.4 A single overtime rate shall apply for Level 3 Driver/Operator's and Leading Hand/Level 4's as specified below.

Schedule of Overtime Rates.

Leading Hand	\$40.98 per hour
Level 3 Driver/Operator	\$40.98 per hour
Level 2 Driver/Operator	\$38.10 per hour
Level 1 Driver/Operator	\$35.88 per hour
Casual	\$35.88 per hour

4.6 The number of Leading Hands will be fixed as determined by plant management. It is envisioned that all leading hand positions will be on day shift. The maximum rate to apply to afternoon shift will be the Level 3 Driver/Operator rate plus a 17.5% premium, i.e. \$32.10 per hour.

4.7 All current operators will be paid at their current level.

4.8 Annual leave loadings will be determined according to the TWU NSW State Award.

4.9 The development of a new skills matrix in line with the modifications to the plant and the development of the new skills based training scheme will occur through the consultative committee process.

4.9 Level 1 shall be the starting point for new Driver/Operators. Progression to higher Levels shall be as a result of both time and skills attained as per the skills based training scheme developed by the consultative committee. Assessment of competency shall be under the existing Coach and Assessment program.

5. MEALS

5.1 On the days Monday to Friday, inclusive, there shall be one unpaid break of 30 minutes for lunch on day shift between the hours 11.00 am and 1.00 pm. The meal break shall be taken on the mine-site and in the truck if so required. A thermos flask and crib box will be provided for those who are required to take their lunch on the mine-site.

5.2 Where an employee is requested to work through a meal break, and is unable to take a 30 minute meal break in the above time frame, employees shall be paid at the overtime rate for the time of the meal break worked.

6. MEAL ALLOWANCE



- 6.1 The meal allowance, currently \$7.60 as per the TWU award, payable under the previous agreements has been incorporated into the single overtime rate.

7. SICK LEAVE

- 7.1 "Year" shall mean a period of twelve months measured for each employee from the date of commencement of his current employment.
- 7.2 An employee, other than a casual employee, with not less than 3 months' continuous service as such in the industry covered by this agreement, who is absent from work by reason of personal illness or injury not being illness or injury arising from the employee's misconduct or from an injury arising out of in the course of employment, shall be entitled to leave of absence, without deduction of pay, subject to the following conditions and limitations: -
- 7.2.1 An employee shall, unless it is not reasonably practicable to do so (proof whereof shall be on the employee) before the ordinary starting time on the first day of the absence, and in the event within twenty-four hours, inform the company of their inability to attend for duty, and as far as practicable, state the nature of the illness or injury and the estimated duration of absence.
- 7.2.2 An employee shall be entitled to be absent on sick leave, as defined in 7.2.1 above, without proof of illness as normally required by the employer for any 2 consecutive days absence of the employee's entitlement in any 12 months of consecutive employment.
- 7.2.3 An employee, if required, shall furnish to the employer such evidence as the employer may reasonably desire that the employee was unable, by reason of such illness or injury, to attend for duty on the days for which sick leave is claimed.
- 7.2.4 Except as hereinafter provided, the employee shall not be entitled in any year, to leave in excess of their accrued sick leave entitlement. These entitlements will be accumulated whilst in the employ of Dyno Nobel Asia Pacific Limited.
- 7.2.5 An employee shall be entitled to accrue 10 days sick leave each year.
- 7.3 Where an employee's sick leave record is such so as to cause concern to the Company, the Company will formally counsel the employee in relation to the taking of sick leave, and may require a medical certificate or other satisfactory evidence for all further absences throughout the ensuing 6 months from such counselling. Written advice of counselling shall be given to the employee concerned. Where the employee fails to comply with the above requirements, disciplinary action as per the Company Procedures may result.



8. LIVING AWAY FROM HOME AND TRAVELLING ALLOWANCE

- 8.1 Whilst the employee is away from his normal place of residence overnight, the employee shall receive an allowance of \$25.63 per night. This is an allowance to cover the employees incidental out of pocket expenses. All accommodation and meal expenses are to the Company's account.
- 8.2 Should the employee be required to sleep in a truck, such as deliveries to Western Australia in the pantec, the employee shall receive a total allowance of \$46.12 per night.

9. STRUCTURAL EFFICIENCY

- 9.1 The parties to this Industrial Agreement are committed to co-operating positively to increase the efficiency, productivity and competitiveness of the Company and to enhance the career opportunities and job security of employees in the industry.

Single person operation of trucks will be pursued.

- 9.2 Without limiting the rights of either the Company or the workforce to arbitration, any measure designed to increase flexibility at the plant or enterprise, by agreement of the parties involved, shall be implemented, subject to the following requirements: -

- 9.2.1 the changes sought shall not affect any provisions reflecting national standards;
- 9.2.2 no employee shall lose base income as a result of the change
- 9.2.3 the Industrial Organization will be a party to the agreement;
- 9.2.4 the Industrial Organization shall not unreasonably oppose any agreement;

10. CONTRACT OF EMPLOYMENT

- 10.1 The Employer may direct an employee to carry out such duties that are within the limits of the employee's skill, competence and training consistent with the classification structure of this Agreement, provided that such duties are not designed to promote de-skilling.
- 10.2 The Employer may direct an employee to carry out such duties and use such tools and equipment as may be required, provided that the employee has been properly trained, or is in the process of being trained under supervision, in the use of such tools and equipment.
- 10.3 Any direction issued by the Employer pursuant to 10.1 and 10.2 above shall be consistent with the Employer's responsibilities to provide a safe and healthy working environment.

11. TRAINING

- 11.1 A training program, commensurate with the needs of the Company shall be implemented in consultation with employees to ensure the current and future skill needs of the enterprise.

The parties agree that training is an essential element of the restructuring process and appropriate training will continue to be available for employees, commensurate with the

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needs of the industry, and employees will be encouraged to avail themselves of the training provided.

11.2 The training program's objectives will be to: -

- 11.2.1 provide for the present and future skill needs of the Company;
- 11.2.2 develop a more skilled and flexible workforce;
- 11.2.3 provide employees with career opportunities through appropriate training;
- 11.2.4 remove barriers to the utilization of skills acquired.

11.3 The program will include: -

- 11.3.1 the formulation of a training program for discussion with all employees. The program will be based on the skills matrix developed from the process of Task Identification in line with the Company's ISRS system.
- 11.3.2 dissemination of information on the training program and availability of training courses and opportunities to employees;
- 11.3.3 the recommendation of individual employees for training and reclassifications;
- 11.3.4 monitoring and advising all employees on the ongoing effectiveness of the training.

11.4 Where it is agreed, a training committee is to be established, then that training committee shall be constituted by the consultative committee. The role and function shall be determined by the Committee.

11.5 All reasonable costs incurred by an employee undertaking approved training in accordance with this Clause shall be reimbursed by the employer upon production of evidence of such expenditure.

11.6 Travel costs incurred by an employee undertaking approved training in accordance with this Clause which exceed those normally incurred in travelling to and from work shall be reimbursed by the employer.

11.7 All training conducted off the job in the Hunter Valley will be paid at ordinary time. No overtime will be claimed for local training courses unless the daily hours spent in training, less lunch breaks, exceeds 8 hours.

12. GENERAL

12.1 Except as provided by this Agreement, the conditions of employment of employees to whom this Agreement applies shall be those contained in the Transport Industry (State) Award. Where there is inconsistency between this Agreement and the award, this Agreement shall prevail.

12.2 The uniform standards and conditions of the N.S.W. Industrial commission as varied from time to time shall apply to persons covered by this Agreement, unless otherwise specified in this document, in respect of the following matters: -



Workers Compensation

Annual Leave

Bereavement Leave

Long Service Leave

Parental Leave

12.3

Carers leave entitlements will be as specified below:

An employee other than a casual employee, with not less than 3 months continuous service, with the responsibilities set out in subclause (b), shall be entitled to use any current or accrued sick leave entitlement, subject to the following

a) The employee shall, if required, establish by the production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person. In normal circumstances an employee must not take carer's leave where they are not the primary carer of the person.

b) The entitlement to use sick leave in accordance with this subclause is subject to the employee being responsible for the care and support of the person concerned and the person concerned falling into one of the following categories:

- "relative" means a person related by blood, marriage or affinity:
- "affinity" means a relationship that one spouse, because of marriage, has to blood relatives of the other: and
- "household" means a family group living in the same domestic dwelling.

c) A maximum of 5 days in any year of entitlement.

d) An employee shall, wherever practicable, give the employer notice prior to the absence of the intention to take leave, the name of the person requiring care and their relationship to the employee, the reasons for taking such leave and the estimated length of absence. If it is not possible for the employee to give prior notice of absence, the employee shall notify the employer of such absence as soon as possible after their the normal starting time.

13. CLOTHING

13.1

The Company shall supply all employees with five (5) sets of clothing annually. Uniforms shall be of a type and standard as determined by the Company, and may include short or long trousers at the employee's election. Whilst undertaking work for the Company, uniforms shall be worn and maintained in a clean and tidy condition.

14. OCCUPATIONAL HEALTH AND SAFETY

14.1

Dyno Nobel Asia Pacific Limited has a strict policy in relation to Occupational Health and Safety matters, and all employees will be made aware of that policy by the Company. Employees will attend meetings and training sessions in relation to Occupational Health and Safety in paid time, and all employees will adhere to the Company's policy. It is understood by all employees that non-compliance for any reason whatsoever will result in disciplinary action as per the Company.

The Company recognises its responsibility to comply with its obligations under the

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Occupational Health and Safety Act. The Company encourages all employees to report all unsafe conditions immediately. The Company shall supply all required protective/safety equipment in accordance with either its own policy, or the relevant legislation as amended from time to time.

15. EQUAL OPPORTUNITY

- 15.1 It is the policy of the Company that there shall be no discrimination relating to sex, marital status, pregnancy, race, religion, colour, national origin, impairment or political conviction. Entry into the Company, selection for specific jobs and career progression will be determined by personal merit and criteria related to the effective performance of the job.

16. SETTLEMENT OF DISPUTES

- 16.1 Subject to the Industrial Relations Act, 1996, any dispute shall be dealt with in the following manner:

16.1.1 The matter shall first be raised by the aggrieved employee(s)/TWU delegate with their immediate supervisor who shall take all necessary steps to resolve the matter.

16.1.2 In the event of an industrial dispute, the TWU organiser of the job and the Plant Manager shall attempt to resolve the matters in issue in the first place.

16.1.3 In the event of failure to resolve the dispute at this level, the matter shall be the subject of discussions between the TWU Secretary of the job and the Regional Manager.

16.1.4 In the event of no agreement being reached at this stage, the dispute will be referred to the Industrial Commission of New South Wales for resolution. Every endeavour shall be made by all parties to ensure that normal work continues during the above-mentioned process.

17. CONSULTATIVE COMMITTEE

- 17.1 The Company and the employees will form and participate in the operation of a Dyno Nobel Consultative Committee to facilitate workplace consultation, and to improve the level of communication and co-operation between all parties. The construction and operation of this committee shall be as agreed between Dyno Nobel Hunter Valley employees and site management.

- 17.2 Both parties to this agreement recognise the need to monitor and review the overtime being worked with the aim of controlling overtime to the minimum amount possible. A group with representatives from employees and the employer will meet regularly to review overtime worked and the need for overtime coverage in future as well as reviewing work practices with the aim of eliminating all unnecessary overtime. Both parties recognise that management has the right to control all overtime.

The following targets are recognised as Key Performance Indicators for the operation

Labour cost per tonne -	Plant	\$ 9.73
Labour cost per delivered Tonne -	Distribution	\$23.82



A quarterly review of costs per tonne will be conducted by the consultative committee. The attachment to this document shows the basis for the calculation of these targets.

18. ALCOHOL AND DRUG ABUSE

- 18.1 The parties to this Agreement are committed to establishing a policy and procedure to address any problems relating to alcohol and/or drug abuse in the workplace.

19. AREA, INCIDENCE AND DURATION

- 19.1 This Agreement shall take effect from the first full pay period following the 1st day of May 1999 and shall remain in force until the end of the pay period containing 28th day of April 2001.

20. FLEXIBILITY

- 20.1 The employer may direct an employee to relieve or cover absences anywhere in the Hunter Valley for sickness, annual leave or RDO's provided the employee is trained and assessed as competent to fulfil the required duties. Notice of the need to perform relief duties at a different location than normal shall be 24 hrs, unless mutually agreed otherwise. Personal geographic location shall be considered when arranging relief coverage.

21. SHIFTWORK

- 21.1 The parties to this agreement recognise that business circumstances may change necessitating the introduction of increased levels of shiftwork. The parties agree to negotiate any new shift arrangements within the life time of this agreement.
- 21.2 Rosters will be mutually agreed wherever possible and the parties agree to negotiate in good faith.

22. REDUNDANCY

- 22.1 Entitlements to redundancy pay will be as specified in the attached document. (The reference number for this Dyno Nobel Asia Pacific Ltd document is Doc reference 16.5, revision number 1.0.5, dated 16-Nov-98)



Signed for and on behalf of
Dyno Nobel Asia Pacific Limited

Caraphenon

Date 23/4/99

Witness

[Signature]

Date 23/4/99

Signed for and on behalf of
the Transport Workers' Union
of Australia, New South Wales
Branch.

[Signature]

Date 29-7-99

Witness

A. B. Lyall

Date 29-7-99

Signed for and on behalf of
the employees of Dyno Nobel Asia Pacific
Limited Hunter Valley

Date _____

Witness

Date _____



Calculation of Labour Costs per Tonne – Hunter Valley 1999

Plant Costs

Assumptions:

People

1 Leading Hand on Day Shift (\$60,277)

1 Day Shift Level 3 operator (\$57,919)

2 Afternoon Shift operators (\$67,366)

Output

Annual output of product = 26,000 tonnes per year

$$\begin{aligned}\text{Cost per tonne} &= (\$60,277 + \$57,919 + 2 \times \$67,366) / 26,000 \\ &= \$254,928 / 26,000 \\ &= \$9.73 \text{ per tonne}\end{aligned}$$

Distribution Costs

Assumptions

People

3 Leading Hand/Level 4 operators (\$60,277)

2 Afternoon Shift Level 3 Drivers (\$63,766)

11 Day shift Level 3 Drivers (\$57,919)

Output

Annual product into the ground in the Hunter Valley = 40,000 tonnes per year

$$\begin{aligned}\text{Cost per tonne} &= (3 \times \$60,277 + 2 \times \$63,766 + 11 \times \$57,919) / 40,000 \\ &= \$952,672 / 40,000 \\ &= \$23.82 \text{ per tonne}\end{aligned}$$



5.6 Termination Caused by Redundancy

When a position becomes redundant, the Company will, to the best of its ability endeavor to find an alternative position elsewhere within the operation which meets the redundant employees skills and qualifications. If the Company is unsuccessful in identifying an alternate position, the option of retrenching the redundant employee will be considered.

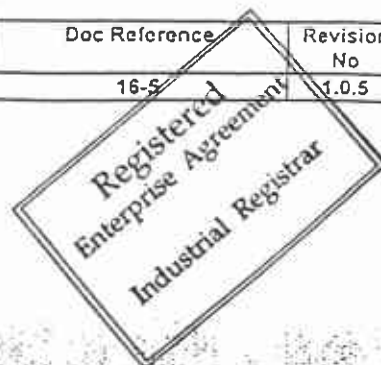
However, if an alternate position/s is/are identified the position/s these must be explained to the employee, with the employee being given sufficient time to consider these options. If an employee refuses a reasonable alternative position, a redundancy payment may not be warranted.

If a decision to retrench the redundant employee is made, the following process must be adhered to.

5.6.1 Retrenchment Process

- 5.6.1.1 Redundancy is a serious, and frequently expensive, option and thus all aspects of a potential redundancy must be discussed with Human Resources prior to any discussion with the employee. In all instances the Manager, Human Resources will advise the Managing Director of any actions that are proposed.
- 5.6.1.2 A payroll calculation will be organised through the Human Resources Department, giving details of the components which comprise their redundancy package.
- 5.6.1.3 Arrange an interview with the redundant employee, advising them that they will be retrenched, providing counselling throughout the interview.

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It is important to explain the circumstances that brought about this situation and that their performance was not a factor in this decision.

Hand to the employee their severance calculation, explaining each component. At this stage final dates should also be discussed.

It is important throughout the entire process for the manager to act in a way which preserves the employee's self esteem.

5.6.2 Formula for Calculating the Severance Package

- One (1) months pay in lieu of notice. This notice period may be shortened or lengthened by mutual agreement or the notice period may be worked;
- One (1) months additional pay in lieu of notice for employees over 45 years of age;
- One (1) calendar months pay for each completed year of service, to a maximum of six (6) months pay;
- Payout of all Annual Leave entitlements;
- Pro rata Long Service Leave after 5 years of continuous service with the Company.

