

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/86

TITLE: Bulk Materials Australia Employee Relations Agreement 1998

I.R.C. NO: 99/434

DATE APPROVED/COMMENCEMENT: 22 February 1999

TERM: 24 months

**NEW AGREEMENT OR
VARIATION: New**

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 18

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all workplaces of the company with respect to all employees of the company engaged under the terms of the Quarrying Industry (State) Award

PARTIES: Bulk Materials Australia Pty Ltd -&- The Australian Workers' Union, New South Wales





BULK MATERIALS AUSTRALIA

EMPLOYEE RELATIONS AGREEMENT 1998

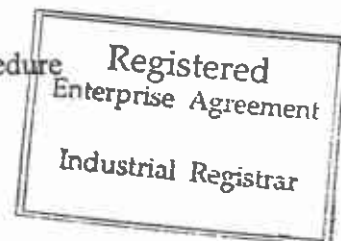
Registered
Enterprise Agreement

Industrial Registrar

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1. TITLE

This agreement shall be known as the Bulk materials Australia - Employee Relations Agreement 1998.

2. PARTIES

The parties to this agreement are Bulk Materials Australia Pty Ltd and the Australian Workers Union New South Wales.

3. COMMITMENT AND OBJECTIVES

3.1 Commitment

The parties to this agreement are committed to ensuring that the terms and conditions of this Agreement lead to real gains in productivity and workplace efficiencies without a reduction in health safety and environmental standards.

3.2 Objectives

The objectives of the parties are to:

- a) Continue the development of effective management and the commitment to providing quality product at low cost in minimum time.
- b) Continue the development of career structures for all employees based on skills and competencies, and the contribution they make to the Company's performance.
- c) Improve job security and "employability" for employees in accordance with the aims in 3.1 above.
- d) Provide the highest standard of occupational health and safety in all activities.
- e) Facilitate the elimination of lost time injuries.
- f) Sustain visible levels of direct Company employment and utilise genuine, supplementary labour.
- g) Minimise the environmental impact through proper work practices, strict adherence to policies and EIS and close cooperation with the client.
- h) Create a dispute free workplace.
- i) To ensure that the Company has the flexibility to carry out any quarrying activities regardless of the location or nature of the projects.



4. APPLICATION

- 4.1 This agreement shall apply to all workplaces of the company with respect to all employees of the company engaged within the scope of the Quarrying industry (State Award).
- 4.2 The provisions of the Quarrying Industry (State) Award shall Apply where this Agreement is silent or indicated by this agreement.
- 4.3 Where the provisions of the Quarrying Industry (State) Award and this Agreement are inconsistent, then to the extent of such inconsistency this Agreement shall apply.

5. PERIOD OF OPERATION

This Agreement in relation to the rates of pay shall operate from Friday 1st January 1999 and shall remain in force for two (2) years. Other benefits shall apply from the date of signing the agreement.

6. CONTRACT OF EMPLOYMENT

6.1 The Company shall be entitled to engage any employee on probation for a period of six (6) weeks, provided that the employee is given written notice at the time of engagement of such probationary period.

6.2 A casual employee is one engaged and paid as such. Termination of employment will be by one day's notice by either party or by the payment or forfeiture thereof.

It is a term and condition of employment, and of the obligations and rights occupied under this Agreement, that an employee shall:-

- a) Be available, and willing to perform such work, as shall reasonably be required on the days and during the hours necessary to best meet the Company's contractual obligations;
- b) Comply with any request of the Company to work a reasonable amount of overtime in excess of ordinary hours;
- c) Recognise and comply with the company's right to have an appropriate number and mix of classifications and skills during any hours of work;
- d) Properly use all appropriate protective clothing and equipment provided by the Company for specified circumstances;
- e) Use any technology and perform any duties, which are within the limits of an employee's skill, competence and training, and can safely be performed;
- f) Accept that termination of employment will be based on job requirements skills, and that the principle of "last on - first off" will not be an exclusive consideration;
- g) Adhere to the designated start and finish times for all work periods, including breaks;
- h) Maintain a commitment to, and comply with the company's directions (consistent with the objectives of this agreement) with respect to safety, quality and environmental responsibility.

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7. SKILL LEVEL STRUCTURE

Upon registration of this agreement all employment respondent to this agreement will be translated to the skill level structure as set out in the agreement.

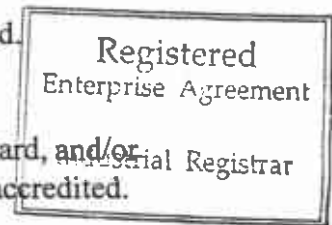
8 **HOURS**

- 8.1 The ordinary hours of work under this agreement shall be 38 per week, worked 8 hour per day Monday to Friday (inclusive of the RDO accrual) between the hours of 6.00am and 6.00pm. The regular ordinary hours of work for each employee may be staggered to suit operational requirements.
All time worked beyond the ordinary hours of work will be paid at overtime except where otherwise provided.
However, where agreement is reached between the employer and the employees, ordinary hours of work may be varied for supply to a particular project or in particular circumstance with a consequential adjustment to the ordinary finishing time.
- 8.2 Where production requirements dictate, the meal break times may be altered with consequential adjustment to the daily time of cessation of work where applicable.
- 8.3 The parties agree that a key element in gaining increased productivity is employees start and finish at the times designated.

9 **CLASSIFICATION DISPUTES**

It is recognised that from time to time disputes may arise as to the proper classification of an employee. Should a dispute as to the proper classification or reclassification arise then the following procedure shall be adopted:

- 9.1 The employee shall have the right to have such a grievance referred to senior management and the employees representative after first drawing the matter to the attention of the supervisor.
- 9.2 In determining the appropriate classification of an employee the Company shall pay due regard to the:
 - a) Nature and skill requirements of the position to be filled.
 - b) Skill level and certification of the employee.
 - c) Experience and qualifications of the employee in
 - 1) Relevant indicative tasks nominated in the Award, and/or
 - 11) Fields of work against which an employee is accredited.



10 **PAY ENTITLEMENTS**

- 10.1 **Base Pay** The rate of pay for quarry and maintenance workers are contained in Appendix A. The parties endorse the skill level as shown in Appendix B of this Agreement.
- 10.2 **Additional Increases**
In recognition of the productivity gains which have been and will continue to be introduced, the following increases will be available to all employees respondent to the agreement:

- a) 4% per year in two installments of 2% in January and July, 1999.
- b) 4% per year in two installments of 2% due January and July, 2000.
- c) The increases are fixed for the duration of the Agreement.
- d) The increases absorb all allowances previously paid other than those referred to in clause 10.3 of this agreement and award overtime allowances.

10.3 Meal Allowance

An employee required to work overtime for more than two (2) hours after the ordinary hours finishing time, without being notified on the previous day or earlier shall be paid the amount payable in **Item 18 of Table 2 - Other Rates and Allowances of Part 7** of the Quarrying Industry (State) Award to meet the cost of a meal.

An employee, who has been notified of the intention to work overtime but is not required to work such overtime shall be paid the allowance stated in **Item 19 of Table 2 - Other Rates and Allowances of Part 7** of the Quarrying Industry (State) Award to meet the cost of a meal.

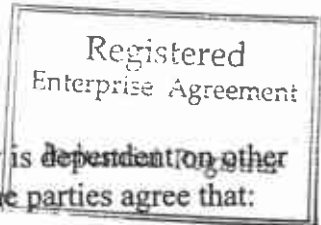
Ordinary hours of work in this clause shall mean the ordinary working hours for an 9 hour day Monday to Friday as defined in clause 8.1 of this agreement.

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MEASURES TO ACHIEVE GAINS

11.1 Rostered Days Off

In respect of the rostered day off it is agreed that the Company is dependent on other industries with inconsistent Industry days off. Accordingly, the parties agree that:



- (a) The prescribed industry RDO may be worked at ordinary rates where required by the employer to maintain the company's competitiveness. While every effort will be made to cater for employee arrangements, the parties agree that the companies competitiveness and client requirements are the primary consideration.
- (b) To include provision for the deferral and accumulation of up to and including five rostered days in a twelve (12) month period.
- (c) That all "banked" R.D.O.'s must be taken within twelve (12) months of the date of their accrual.
- (d) Where an employee requests and the Company agrees an employee may benefit for up to five (5) "banked" R.D.O's at ordinary time rates.

11.2 Training

The parties to this agreement recognise that in order to increase the productivity and efficiency of the company a continuing commitment to training and development is essential.

Where relevant training is required of the employee by the employer out of ordinary working hours such time will be paid at ordinary rates of pay, agreed by the parties to be the industry standard. Where additional training is offered to the employee where future financial benefit may be derived (such as First Aid) such training shall be at the employee's expense.

11.3 Inclement Weather

The parties to the agreement will collectively work towards the minimisation of lost time due to inclement weather. Whenever prevailing weather conditions affect (or may affect) the safety of work, an employer and affected employees shall consider and determine the best method of continuing work in a safe manner, consistent with the objectives of this agreement.

Further to this, the parties undertake to adopt the following principles in regard to inclement weather and the idle time that inclement weather creates.

- (a) The adoption of a reasonable approach to inclement weathers produces requirements and the definition thereof:
- (b) The acceptance of transfer to an area or site not affected by inclement weather in the opinion of the Company, useful work is available and work is within the scope of the employees skill, competence and training and can be safely performed.
- (c) Non-productive time will be used for activities such as relevant and meaningful skill development.
- (d) Where none of the foregoing are available or appropriate, the Company will adopt a common sense approach and may authorise employees to leave the site. In some eventuality, the Company may nominate one or more employees to either remain on site or be available for callback without additional payment being incurred for ordinary hours of work.

11.4 Alteration to Meal break

The parties agree that the employer may alter the time of taking a scheduled break by an employee in order to maintain a continuity of operations. It is also the case that maintenance may be performed during meal breaks at ordinary rates of pay for the purpose of repair of plant or for routine maintenance of plant, which can only be effectively done while such plant is idle.

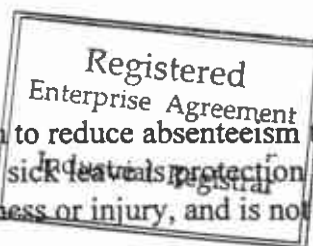
11.5 Absenteeism/Sick Leave

11.5.1 The parties agree that all efforts shall be taken to reduce absenteeism to a minimum. This commitment recognises that sick leave is protection against loss of earnings because of absence due to illness or injury, and is not to be used for any other purpose.

11.5.2 An Employee, other than a casual employee who is absent from work on account of personal illness or on account of injury (other than when covered by workers' compensation) shall be entitled to paid sick leave in the first week of any absence subject to the following conditions: -

11.5.2.1 An Employee shall, as far as practical, before the commencement of such absence inform the supervisor of his/her inability to attend for duty and the nature of such illness or injury and the anticipated period of the absence;

11.5.2.2 In the case of an employee who claims to be allowed paid sick leave in accordance with this clause for an absence of one (1) day only shall, if the employee has in the current sick leave year been allowed paid sick leave on two (2) occasions, not be entitled to payment for the day unless he/she



produces a certificate from a duly qualified medical practitioner stating that the employee was unable to attend for duty on account of personal illness or injury.

11.5.2.3 An employee shall not be entitled in any one year of continuous employment to sick pay for more than five (5) ordinary working days.

11.5.2.4 The rights under this clause shall accumulate from year to year so that any part of the five (5) days which has not been allowed in any one year may be claimed by the employee and shall be allowed by the employer, subject to the conditions prescribed by this clause, in a subsequent year of continuous employment.

11.6 Non Quarrying Operations

The parties to this agreement are committed to positive co-operation with the aim of increasing the efficiency, productivity and competitiveness of the quarrying operations and to enhance the career opportunities and job security of employees in the group. To this end the parties agree that an employee with the appropriate skills and training may be required to work outside the quarrying industry in which case the employee will be paid no less than the terms and conditions of this agreement.

11.7 Electronic Transfer of Wages

11.7.1 Permian Resources Pty Ltd shall maintain all of its employees on the "Electronic Funds Transfer" (EFT) system as is currently the case. All efforts will be made by the Company to ensure that itemised pay slips be made available to employees within 24 hours of the due pay date.

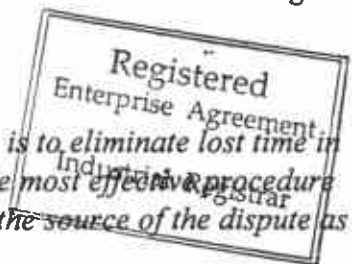
11.7.2 The Company will make facilities available for the weekly deduction of Union dues by written authorisation of the employee(s), with such deduction being remitted on a monthly basis.

11.8 Dispute Avoidance & Settlement Procedure

The parties recognise that one of the aims of the Agreement is to eliminate lost time in the event of a dispute and to achieve prompt resolution. The most effective procedure is for the responsibility for resolution to remain as close to the source of the dispute as possible. To this end the following processes are agreed.

11.8.1 An employee is to present the details of any matter, problem or dispute directly connected with employment to their immediate supervisor. Once notified of the problem the supervisor has an obligation to address the problem as soon as possible.

11.8.2 If the claim or response is not satisfactorily resolved at site level the matter is to be referred by the employee to the company management who will attempt to resolve the matter. If not resolved at this level the matter will be referred to a full-time union official who will meet with company senior management.



11.8.3 If the matter remains unresolved the parties shall retain the right to refer the dispute to the NSW Industrial Commission. All parties, subject to legal rights of appeal shall accept the Commission's decision.

11.8.4 Whilst this procedure is being followed normal work shall continue so as to ensure the employee does not lose income and the company maintains productivity.

11.8.5 Condensed Procedure-

If a Union representative is of the view that a ban, limitation or stoppage of work is imminent, he may request an immediate conference of the parties by notifying the appropriate manager.

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DISCIPLINARY POLICY

12.1 Objectives

The parties agree that a clear and effective discipline policy is fundamental in achieving productivity gains, a safe working environment and sound industrial relations. Disciplinary action is seen by the parties to be necessary only where initial counseling of the employee has been unsuccessful

12.1.1 Stage 1 - Verbal

The Company Manager, in the presence of the employee concerned will discuss the alleged breach and if substantiated a "first warning" will be recorded on the employee's personnel record. The Company Manager will attempt to establish the reasons behind the inappropriate behavior and provide appropriate counseling. Where an employee is experiencing some trauma the supervisor will refer the employee to the relevant manager who will determine the appropriate assistance.

12.1.2 Stage 2 - First Warning

Where unacceptable work performance or behavior continues, the employee will be given a formal written warning by management after having clearly indicated to the employee:-

- (a) What is expected and required;
- (b) Where and how the required standards have not been met;
- (c) What must be done to reach the required standard;
- (d) The consequences of the employee's failure to improve as required.

This warning may be in the presence of the employee's - representative and one other member of management.

A copy of this final warning shall be handed to the employee, his representative and a copy retained on the employee's file.

In the event that there is no repetition of the same misdemeanor for a period of six (6) months, the warning will lapse.



12.1.3 Stage 3 - Final Warning

Where the same or similar behavior continues, a final warning shall be issued in writing to the employee. This final warning is to be in the presence of the employee's representative and one other member of management and will state that unless the employee's behavior improves his services will be terminated.

A copy of this final warning shall be handed to the employee, his representative and a copy retained on the employee's file.

After a reasonable period (say 12 months) the parties may confer and revoke the final warning.

12.1.4 Termination

Where the same or similar behavior is repeated the employee's services shall be terminated in the presence of the employee's representative and one other member of management.

12.2 Instant Dismissal

Nothing contained above shall inhibit the Company, in cases of willful and/or serious misconduct or conduct, which endangers the safety of any employee or a member of the public, from immediate termination of employment.

12.3 Repetition of Misdemeanors After Lapse of Warnings

Where an employee's first warning has lapsed and there is a repetition of the same misdemeanor within a period of four (4) months then the employee will be placed on a first warning.

Where an employee's final warning has lapsed and there is repetition of the same misdemeanor within a period of six (6) months then the employee will again be placed on a final warning.

Should the occasion arise where an employee, through his/her actions, indicates a failure to improve their performance and is abusing the warning system the parties shall confer and review the use of ongoing warnings.

12.4 Degrees of discipline

The parties agree that appropriate discipline must be actioned for each misdemeanor. The different circumstances of each make it impossible to generalise about appropriate action.

The following guidelines are listed as a guide:-

Category 1

- 1.1 Absenteeism
- 1.2 Inefficiency and - or poor performance
- 1.3 Poor time-keeping
- 1.4 Minor breach of safety regulation
- 1.5 Leave workplace without permission

Appropriate Discipline

Work through stages of discipline



Category 2

- 2.1 Negligence
- 2.2 Malingering
- 2.3 Major breach safety regulation

Appropriate Discipline

May be necessary to by-pass counseling stage and give formal warning to the employee. Depending on the severity of the incident a stage 1 or 2 warning may be appropriate.

Category 3

- 3.1 Possession or unauthorised consumption of alcohol on the job
- 3.2 Possession or consumption of prohibited drugs on the job
- 3.3 Deliberate damage to company property and personal property
- 3.4 Falsifying time-sheets or medical certificates or other company documents
- 3.5 Fighting or abuse of workmate or supervisor
- 3.6 Serious abuse of safety regulations

Appropriate Discipline

May be necessary to summarily dismiss the employee in the presence of the employee's representative and the appropriate manager.

Where mitigating circumstances exist it may be appropriate to give a final warning or to terminate the employee's contract with due notice.

13

SUPERANNUATION

- 13.1 Each employee will have contributions paid into an approved Superannuation Fund.
- 13.2 The fund will comply with legislative requirements of the Superannuation Guarantee Levy.
- 13.3 The Company is to contribute as per the Superannuation Guarantee levy from the commencement of employment.

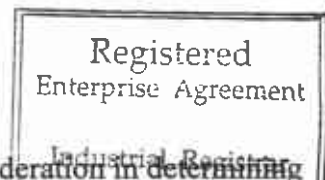
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REDUNDANCY

14.1 Criteria

The parties agree that length of service will not be a consideration in determining retrenchments. The parties accept the principles that will be considered are the skills and efficiency of workers, the required skills available within the existing workforce, and the nature of the business.

Should the occasion arise that some of the workforce has to be shed then the Company undertakes to have discussions with the Union at the first instance and negotiate a package that would reflect the conditions prevailing in the Quarrying Industry at the time, or in accordance with the Employment Protection Act (1982) and Employment Protection Regulation 1995 (NSW) as amended from time to time, whichever is greater.



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No Extra Claims

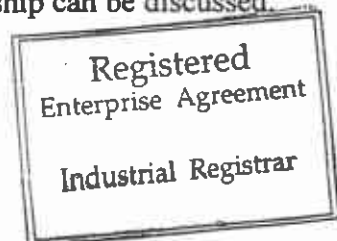
Apart from the arrangements, terms and conditions specified in this agreement, employees and the Union undertake that no further claims will be made upon the Company in respect of any matter within the scope of this agreement during the currency of this Agreement and for such period thereafter as the Agreement may continue in force.

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INDUSTRIAL RELATIONS

The parties acknowledge that structured, collective industrial relations will be a fundamental principle of business. The principle recognises the important role that employees membership of a Union has in maintaining a stable, safe efficient working environment. The parties agree to promote this approach to union membership into the future.

All prospective and current employees will be strongly encouraged to join and maintain financial membership of the Union party to this Agreement. An application for Union membership and information on the Union shall be included with all official paperwork to be given to the applicants, prospective employees and new starters. At introduction to the workplace, Union representation shall form part of the induction program and adequate time shall be allowed to ensure union membership can be discussed.



PARTIES SIGNATORIES

The terms, conditions and provisions contained in this agreement shall be binding on Bulk Materials Australia Pty LTD and the Australian Workers Union New South Wales.

Signed for and on behalf of the
AUSTRALIAN WORKERS' UNION NEW SOUTH WALES

Signatories

Date

[Handwritten Signature]

22 February 1999

Nathan Rudd

2/2/99

in the presence of

Nathan Rudd
witness

Signed for and on behalf of
BULK MATERIALS AUSTRALIA PTY LTD

Signatories

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Date
Industrial Registrar

[Handwritten Signature]

27-1-99.

Nathan Rudd

27-1-99

in the presence of

Nathan Rudd
Witness

APPENDIX A

Classification A Quarry Workers	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
Current weekly rate	\$447.20	\$472.30	\$497.30	\$522.20	\$534.70
Current hourly rate	\$11.76	\$12.42	\$13.08	\$13.74	\$14.07
Increase 2% from FFP payable 1/1/99	\$11.99	\$12.66	\$13.34	\$14.01	\$14.35
Increase 2% from FFP payable 1/7/99	\$12.23	\$12.92	\$13.60	\$14.29	\$14.63
Increase 2% from FFP payable after 1/1/00	\$12.47	\$13.18	\$13.88	\$14.58	\$14.93
Increase 2% from FFP payable after 1/7/00	\$12.72	\$13.44	\$14.15	\$14.87	\$15.22

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Classification B Maintenance Workers	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
Current weekly rate	\$547.20	\$565.20	\$568.80	\$589.53	\$640.10
Current hourly rate	\$14.40	\$14.87	\$14.96	\$15.50	\$16.84
Increase 2% from FFP payable after 1/1/99	\$14.69	\$15.17	\$15.26	\$15.81	\$17.17
Increase 2% from FFP payable after 1/7/99	\$14.98	\$15.47	\$15.57	\$16.13	\$17.51
Increase 2% from FFP payable after 1/1/00	\$15.28	\$15.78	\$15.88	\$16.45	\$17.86
Increase 2% from FFP payable after 1/7/00	\$15.59	\$16.10	\$16.20	\$16.78	\$18.22

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APPENDIX B

SKILL LEVELS

Employees covered by this Enterprise Agreement shall be classified into one of the Grades set out below. It is not the intention of this Agreement to detail every classification, as this is referenced in CLAUSE 3.1 CLASSIFICATIONS AND WAGES of the parent Award.

An employee may progress to a higher grade on the basis of being able to competently perform the skills to work at the higher grade, but only where a position at that level is available.

All employees will be responsible for the quality of their own work, subject to general supervision, and will be able to exercise discretion to the level of their skill and training.

QUARRY WORKERS

QUARRY WORKER Grade 1

Trainee/General Laboring
Cleaning and
Higher grade tasks for training purposes

QUARRY WORKER Grade 2

Attend to, maintain and service fixed and mobile plant (Crushing Plant),
Assist with repair and maintenance of fixed and mobile plant,
Apply basic quality control and assurance procedures,
Use class 1 motor vehicle and
Higher grade tasks for training purposes

QUARRY WORKER Grade 4

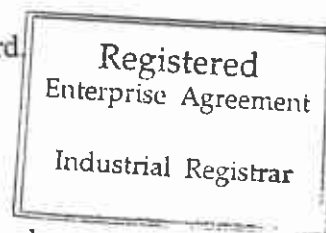
Fault find problems and make adjustments to plant,
Understand and interpret Q/A procedures and perform analytical tests and ascertain conformity.
Operate at least one item of plant:
Loaders up to 220 kw. Dozers up to and including 220 kw,
Graders:
Complex fixed or portable processing plant (experienced Pugmill Operator).
Operate a weighbridges and allocate trucks, and Higher grade tasks for training purposes.

QUARRY WORKER Grade 5

Carry out routine mechanical repairs.
Operate at least one item of Group C plant [as per Award Clause 3.1 (3)(c)],
Operate multiple weighbridges and carry out computerised allocation of trucks, and
Higher grade tasks for training purposes,
For skill levels concerning maintenance workers refer to Award

MAINTENANCE WORKERS

Refer to Clause 3.1 classifications and wages of the parent award.



ATTACHMENT 1

INDUSTRIAL INCIDENT REPORT

1. Issue Raised by: Date:
..... Time: a.m./p.m.

2. Details of Incident/Issue:
.....
.....

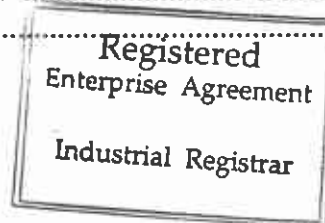
3. Union Representative's View of Issue/Dispute:
.....
.....

4. Manager/Supervisor's View:
.....
.....

5. Manager's Position/Policy Statement:
.....
.....

6. Follow up action:
.....
.....

7. Manager/Supervisor Responsible: Date:
..... Time: a.m./p.m.



ATTACHMENT 2

RECORD DISCIPLINARY ACTION

DATE: _____

1. First of Final Warning [circle the appropriate warning] issued to

2. Has the employee been counseled? Yes/No

3. Brief summary of unacceptable work practice or behavior [attach Industrial Incident Report]

4. Why disciplinary action being taken against the employee?

5. What is expected and where has the employee failed to meet the required standard?

6. What must the employee do to reach the required standard?

7. What will be the consequences of failure to improve?

