

REGISTER OF
ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA02/104

TITLE: Pioneer Construction Materials Pty Ltd Kables Sands Enterprise Agreement 2001

I.R.C. NO: 2002/194

DATE APPROVED/COMMENCEMENT: 7 February 2002/17 December 2001

TERM: 17 December 2003

NEW AGREEMENT OR
VARIATION: New

GAZETTAL REFERENCE: 12 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees of the company employed in the Pioneer Kable Sands operation situated at Bells Line off Road, Clarence, in the State of New South Wales under the classifications in the Quarrying Industry (State) Award

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



PIONEER CONSTRUCTION MATERIALS PTY LTD KABLES SANDS ENTERPRISE AGREEMENT 2001 INDUSTRIAL RELATIONS ACT 1996 (NSW)

This Enterprise Agreement is made on the Seventeenth Day of December 2001.

1. TITLE

This agreement will shall be know as the Pioneer Construction Materials Pty. Ltd. Kables Sands Enterprise Agreement 2001.

2. PARTIES BOUND

The parties bound by this Agreement are:

- Pioneer Construction Materials Pty. Ltd. referred to as the Company.
- The Australian Workers' Union (Greater NSW Branch) referred to as the Union.



3. SCOPE (APPLICATION)

This Agreement applies to all employees of the company employed in the Pioneer Kable Sands operation situated at Bells Line off Road, Clarence, in the State of New South Wales under the classifications in the Quarrying Industry (State) Award.

Where this agreement is inconsistent with any of the provisions of the Quarrying Industry (State) Award, then this Agreement will prevail. Otherwise, the said award shall apply.

4. TERM OF AGREEMENT

This agreement shall operate from the date of signing 17 December 2001 and will remain in force for a period of two (2) years from that date.

5. SAFETY

All employees are to ensure they meet their responsibilities under the relevant legislation and Company policies with regard to but not limited to:

- Report to management any potential OH&S breaches.
- Work in a manner that is not detrimental to their own or others safety.
- Co operation with rehabilitation programs when required.
- Develop a safety orientated work place and culture.



In line with Pioneer's rehabilitation policies, where a person is on restricted duties, they will move into an alternate role in the operation (subject to medical restrictions) and the person who regularly fills that position will perform other functions within the operation. Furthermore the employees agree to avoid the occurrence of lost time injuries whenever possible by seeking alternative duties.

The site safety committee and all employee's agree to be pro-active in the implementation and ongoing updating and modification of the Site Safety Management Plan. This will include regular reviews of the SMP to be conducted during Site safety committee meetings.

It is agreed between the parties that commitment to improving safety and reducing injuries is not in exchange for wage rises. The parties agree that such an issue is not negotiable.

6. FITNESS FOR WORK

All employees are to ensure they meet their responsibilities under the relevant legislation and Company policies with regard to but not limited to:

- Kables Sands Drug and Alcohol policy.
- Work hours in accordance with legislative guidelines and industry standards.
- Health surveillance programs.
- Develop a pro-active work place and culture to Fitness for Work policies.

It is agreed between the parties that commitment to Fitness for Work programs is not in exchange for wage rises. The parties agree that such an issue is not negotiable

7. PERFORMANCE MANAGEMENT

The Key Performance Indicators (KPI's) are outlined in Appendix B. They will be implemented and monitored with the aim of achieving the target for each indicator. All parties agree to exercise the necessary flexibility and broadness of approach in order that the targets are achieved.

A site meeting will be held on a six weekly basis with representatives from management and the site employees, to review the KPI results. Where the results fail to meet the required target, corrective action will be developed through the site meeting and implemented on site.

If production falls below three hundred thousand tonnes per annum on a moving annual basis, or if plant availability falls below 65% due to factors outside the control of the employees, then those periods will be excluded from any calculation of the KPI. Alternatively, the targets will be reset with consideration to these changes.



8. MEASURES TO IMPROVE PRODUCTIVITY, EFFICIENCY AND FLEXIBILITY

8.1. Operation of Fixed and Mobile Plant

The intent of the following is to ensure that the fixed and mobile plant remains operating at all times as required by the operational needs of the business.

The fixed and mobile plant shall continue to operate during all meal breaks and the operators of the fixed and mobile plant shall take their meal breaks on a staggered basis to allow production to continue or to allow maintenance to be carried out. The employees agree that they will ensure continuity of production and sales on all shifts as required.

Any employee can perform any function provided the employee has the requisite skills, competencies and training.

8.2. Use of Casuals Employees

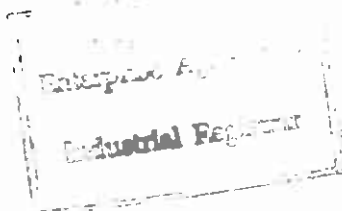
Casuals will be used as necessary to replace employees for reasons of illness, RDO's, annual and long service leave, or for any excess workload. Where the Company requires a casual employee to be employed continuously for a period exceeding the term of four weeks then this may be varied by the consent of the employees and is intended to cover things such as extended periods of leave, extended periods of illness etc.

8.3. Seniority

Seniority will not apply in any situation (such as promotions, job rotation, employment or any other item) except where it can be clearly shown that all other things are equal.

8.4. Rostered Days Off

RDO's shall be given and taken by mutual agreement so that sufficient employees will be available as required on scheduled RDO's in order to meet sales, production and maintenance requirements.



8.5. Fixed and Mobile Plant Maintenance Program

Trades personnel will assist in the development, implementation and ongoing compliance of a preventative maintenance program for all Fixed and Mobile plant within the Quarry. The program will form part of the Site Safety Management Plan to ensure compliance with the legislation and plant availability to assist with attainment of KPI'S.

9. TRAINING

The company is committed to providing on the job and external training to enable all persons to develop to their full potential and maintain maximum flexibility within the workforce.

Training will be allocated in a manner that maximises the benefit for the operation as a whole. Consideration will be given to employees stated preferences and their overall performance along with the achievement of an acceptable level of competency in previous training undertaken.

For the purpose of obtaining the relevant qualifications to manage a mine, staff may be trained on any quarry equipment under the supervision of an employee covered by this agreement. This may involve performing actual productive tasks relevant to the piece of equipment being used for instruction, however employees will not be disadvantaged in terms of overtime.

The company will review the training requirements of each employee to assist them in obtaining the qualifications to be able to progress to the next operator level. Progress to the next level will be in line with the needs of the business only. Reviews will be done on request by the individual employees, but not more than once each six months.



10. JOB CLASSIFICATIONS

It is proposed that all employees will continue under the skills classification structure that was initiated under the last EBA. This structure is shown in Appendix A.

Any employee that does not fulfil the relevant criteria for the wage that they receive must be available for further training in order to meet those requirements. These employees will be given priority in the training program. Employees who are being paid above the classification rate and through no fault of the Company, have not made themselves available for further training will not be entitled to an increase.

Employees that reach higher levels and refuse to use their skills or be rotated to allow skills to be used for reasons other than approved medical grounds will be assessed to determine why this is the case and will be included in negotiations as to whether they are reclassified to a lower level.

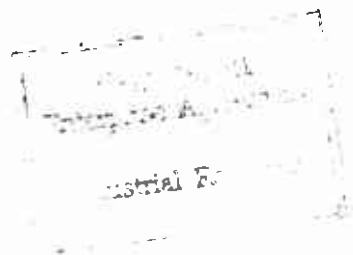
11. REDUNDANCY

Where permanent employees are made redundant by the company, they shall receive the payment as prescribed in the registered redundancy agreement for the site.

12. DISPUTES HANDLING PROCEDURE

Where a dispute arises over the application of the terms of this Agreement the following procedure shall apply.

- The matter in dispute shall be raised by the employee(s) concerned with their immediate supervisor.
- If the matter cannot be resolved at that level the matter shall be taken by the employees, with or without union representation by their choice, to the Company's site manager.



- If the matter cannot be resolved at that level the matter shall be taken by the employees and their union representatives to the Company's Operations Manager - Aggregates.

The aim of this procedure is to resolve a dispute at the lowest possible level in the management structure, taking into account the nature of the dispute.

Sensible time frames will apply between each step in the procedure and the Company undertakes to deal with matters raised in a timely fashion.

If the dispute has not been resolved at step 3 either the union or the Company may refer the matter to the Industrial Relations Commission of NSW for resolution in accordance with NSW industrial laws.

At each step of this procedure work will continue normally with no stoppages, bans or limitations. No party's position shall be prejudiced by the continuation of normal work conditions.

13. WAGES

The union undertakes not to pursue any extra claims, award or over award, during the period of operation of this agreement.

- **First Increase**

A wage increase of 3% will be paid upon the date of signing. This increase will be on the classification rates at the site that applied from the first full pay period on or after 28 November 2000.

- **Second Increase**

A wage increase of 3% will be paid twelve months from the date of signing this agreement. This increase will be on the classification rates as varied in the first increase under this Agreement.



- **Bonus For Year 1**

A Bonus of 1% of the base rate (that is, the classification rates at the site that applied from the first full pay period on or after 28 November 2000) will be payable to each employee at the end of the first year of this agreement if the KPI's 1&2 in Appendix B are achieved for that year. Both targets must be achieved to qualify for the bonus.

- **Bonus For Year 2**

A Bonus of 1% of the base rate (that is, the classification rates at the site that applied from the first full pay period on or after 28 November 2000) will be payable to each employee at the end of the second year of this agreement if the KPI 3 in Appendix B is achieved for that year.

- **Absenteeism Incentive**

A one-off \$100 payment will be individually made to each employee at the end of each six month period for the term of this agreement as per the Absenteeism KPI in Appendix B.

Rates of pay include all allowances except for travel, meal and shift allowances. These allowances shall be paid as per the award at the date of signing. Leading hand rates will continue to be paid as per the existing arrangements and are not subject to the % increases under this agreement.

The rate of pay will apply to an employee until they totally qualifies themselves for the next Class irrespective of the job undertaken.

14. NO FURTHER CLAIMS

It is a condition of this agreement that no further claims will be made by the employees during the life of this agreement.




SIGNATORIES TO THIS AGREEMENT

SIGNED for and on behalf of :

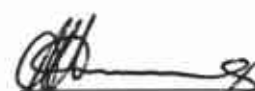
PIONEER CONSTRUCTION MATERIALS PTY LTD.


Sign : 
Date : 9.1.02.

In the presence of:
Sign : 
Date : 9.01.02

SIGNED for and on behalf of :


The employees of Kables Sands.

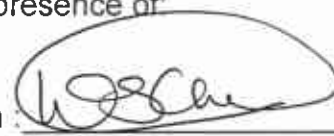
Sign : 
Date : 8.1.02

In the presence of:
Sign : 
Date : 08-01-02

SIGNED for and on behalf of :

The Australian Workers' Union (Greater NSW Branch).

Sign : 
Date : 17.12.01

In the presence of:
Sign : 
Date : 17.12.01



APPENDIX A - Classification Structure:

Level 1

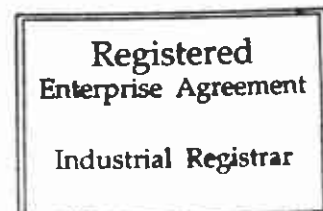
- Induction - OH&S, environmental etc.
- First Aid Certificate.
- Fixed plant labourer.
- Basic greasing.
- Trades assistant.

Level 2

- All of the above.
- Confined spaces awareness training.
- Watercart.
- Dumptrucks. (Competency Certificate attained).
- FEL. (Competency Certificate attained).
- Excavator. (Competency Certificate attained).

Level 3

- All of the above.
- Crane.
- Sales FEL.
- Fixed plant operation (advanced greasing).
- Dry Tailings plant operation.
- Confined spaces ticket.



Level 4

- Weighbridge. (The people paid at level 4 need to know how to do this. Just because we changed the system doesnt mean the level of responsibility/payment is any different. It's still necessary for the operation of the site)

- All of the above

Trades Level 1

A trades level 1 is an employee who has acquired a relevant trade certificate and is engaged in maintenance work at the quarry, and has a first aid certificate.

Trades Level 2

A trades level 2 is an employee who has had 12 months experience working in the quarrying industry as a trades level 1 and can perform at least 2 operator skills in operator level 2 or 3, and has a confined space ticket.

Trades Level 3

A trades level 3 is an employee who has gained trades level 2 and can operate the crane.



APPENDIX B - Key performance Indicators.

The KPI's for the agreement are :

1. Tonnes per man-hour (TPMH).

Present TPMH - 16.5.

A 3% increase on the last years performance. Calculated on an annual moving total basis and reviewed monthly.

Target : 17.0 TPMH

2. Plant Availability

Present availability 79%

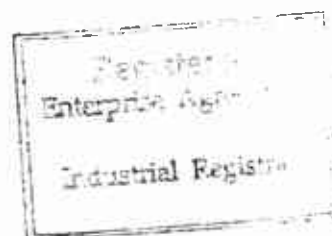
A 5% increase on last years performance. Calculated on a Moving Annual Total for the Old and New Plant only. This will not include downtime outside the control of the employees.

Target : 84%

3. Cost Control

Reduce repairs and maintenance costs by 3% of budget figure by means of improved preventative maintenance and care of equipment and control of purchasing. (ie. get the best deal)

This will not include areas outside the control of the employees or unforeseen major breakdowns.



4. Absenteeism (6 monthly intervals).

Where an individual employee has not been absent from work on sick leave within the first six month period, the employee will be paid a one off amount of \$100 at the end of the period. This will be repeated for each of the following six month periods for the life of this agreement. The first six month period will commence from the date of signing.

