

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/129

TITLE: Barclay Mowlem (Rail NSW) - BHP Newcastle Steelworks Site, and the Australian Workers' Union Enterprise Agreement 1998/2000

I.R.C. NO: 99/903.

DATE APPROVED/COMMENCEMENT: Approved 28 April 1999 and commenced 1 July 1998.

TERM: 1 July 2000.

NEW AGREEMENT OR VARIATION: New.

DATE TERMINATED:

GAZETTAL REFERENCE:

NUMBER OF PAGES: 33.

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees engaged as Rail and Construction Maintenance Workers Grades 1-6 who were previously employed under the conditions of the General Construction and Maintenance Civil and Mechanical Engineering (State) Award.

PARTIES: Barclay Mowlem Construction Ltd, Railway Engineering & Construction Group -&- The Australian Workers' Union, New South Wales.





BARCLAY MOWLEM

Registered
Enterprise Agreement

Industrial Registrar

RAIL ENGINEERING & CONSTRUCTION GROUP - NSW

BHP NEWCASTLE STEELWORKS SITE

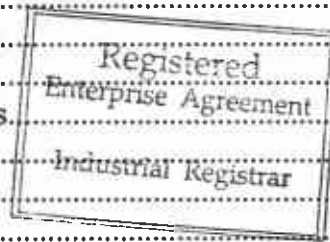
And

THE AUSTRALIAN WORKERS' UNION

ENTERPRISE AGREEMENT 1998/2000

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1. **TITLE**

This agreement shall be known as the Barclay Mowlem (Rail NSW)- BHP Newcastle Steelworks Site, and the Australian Workers' Union Enterprise Agreement 1998/2000.

2. **PARTIES TO THE AGREEMENT**

The Parties to this Agreement are Barclay Mowlem Rail Engineering & Construction Group (NSW) Management, Barclay Mowlem Construction Limited Rail Engineering & Construction (NSW) Employees working at the BHP Newcastle Steelworks site, and the Australian Workers' Union New South Wales, and shall be referred to throughout this document as the 'Parties'.

This agreement shall operate in regard to work at the BHP Newcastle Steelworks site only.

3. **AIMS**

The aims of this Agreement are to:

- Further enhance Barclay Mowlem Rail Construction & Engineering Group's performance as a leading Railway Contractor; and
- To improve the remuneration and working conditions of all the company's employees through greater profitability and increased business.



4. **OBJECTIVES**

The key objectives of the Agreement are to;

- to continually improve quality, competitiveness and performance.
- to encourage employee participation, teamwork and co-operation.
- implement skill improvement programs for employees.
- to provide a safe and healthy workplace by the active involvement of all employees.
- to promote innovative methods and improved efficiencies to reduce project costs.
- to encourage open communication between parties and shared commitment to the project goals.
- to recognise and respond to the requirements of the Client.

5. APPLICATION

This Agreement will apply only to employees of Barclay Mowlem Construction Limited Rail & Engineering Construction Group employed on the BHP Newcastle Steelworks site.

The Agreement shall commence operation from the first pay week after certification of Agreement by the Industrial Relations Commission of NSW.

The Agreement will operate for two (2) years from the date of its certification.

If during the life of this Agreement either party wishes to terminate the Agreement, three (3) months written notice of their intention to terminate must be given to the other party.

The Industrial Relations Commission of NSW will be notified at the same time of the notice of intention to have the Agreement terminated.

This Agreement will continue to apply until a new Agreement is certified with the Industrial Relations Commission of NSW.

This Agreement shall be read and interpreted wholly and in conjunction with the General Construction and Maintenance Civil and Mechanical Engineering (State) Award, provided that this Agreement shall take precedence over the Parent Award in the case of any inconsistency.

Where this Agreement is silent on rates, conditions and other matters, the Parent Award shall prevail.

Three (3) months before the expiry date of this Agreement, the Parties will start consultations over a new Agreement.



6. MEASURES TO ACHIEVE GAINS IN PRODUCTIVITY AND COST CONTROL

This Agreement aims to increase the company's productivity and quality performance through consultation, skill development and changes to pay structures.

Team work will be encouraged on all projects.

Project review meetings will take place to enable open exchanges among project management, quality assurance, engineering and supervisory personnel and employees on improvements to work methods and quality systems.

Team meetings will review labour, material and other costs to find ways of reducing construction costs to enhance the Group's status as a cost effective, quality contractor.

Productivity and quality enhancement and waste reduction targets will be set for each project and explained to all site personnel.

Performance payments will be structured to reward work teams for the achievement of targets.

7. SKILL DEVELOPMENT

This Agreement aims to encourage all employees to improve their skills through industry recognised training.

Employees will also undertake training in the use of the company's quality procedures.

Project Consultative Committees will consider a skill development plan for each project, based on the training opportunities and facilities provided on the project.

Inclement weather time will be devoted to agreed structured training when it is feasible for training to be delivered.

Otherwise the procedures established in the Parent Award will prevail.

8. MEDICALS

All new employees will be required to pass a medical to ensure physical capability to carry out the work and compliance with the requirements of the Rail Safety Act (fitness, hearing, eyesight, colour vision).



9. INDUCTIONS

Prior to the commencement of work on site, all employees of Barclay Mowlem shall be required to attend and undertake a project/company induction session. Officials of the AWU will be welcome to attend these sessions. Employees will have to demonstrate a clear understanding of the issues raised in the induction, prior to beginning actual work.

Other site personnel, including the employees of subcontractors on Barclay Mowlem projects, will also undertake an appropriate induction.

Inductions will include information and the provision of relevant documentation on the following:

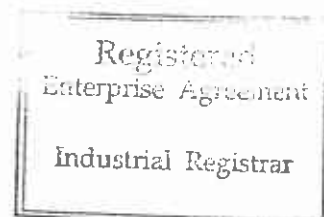
- the scope, purpose and anticipated duration of the project
- the contents of this enterprise agreement and how they govern the contract of employment of each employee
- compliance requirements of legislative, employer, employees and site safety standards
- the cooperative objectives of this enterprise agreement
- the specific dispute resolution procedures of this enterprise agreement

10. EEO/AA

Barclay Mowlem is committed to a policy of equal employment (EEO) by ensuring that all employees and applicants for employment are considered on merit with the best person chosen for the position.

In accordance with our obligations under the Affirmative Action Act 1986, Barclay Mowlem is committed to an affirmative action policy to eliminate barriers to employment and promotion of women.

Managers and Supervisors will ensure that all employees are treated equitably and are not subjected to discrimination. Any reports of discrimination or harassment will be treated seriously and investigated promptly and confidentially.



11. FORM OF EMPLOYMENT

Employees will be employed on the following basis:

- 11.1 Weekly Full Time
- 11.2 Casual



11.1 **Weekly Full Time**

11.1.1 Employees will be engaged on a weekly hire basis with a minimum of 38 hours work per week.

11.1.2 Weekly hire means that one weeks notice of termination must be given by either party to the other.

11.1.3 Hours of Work (Non-Shift)

Ordinary hours of work will be 38 hours per week and will be worked between 7.30am and 4pm on consecutive days.

All ordinary hours work on a Saturday will be paid for at time and a half for the first 2 hours and double time thereafter.

All ordinary time worked on a Sunday will be paid for at double time.

11.1.4 Overtime: For all work carried out outside ordinary hours the rates of pay shall be time and a half for the first two hours and double time thereafter. On Saturdays work performed after noon and Sunday work will be paid at double time.

11.1.5 Rates of Pay: Rates of pay shall be in accordance with Schedule 16.

11.1.6 Shift Work:

Definitions:

Afternoon Shift means any shift of ordinary hours finishing after 6pm and before midnight.

Night Shift means any shift of ordinary hours finishing subsequent to midnight and at or before 8am.

Rostered Shift means any shift of ordinary hours of which the employee has had at least 48 hours notice.

Afternoon Shift workers shall be paid at 15% over the ordinary rate and Night Shift workers shall be paid at 20% over.

An employee who:

- (i) Remains on night shift for longer than four weeks, or
- (ii) Works on a night shift which does not rotate so as to give at least one third of their time off night shift in each cycle shall be paid 30% more than the ordinary rate.
- (iii) Overtime rates shall apply as for day worker provisions.
- (iv) Shift workers on afternoon or night shift which does not continue for at least 5 successive days shall be paid at 50% more for all ordinary hours worked.

11.2 Casual Employees

11.2.1 A casual employee is one engaged and paid on an hourly basis terminable on an hour's notice by either side. Provided that the maximum period that a casual can be employed continuously is 4 weeks.

11.2.2 A casual shall be paid at the same rate of pay as a weekly full time employee plus a loading of 20%. The loaded hourly rate includes consideration for annual leave, sick leave, public holidays and insecurity of casual work.

11.2.3 Hours worked in excess of 8 hours a day and worked on Saturday or Sunday shall be paid at the normal penalty rates.

11.2.4 The minimum hours of payment for a casual once called to work shall be 4 hours.

11.2.5 The clothing issue applicable to weekly employees shall not apply to casuals, however a clothing allowance will apply as defined in Clause 14.

12. MEAL BREAKS

While meal breaks will generally be taken at normal hours, the Parties agree that due to specific Project requirements greater flexibility in meal breaks can be agreed on by the Consultative Committee to suit track possessions or continuous operations, without additional rates of pay.

No employee shall work more than 6 hours without a meal break.



13. ROSTERED DAYS OFF

Rostered days off (RDO's) will be generally observed in accordance with the Parent award.

Greater flexibility in the taking of RDO's is, though, available under this Agreement, without the imposition of additional penalties.

The Company will notify the union of any changes that are proposed to the industry set RDO's.

At least 2 working days notification will be provided if the scheduled RDO is to be changed.

The options for all or individual employees will include -

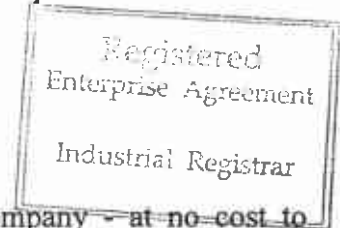
- An alternative day in the same or immediately following four (4) week cycle.
- Banking of up to 5 RDO's but must be cleared within the calendar year.
- On any RDO's Barclay Mowlem may, with the consent of the Consultative Committee offer work to employees and subcontractors on a voluntary basis.

The flexibility arrangements will be considered through the Project Consultative Committee and will require a majority decision by Barclay Mowlem employees covered by this Agreement on the particular site of the proposed variation.

14. PROTECTIVE CLOTHING

All weekly hire employees will be issued by the company - at no cost to employees - with;

- two pair of safety footwear and a safety helmet before commencing work on initial project. Footwear will be replaced on the basis of fair wear and tear.
- one bluey jacket per year, for any employee working between 1 May and 30 September each year, and with two weeks employment with the company.
- two sets of overalls or combination bib and brace or long trousers, a long sleeve shirt and an orange safety T-shirt at the end of the first two weeks employment with the company.



Employees will be made aware of these clothing entitlements on commencement of employment with the company and the clothing will be made in Australia.

Clothing will be purchased with a Company logo or sew-on logos will be provided to employees.

Clothing will be replaced annually or more frequently on a fair wear and tear basis.

Casuals will be paid a Clothing Allowance in lieu of the provisions of this clause of \$0.12/hour for all purposes.

Should an employee leave the Company within 4 weeks of issue he/she will reimburse the employer the following proportion of purchase cost of the protective clothing;

Up to 2 weeks (after issue)	2/3rds of cost
2 - 4 weeks	1/3rd of cost

Due to the risks of working in the sun, employees will be issued with long sleeved shirts and long trousers. However, if employees request the issue of short shirts or trousers they must sign a declaration stating that they have been made aware of the risks and will apply sunscreen as required. When working on sites specified as only long sleeve/long trousers by the Client, all employees shall comply.

Employees will be provided with the following protective equipment as required:

- eye protection
- gloves
- hearing protection
- sun screen lotion
- safety harness
- leggings (welding)
- safety hard hat



Where an employee who has been issued with safety equipment is found not to be wearing them on the job, then such employee will be counselled in the presence of a representative of the Safety Committee.

Further infractions in relations to protective equipment will result in the warning procedures under clause 28 being invoked.

15. SPECIAL RATES AND DISABILITIES ALLOWANCES

It is agreed that a site disabilities allowance of \$1.00 per hour will be paid for all work on this site, in lieu of the following allowances in the Parent award.

Clause 4 (* Note)
 Clause 5

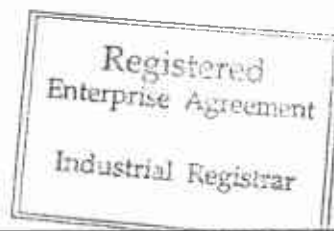
* Note NB. Allowances 4(i) and (ii) are included elsewhere.

This site allowance also incorporates an allowance of \$28.10 per week in lieu of special rates or disability payments for work on this site.

This payment will be payable as a flat rate for each hour worked on site or travelling. It is not payable on Annual Leave, Sick Leave, Workers Compensation or Wet Weather time off site, however, it is payable while employees are on site ready for work, training and at Consultative Meetings.

16. RATES OF PAY SCHEDULE

The classifications are defined in Appendix 2.



CLASSIFICATION	CURRENT RATE	COMMENCING JULY '98 +5%
GRADE 1	N/A	N/A
GRADE 2	12.78	13.42
GRADE 3	13.63	14.31
GRADE 4	13.98	14.68
GRADE 5	14.45	15.17
GRADE 6	15.83	16.62

Leading Hand *

CLASSIFICATION	COMMENCEMENT RATE	JULY '98 +5%
0 - 5 MEN	0.41	0.43
5 - 10 MEN	0.58	0.61

* Applies only to Grades 1 to 5

* The rates of pay in Schedule 16 commencing in July 1998 will remain at this rate for the duration of the agreement unless one of the following occurs:

- (i) Should the CPI increase by more than 5% between July 1998 and June 2000 the rates of pay will be increased to match the CPI increase from the appropriate date.
- (ii) If the rate of pay of the BHP Steelworks EBA increases to a rate exceeding the BMCL rate, the base rate in this agreement will be increased to ensure a similar 38 Hour rate is maintained as calculated in the following schedule.
- (iii) Schedule – Comparison BMCL Rates with BHP Rates:

BMCL Grade	38 Hour Amount	Equivalent BHP Grade	38 Hour Amount
Grade 2	606.96	Level 1	583.80
Grade 3	640.78	Level 2	629.40

- (iv) Calculations:

EBA	GRADE	RATE per hour	FARES per day	SITE ALLOW./hr	38HR AMOUNT
BMCL	Grade 2	13.42	11.80	1.00	606.96
BHP	Level 1	15.36	N/A	N/A	583.80
BMCL	Grade 3	14.31	11.80	1.00	640.78
BHP	Level 2	16.56	N/A	N/A	629.40

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17. PUBLIC HOLIDAYS

The AWU Picnic Day will be taken on the same day as the Newcastle Steelworks picnic day(only 1 picnic day to be taken per year).

There will be no allowance for Newcastle Show Day on this site.

18. BHP CODE OF CONDUCT FOR CONTRACTORS

Refer attached Code of Conduct for Contractors (Appendix 1).

19. WORK OBLIGATIONS

It is a condition of employment that an employee;

- a) Performs allocated work to the best of their ability.
- b) Participates in training and be accredited in work skills and knowledge to become a flexible member of the work team.
- c) In the case of emergency or limited track possession work, continues work until completed or relieved by an incoming shift.
- d) Notifies the Company if unable to attend work within 2 hours of the normal time of commencement of duty and advise the reason for absence and anticipated duration of absence.
- e) Works reasonable overtime as required in the Construction and Maintenance Industry.
- f) Complies with appropriate Occupational Health and Safety Regulations, Codes of Practice and the Project Health and Safety Plan.
- g) Shall not consume alcohol or illegal drugs at work or attend work under the influence of these. All employees may be tested at random to ensure compliance. Under the Rail Safety Act, it is an offence to commence work with a prescribed concentration of alcohol of 0.02grams or more of alcohol per 100ml of blood. The Company Procedure for Alcohol and Drugs must be adhered to.
- h) Employed as a plant operator, will carry out daily maintenance checks and operate machinery responsibly and safely at all times.
- i) Will comply with Railway Safeworking regulations when working on or adjacent to an operating rail system.



20. SUPERANNUATION

The company will contribute an amount of \$50.00 per week for each employee.

The agreed fund is C+BUS.

Employees can elect to have additional payments directed to their C+BUS accounts in lieu of receiving productivity performance payments as wages.

21. REDUNDANCY

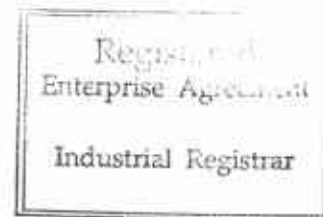
Each employee will be entitled to receive a redundancy payment for each week of service of \$45.00 per periods of continuous service that are accrued after the certification of this Agreement. This amount will rise to \$50.00 per period from July 1999.

This payment will be made in lieu of the schedule of entitlements provided in sub-clause 13 (b) of the Parent Award.

Redundancy payments for continuous service prior to the certification of this Agreement will be determined in accordance with arrangements in place prior to this Agreement, or, in the absence of such arrangements, in accordance with the Parent Award provisions.

The agreed redundancy fund shall be ACIRT.

22. FARES



Fares shall be paid in accordance with the provision of the Parent Award.

23. SICK PAY

Weekly employed employees under this Agreement shall be entitled to sick pay.

- a) An employee other than a daily employee as defined who is absent from work on account of personal illness or on account of injury by accident, other than that covered by workers' compensation, shall be entitled to leave of absence, without deduction of pay, subject to the following conditions and limitations.

- (i) He shall within the ordinary hours of the first day of such absence inform the employer of his inability to attend for duty, and as far as practicable, state the nature of the injury or illness and the estimated duration of his absence.
- (ii) An employee during his first year of employment with an employer shall be entitled to sick leave entitlement at the rate of one day at the beginning of each of the first ten calendar months of his first year of employment.

Provided that an employee who has completed one year of continuous employment shall be credited with a further ten days' sick leave entitlement at the beginning of his second and each subsequent year, which, subject to subclause (c) of this clause shall commence on the anniversary of engagement.

- (b) A medical certificate will be required for all absences exceeding one day, or where an employee has had two days sick leave in the previous year without provision of a medical certificate, or if requested by the supervisor.
- (c) Sick leave with an employer shall accumulate from year to year so that any balance of the period specified in paragraphs (a)(iii) and (iv) of this clause which in any year has not been claimed by the employee and subject to the conditions herein prescribed shall be allowed by that employer in a subsequent year, without diminution of the sick leave prescribed in respect of that year.
- (d) Any sick leave for which an employee may become eligible under this Award by reason of service with one employer shall not be cumulative upon sick leave for which the employee may become eligible by reason of subsequent service with another employer.

- (e) If an employee is terminated by his employer and is re-engaged by the same employer within a period of six months, then the employee's unclaimed balance of sick leave shall continue from the date of re-engagement.

In such case the employee's next year of service will commence after a total of twelve months has been serviced with that employer excluding the period of interruption in service from the date of commencement of the previous period of employment or at the anniversary of the commencement of the previous period of employment, as the case may be.



24. PROCEDURES FOR RESOLVING CLAIMS, ISSUES AND DISPUTES

All parties to this Agreement recognise and accept that people have differing view points and hence, conflict will arise from time to time. To ensure the credibility of the Company and the job security of employees, it is agreed that it is in the interest of all parties to manage the resolution of conflict by means which do not damage the Company's business or its client relationships.

To enable claims, issues and disputes to be progressed while work proceeds normally and without interruption, the procedures outlined in this clause will apply.

- Employee/s and/or delegate of the union/s will place the claim, issue or dispute before the front line supervisor. This group will take all reasonable steps to settle the matter together.
- Failing agreement, all parties will place the claim, issue or dispute before the site manager. This group will take all reasonable steps to settle the matter.
- If the claim, issue or dispute remains unsettled, the delegate/s and/or employees will contact their union official immediately who will arrange a conference with Company management in order to try to settle the matter.
- If the claim, issue or dispute remains unsolved at this stage, then the parties shall refer the matter to the Australian Industrial Relations Commission for its assistance.

The above procedures will be progressed quickly, but reasonable time limits will be applied.

Where a claim, issue or dispute relates to a safety matter the above procedure will be followed. However, when an Occupational Health and Safety Committee exists, the committee or a member of the committee may be involved in assisting the settlement of the matter. Upon advice that a safety dispute exists, the supervisor will take immediate corrective action to allow work to continue without risk to health and safety. Nothing in this procedure changes the rights and obligations employees and employers have under the NSW Occupational Health and Safety Act 1983.

If the above procedure fails to settle a claim, issue or dispute and industrial action is intended which will interrupt or delay BHP Rod and Bar Products Division operations, then no such industrial action will occur until the expiry

of ten days from the time a written notice of such intended action has been given to the Company by the relevant union official.

No party shall be prejudiced by the fact that work continued whilst the above process was being followed.

25. **IMPACT OF CLIENT INDUSTRIAL DISPUTES ON COMPANY CONTRACTS' WORK**

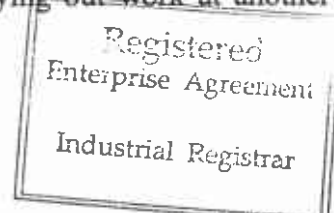
When the Company's employees are working within the boundaries of a client's operation and the client's employees enter upon an industrial stoppage, the Company's employees will continue at work where:

- 1) The work is in terms and specification of a specific fixed price contract, whether described by the client as "capital", "maintenance" or "service".
- 2) The work can be continued without carrying out any work of the client's employees on strike.

In instances where work cannot continue because of the client's employees' stoppage, there will be no restriction on work carrying on in the company's workshop (whether or not within BHP site) or ~~carrying out work at another contract location.~~

26. **NO EXTRA CLAIMS**

It is a term of this agreement that the Unions will not pursue any extra claims, award or over-award for the life of this agreement. There shall not be any "double counting" in respect of any future variations to the rates of pay of classifications in the Metal Industry Award 1984 - Part 1.



27. **PROCEDURES FOR SETTLING DISAGREEMENTS OVER SAFETY**

A Safety Management Team will be established for the Rail East Operations. The Safety Management Team shall as a minimum include the designated Barclay Mowlem Safety Manager, an agreed number of other employee representatives and project management personnel.

The Safety Management Team shall meet as often as is necessary to monitor adherence to a safe working environment and to promote safety awareness among all site personnel.

Where a safety problem exists work shall cease in the affected area. Work shall continue elsewhere unless access to safe working areas is unsafe.

However, any problem of access shall be immediately rectified and Employees will use any alternate safe access to such safe working areas while the usual access is being rectified.

In the event of major disputation on projects, the relevant Manager and The AWU will confer and coordinate to rectify the situation.

Should any dispute arise as to the rectification of any zone then the following procedures shall apply;

- a) Immediate inspection shall take place of the zones by members of the Safety Management Team.
- b) Barclay Mowlem will nominate, in consultation with the Safety Management Team, the order of priority the zones to be inspected by the Safety Management Team .
- c) The inspection shall identify the safety rectification work needed to take place in each zone.
- d) As zones are agreed for rectification, all Employees who can be gainfully employed shall immediately commence rectification works.
- e) Upon verification that such rectification has been completed, work will resume in those zones. Such resumption of work shall take place progressively as each zone has been verified as being safe.
- f) In the event of disputation continuing, the relevant Manager will immediately call an OH&S Inspector to determine the appropriate method of rectifying any safety concerns in accordance with the relevant OH&S legislation, regulations and Codes of Practice.
- g) There will not be payment for lost time if employees leave site without the approval of the Business Unit Manager Rail East.
- h) Employees may leave the site without loss of pay when the unsafe circumstances pose an immediate threat to their health and safety and only after the above process has been followed. In these situations the company management, the union and the Safety Management Team will confer and coordinate to rectify the safety problem (s) as soon as practicable.



28. COUNSELLING

Where a misdemeanour occurs, it shall be appropriate that the employee be counselled by management in the presence of an employee representative on the Project Consultative Committee, or a union delegate.

If after counselling the problem continues, the employee will be counselled and provided with a written first warning detailing the event or behaviour which needs to be improved or changed.

This first warning should be given in the presence of an employee representative on the Project Consultative Committee, or a union delegate. The employee has the right to respond to the warning in writing. A copy of both, the warning and the response shall be placed in the employee's employment history file.

If after the first warning to the employee no improvement occurs, the employee shall be provided with a written final warning in the presence of an Australian Workers Union official or an employee representative.

After receiving this final warning, if the employee repeats the event or behaviour within a period of three months, then the employee can be terminated.

If during the above three months period the employee does not repeat the behaviour which produced the need for the final warning, the final warning advice becomes null and void and cannot be considered grounds for termination.

The above procedure shall not be adopted in cases of deliberate and wilful misconduct.

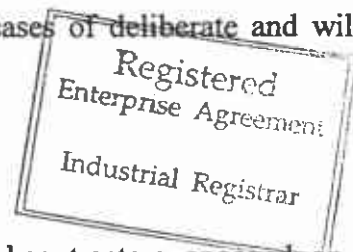
29. SUBCONTRACTORS

Barclay Mowlem will encourage all of the subcontractors engaged on its projects to either have an enterprise agreement in place, or undertake to conclude an agreement with the AWU.

The parties agree that all enterprises in the industry should endeavour to develop enterprise agreements that meet their individual productivity and quality objectives. It is agreed that no attempts will be made to flow productivity payments or other benefits from one enterprise to another enterprise, or from one project to another project.

The employees and management of subcontractors will adhere to the safety requirements and management systems of each project and observe the dispute resolution procedures of this enterprise agreement.

In the event of a subcontractor being found to be in breach of an award or their enterprise agreement, Barclay Mowlem will be given time to ensure the breach is rectified by the subcontractor.



If The Australian Workers Union is in dispute with a subcontractor over issues not directly relating to Barclay Mowlem but concern the performance of work on a particular project, the Union will discuss the problem with the Project Manager and the Project Manager will undertake to assist in resolving the matter. Matters related to other projects will not be raised by the Union.

30. **WORKERS COMPENSATION AND SICKNESS BENEFITS**

The Company will provide a 24 hour insurance cover for accident and sickness benefits for all weekly employees to a value of \$800.00 per week. (Note that maximum receivable is equivalent average gross earnings)

31. **SIGNATORIES**

FOR BARCLAY MOWLEM RAIL ENGINEERING
& CONSTRUCTION GROUP

RAY

10-2-1999

Dated



FOR THE AUSTRALIAN WORKERS' UNION NEW SOUTH WALES

[Signature]

24-2-99

Dated

APPENDIX 1

Registered
Enterprise Agreement
Industrial Registrar

**BHP STEEL - LONG PRODUCTS DIVISION NEWCASTLE
CODE OF CONDUCT FOR CONTRACTORS**

CODE OF CONDUCT FOR CONTRACTORS

Authorised:

1. POLICY STATEMENT

It is a policy of the Principal that it will operate within the terms of all appropriate employment legislation, industrial awards and agreements and the Principal requires that organisations contracting to the Principal will apply the same standards.

The Principal will measure the industrial relations performance (as it does for safety, quality, timely completion) of Contractors working in its Newcastle Steelworks to the expressed minimum standards of the Code of Conduct detailed below. Future contracts and invitations to tender for work will depend on satisfactory assessments.

2. ENQUIRIES

Contractors requiring further explanation or definition of the Code of Conduct should contact the office of the Principal's Supply Manager or the office of the Principal's Employee Relations Department.

3. CODE OF CONDUCT

Basic to the Principal's policy and Code of Conduct is the requirement that Mechanical Maintenance and Service Contractors, electrical Contractors and Plumbing Contractors will have in place an Enterprise Agreement negotiated with appropriate union/unions and/or their employees, providing for the terms of the employment of their employees whilst working on Newcastle Steelworks contracts.

The Enterprise Agreement must be registered with the Australian Industrial Relations Commission, or NSW Industrial Commission as appropriate and will include the codes as set out below.

A copy of any draft Enterprise Agreement agreed between the parties pursuant to this Code of Conduct shall be made available to the Principal's Employee Relations Manager for confirmation prior to finalisation of the Agreement between the parties.

CODE 1 •• APPROPRIATE AWARD**A. FOR METAL / MECHANICAL MAINTENANCE WORK**

The Principal requires that the parent award providing the minimum conditions of employment for the employees of the Contractor is the "Metal Industry Award 1989 - Part 1".

Additional conditions and the minimum standards of rates of pay required by the Principal shall be established in the terms of a registered Enterprise Agreement the duration of which will be not less than 30 months.

Rates of Pay - the Principal requires the Contractor to pay (as a minimum) the rates of pay set out in Part 1 of the Annexure to this Code of Conduct.

The minimum pay rate standard will escalate during the life of the agreement within the table and time frames set out in the Annexure to this Code of Conduct.



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Australian Company Number - 004 028 077
SUPPLY DEPARTMENT MANAGEMENT SYSTEMDATE PRINTED
4/4/97

CODE OF CONDUCT FOR CONTRACTORS

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The Enterprise Agreement will provide for appropriate incremental increases during the life of the Agreement.

Rates of pay will be for all purposes of the award and inclusive of all allowances prescribed in the Metal Industry Award (Clause 17 Special Rates and inclusive of the BHP Construction Allowance {Clause 8 (m)}).

B. FOR ELECTRICAL MAINTENANCE WORK

The Principal requires that the parent award providing the minimum conditions of employment for the employees of the Contractor is the "Metal Industry Award 1989 - Part 1".

Additional conditions and the minimum standards of rates of pay required by the Principal shall be established in the terms of a registered Enterprise Agreement the duration of which will be not less than 30 months.

Rates of Pay - the Principal requires the Contractor to pay (as a minimum) the rates of pay set out in Part 1 of the Annexure to this Code of Conduct.

The minimum pay rate standard will escalate during the life of the agreement within the table and time frames set out in the Annexure to this Code of Conduct.

The Enterprise Agreement will provide for appropriate incremental increases during the life of the Agreement.

Rates of pay will be for all purposes of the award and inclusive of all allowances prescribed in the Metal Industry Award (Clause 17 Special Rates and inclusive of the BHP Construction Allowance {Clause 8 (m)}).

C. FOR PLUMBING AND SHEETMETAL WORK

The Principal requires that the parent award providing the minimum conditions of employment for the employees of the Contractor is the "Metal Industry Award 1989 - Part 1".

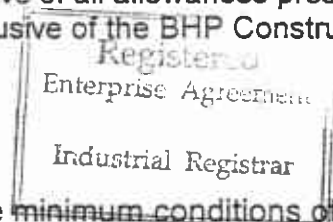
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Rates of Pay - the Principal requires the Contractor to pay (as a minimum) the rates of pay set out in Part 1 of the Annexure to this Code of Conduct.

The minimum pay rate standard will escalate during the life of the agreement within the table and time frames set out in the Annexure to this Code of Conduct.

The Enterprise Agreement will provide for appropriate incremental increases during the life of the Agreement.

Rates of pay will be for all purposes of the award and inclusive of all allowances prescribed in the Metal Industry Award (Clause 17 Special Rates and inclusive of the BHP Construction Allowance {Clause 8 (m)}).



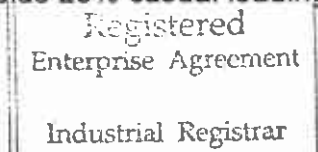
D. FOR ALL OTHER WORK

The rates of pay and the conditions of the appropriate Award or registered Enterprise Agreement shall be applicable.

Rates of pay will be structured to provide for levels of skill and experience requirements appropriate to the individual Contractor.

The Enterprise Agreement will not in any way bind in nexus to the Steelworks Employees Award rates of pay or conditions of employment.

Rates of pay for supplementary labour employed as casual labour whether sourced privately or through labour hire organisations, are to be not less than the appropriate minimum rates for the classification within the Contractor's Enterprise Agreement, plus 20% casual loading, which is to be paid for all purposes of the agreement.



CODE 2 •• SUPERANNUATION

Federal superannuation legislation and regulation requires that employers will contribute to a superannuation fund on behalf of employees and specifies a minimum contribution.

The Metal Industry (Superannuation) Award 1989 establishes the industry standard of contribution.

The Principal expects full compliance with those award and legislative obligations by the Contractor.

Supplementary Labour sourced through labour hire organisations and paid under "casual" arrangements, or hired on a daily basis by the Contractor shall have statutory superannuation contributions made for them in the terms of the legislation. The Principal requires the Contractor to ensure that proper contributions are made by the labour hire organisation. To this end the Contractor is to maintain a register of the superannuation membership numbers of all employees, including supplementary casual labour.

The superannuation membership numbers of the employees are to be included on the REGISTRATION OF CONTRACTORS EMPLOYEES ON BHP-LPD NEWCASTLE STEELWORKS SITE form (SUPFORM36).

CODE 3 •• P.A.Y.E. TAXATION DEDUCTIONS

Earnings taxation deductions from the wages of all employees are a legislative requirement on all employers and deductions are to be made within the terms of the P.A.Y.E. deduction scales provided by the Australian Taxation Office.

The Principal will not conduct business with Contractors who pay "cash in the hand".

The Contractor is responsible for ensuring P.A.Y.E. deductions are made from wages of his employees and for supplementary labour sourced and paid through labour hire

CODE 4 •• SUB-CONTRACTING OF WORK

The Principal does not enter into contracts on the basis that they will be largely or wholly sub-contracted, (known as pyramid contracting) where the prime Contractor serves only as a middle man, carrying out little or none of the contract work.

It is a condition of all work contracts that sub-contracting of work can only be carried out with the specific and written authority of the Principal's Supply Manager and such authority will generally only be for specialised work incidental to the Contract in which the Contractor's own employees do not have the necessary skill, or for "other work" associated with the main contract work.

CODE 5 •• UNION MEMBERSHIP

The Principal requires that the Contractor will observe all relevant legislation and award provisions dealing with union membership.

CODE 6 •• PROTECTIVE WORK CLOTHES

The Principal's safety procedures provide for all workers on LPD Newcastle Steelworks site to wear a specific standard and type of working clothes, in addition to the specialised hazard protection requirement of some work.

The Contractor shall ensure that his employees working on the Premises wear the required sleeved shirt, trousers, safety footwear and eye protection of the same standard as the Principal's employees. It is also the Contractor's obligation to ensure supplementary labour sourced from labour hire organisations and daily hired casual employees are dressed to the required safety standard.

CODE 7 •• REGISTER OF CONTRACTOR'S EMPLOYEES ON SITE

The Principal requires the Contractor, by 8.00am each day, to lodge with the Principal's Security Office a "REGISTRATION OF CONTRACTOR'S EMPLOYEES PRESENT ON BHP-LPD NEWCASTLE STEELWORKS SITE" form (SUPFORM36). This form shall list the names of all employees of the contractors' engaged on work on the Premises during the ensuing 24 hour period and will include the names of individuals on site as approved sub-contractors. The employee information required will include:-

Registered
Enterprise Agreement

Industrial Registrar

- Employee's name.
- Award classification of the employee.
- If employee is a member of a union, the name of the union and the employee's union membership number.
- The name of the Superannuation Fund to which the employee's contribution is paid and the employee's fund membership number.
- The shift on which the employee will be present on the site.

The register has been established to provide important location and personnel information to emergency controllers and for union officials enquiring as to Contractor activities on the site and in effecting their statutory right of entry. The register may be accessed by appropriate union officials who identify themselves and information may be extracted for their own purposes.

CODE 8 •• COMPETENCY SKILL AND QUALIFICATION

The Contractor shall ensure that all employees engaged on the Works are competent to carry out the work required of them and that they hold all necessary certificates or licences in accordance with the appropriate NSW government legislation and regulations.

The Contractor shall maintain on his premises a list of all persons engaged on contract work on the Premises, with complete details of the trade qualifications, licences and competency certificates relative to the duties performed on the site. This list will be made available to the Principal for inspection, on request.

CODE 9 •• DOUBLE JOBBING

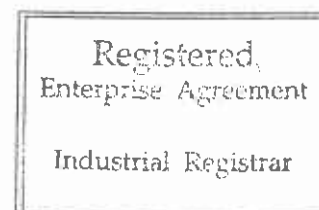
The Contractor shall not knowingly take into employment on work under the Contract, any person who is simultaneously an employee of BHP.

CODE 10 •• RIGHT OF ENTRY - UNION OFFICIALS

The Principal permits union officials entry to the Newcastle Steelworks site in the terms of the NSW Industrial Relations Act 1991. The Contractor is required to abide by the right of entry requirements of the Act for union officials to conduct legitimate union business with the Contractor, or the Contractor's employees on the Principal's Premises during non work time and meal breaks.

Union officials are required to complete level 1 of the Principal's Safety Induction to obtain a site entry "passport" and vehicular access pass to the site.

Union officials agree that upon arrival on site they will first make contact with the Contractor's senior representative to advise of their presence and communicate the nature of their business.



CODE 11 •• MANAGEMENT OF INDUSTRIAL DISPUTES

The Enterprise Agreement will include a commitment of the parties to manage industrial disputes within agreed procedures which provides that work will continue without interruption during resolution of matters in dispute.

As an enhancement to the dispute resolution process, the Enterprise Agreement will also include the following provisions:-

A. CONTRACTOR EMPLOYEE INDUSTRIAL ACTION -
IMPACT ON THE PRINCIPAL'S PRODUCTION

If the dispute resolution procedures fail to settle a claim, issue or dispute and industrial action is intended which will interrupt or delay BHP Long Products Division operations, then no such industrial action will occur until the expiry of 10 days from the time a written notice of such intended action has been given to the Contractor by the relevant union official.

Upon receipt of such written notice the Contractor shall immediately inform the Principal's Employee Relations Department.

B. THE PRINCIPAL'S EMPLOYEE STOPPAGES -
IMPACT ON CONTRACTOR'S OPERATIONS

When the Contractor's employees are working within the boundaries of the Principal's operations and the Principal's employees enter upon direct industrial action, the Contractor's employees will continue to work normally where:

- (a) The work is in the terms and specifications of a specific fixed price contract, whether described by the Principal as "capital", "maintenance" or "service" work and;
- (b) Work can be continued without carrying out any work of the Principal's employees on strike.

CODE 12 •• BEHAVIOUR

The Contractor shall ensure that his employees and those of his sub-contractors observe the conditions of the Enterprise Agreement and the Principal's lawful rules and regulations and any lawful directions given by authorised employees of the Principal.

The Contractor shall immediately remove from the premises, any of his employees, or sub-contractors, or sub-contractors' employees whose removal shall reasonably be requested either verbally by the Contract Administrator or in writing by the Principal.



APPENDIX 2

CLASSIFICATIONS OF LABOUR - SKILL LEVELS

Registered
Enterprise Agreement
Industrial Registrar

Grade 1

Not applicable on this site.

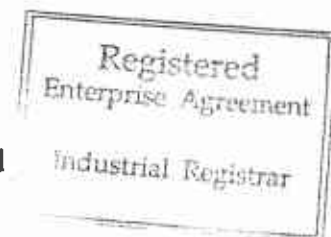
Grade 2

Skill Levels

A. Rail Construction & Maintenance Worker

- labourer
- resleeping
- ballasting
- fettler
- use of general rail tools
- welder's offsider
- truck driver
- use of rail saws, grinders, sleeper drill
- forklift driver
- use of oxy-acetylene equipment

C. Civil Construction Worker - Grade 2 - Parent Award



Grade 3

Skill Levels

A. Rail Construction & Maintenance

- rail welder
- tracklayer gantry operator
- backhoe operator
- pettibone operator
- assistant tamper operator
- ballast regulator operator
- experienced pipe layer or joiner
- concrete finisher
- dogman
- FEL operator
- Excavator Operator

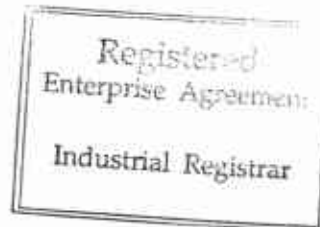
B. Civil Construction Worker - Grade 3 - Parent Award

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Industrial Registrar

Grade 4

Skill Levels

- A. **Rail Construction & Maintenance**
- operator ballast regulator
- B. **High Level Competency at Grade 3 level**
- at least 3 years experience
 - and competent at least 3 skills in Section A - Grade 3
- C. **Civil Construction Worker - Grade 4 - Parent Award**



Grade 5

Skill Levels

A. Rail Construction & Maintenance

- tamper operator
- tracklayer operator
- ballast cleaner operator
- dynamic track stabiliser operator
- crane driver 10 - 20t

Registered
Enterprise Agreement
Industrial Registrar

Grade 6

Skill Levels

A. Rail Construction & Maintenance

Foreman position - supervision of;

- turnout construction
- track construction
- re-sleepering
- surfacing
- signalling equipment installation
- welding and adjustment

