

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/112

TITLE: Hunter Region Boral Transport Limited Agreement 2001

I.R.C. NO: 2002/1221

DATE APPROVED/COMMENCEMENT: 14 March 2002/1 July 2001

TERM: 1 July 2003

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 26 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 11

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to all employees at the Mt Thorley, Ravensworth and Tomago depots who perform work covered by the Transport Industry (State) Award and/or the Transport Industry - Quarried Materials (State) Award and/or the Transport Industry - Petroleum &c. Distribution (State) Award.

PARTIES: Boral Transport Limited -&- the Transport Workers' Union of Australia, New South Wales Branch

BORAL TRANSPORT LIMITED
HUNTER REGION AGREEMENT
2001

1.0 Title

- 1.1 Our agreement shall be known as the Hunter Region Boral Transport Limited Agreement 2001.

2.0 Arrangement

- 1.0 Title
- 2.0 Arrangement
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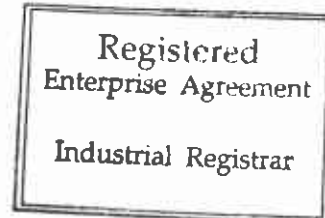


3.0 Purpose

- 3.1 The purpose of this agreement is to set key performance indicators in order to improve the overall performance of Boral Transport's Upper Hunter Valley fleet. It is also the intention of this agreement to introduce business improvement initiatives that allow for greater flexibility in the Tomago business. The initiatives will allow the Tomago business to continue to be competitive in an ever-reducing market place. It is the intention of this agreement that the setting and achievement of the performance indicators in the upper Hunter and the introduction of the business improvement initiatives and the single performance based initiative at Tomago will provide a base of business improvement that will allow Boral Transport to provide a sustainable increase in the drivers remuneration.

4.0 Application and Parties

- 4.1 Our agreement shall apply to Boral Transport's Hunter Valley depots, Tomago, Ravensworth, and Mt Thorley.
- 4.2 Our agreement shall be binding upon:
- (a) Boral
 - (b) each driver
 - (c) the TWU



5.0 Start Date and Period of Operation

- 5.1 Our agreement shall start and operate from 1/07/01 date and shall remain in force for two years and thereafter in accordance with the Act.
- 5.2 Negotiations for the next enterprise agreement will commence no later than 1/01/2003

6.0 Relationship to Parent Awards / Previous Enterprise Agreements

- 6.1 Our agreement shall be read and construed with the parent awards and our previous Enterprise Agreements.
- 6.2 Where there is any inconsistency between our Agreement and the parent awards or our previous Enterprise Agreements our Agreement shall prevail to the extent of the inconsistency.

7.0 Mt Thorley & Ravensworth Key Performance Objectives (KPI's)

- 7.1 The agreement on Key performance indicators is as follows;
For Ravensworth and Mt Thorley Depots, it is proposed to have two KPI's – Safety and Productivity. If a depot wishes to include an additional KPI for specific reasons, this will be considered. Benchmarks will be based on performance up to June 30, 2001. These KPI's will be measured from July 1 2001.

7.2 The **safety target** that Ravensworth, Mt Thorley must achieve is:

A 25 % improvement in their safety score each year. The safety score will be a weighted score, which will include Work Affecting Injuries, Medically Treated injuries and Minor Vehicle Accidents.

7.3 The **productivity target** that Ravensworth and Mt Thorley depots must achieve is:

A minimum of 5.0% productivity improvement per year over the current benchmark performance. Benchmarks will be reviewed for different vehicle configurations and if there are significant changes to a depot's work.

7.4 In order to **convert** individual KPIs into a depot score the following weightings will be used for both Mt Thorley and Ravensworth Depots:

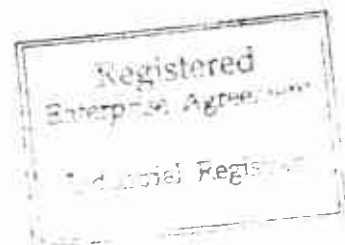
- 75 % for productivity.
- 25% for safety.

7.5 In order to convert individual depot scores into an upper Hunter region score, the depot scores will be weighted according to the number of employees involved in the agreement at each depot.

7.6 Gross mass increases achieved through State or Federal legislation and/or mechanical advantage gained through engineering methods will necessitate the review and subsequent upgrade of Benchmarks and targets. The method used to calculate new benchmarks and targets will be as shown below.

Example

The current legal gross mass hauled by a B-double is 62.50 tonnes. If the current average gross weight hauled by a B-double were 61.50 tonnes, this would represent a percentage of volume of 98.4%. If the legal gross mass were increased to 65.00 tonnes, then the average gross weight hauled would be revised to 64.03 tonnes.



8.0 Tomago Depot Only

8.1 The changes to the Tomago operations revolve around current work practices that restrict the business' ability to respond to customer demand in a cost-effective manner.

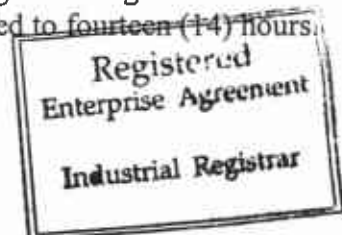
8.2 **Modifications to be introduced to the current work practices.** The modifications will carry a weighting with regard to the remuneration increases which will be set at 100% of the available increase (2% payable as per clause 10.3 and clause 10.4): The contribution to the enhancement of the performance of the business will be monitored and reported to all participants as per the parent agreement (clause 9).

8.3 The business improvement initiatives are listed below:

- i) Change to the spread of ordinary hours to 5.00am – 4.00pm.
- ii) Shift starting times will no longer be fixed (currently 6.30am) but can be altered daily.
- iii) Shift starting time on any set day will be in a window between 5.00am and 7.00am.
- iv) Changes to the length and method of the notification period (currently 7 days written notice) to alter starting time. Will now be 12 hours notice (ie: end of previous shift) notice to be verbal not written
- vi) First 7.6 hours of any shift commencing in the allotted shift start window to be paid at ordinary rates. Appropriate penalties to apply for start/finish times that are outside of this window and/or the normal spread of hours.
- vii) Tailor breaks to be more in touch with customer and legal requirements. -
- viii) The company is prohibited under the terms of the agreement to replace a permanent employee with either casuals, hauliers or subcontractors after a permanent completes 7.6 ordinary hours if there is continuing work available unless the permanent employee declines to complete the allotted overtime. Permanent employees can be replaced upon agreement between the individual employee and the employer.
- ix) All drivers and supervisors to complete a Fatigue Management course to allow the employees driving hours to be extended to fourteen (14) hours.

8.0 Tomago Depot Only (continued)

- x) Introduce a banking system that allows for the hours worked over 12 hours per day to be banked and used by employees in conjunction with RDOs during times of business downturn. The hours banked will be at the rate



worked (ie. 1 hour worked over 12 would be paid at double time. Hence the employee would accrue two hours for this system). This clause will only apply once all drivers have completed the fatigue management course.

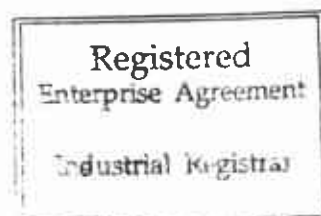
- xi) Rates paid to drivers are to vary daily and are dependent on the majority of the type of work each individual employee has performed on each set day. (eg. If worked 12 hours and spent 7 hours on quarry work and 5 hours on coal quarry rate would be paid).
- xii) Rates currently paid to remain as is on all current contracts. New rates to apply only to new or rolled over contracts.
- xiii) Leave entitlements, termination and redundancy payments shall be at the rate nominated by the base award that each individual employee is respondent to. (ie: The majority of the employees in the yard are respondent to the Quarried Materials State (NSW) Award, 3 employees are respondent to the Transport Industry-Petroleum &c., Distribution (State) Award.
- xiv) The three (3) employees' (who are respondent to the Transport Industry-Petroleum &c., Distribution (State) Award) first priority is to bitumen haulage and as such the company commits to offering bitumen loads to the aforementioned employees as they are allocated from Sydney. The aforementioned employees commit to making themselves available to carry out their duties with regard to bitumen haulage.
- xv) Increase of 2.0%, as per clause 10.3 and 10.4, to apply for adoption of **all of the changes** to current work practices as listed (i-xiv).

8.4 Performance Based Increase: A performance-based increase of 1.5% will be offered to all drivers and mechanics. Both the drivers and mechanics will be respondent to the safety performance indicator as per clause 8.5. However both groups will be respondent to separate performance criteria with regard to productivity issues.

Both of the performance-based criteria will carry a weighting to convert each indicator into a depot score to be applied to the available 1.5% increase. The aforementioned weightings will be as follows:

Safety (all TWU employees) -	25%
Availability ratio (TWU drivers only) -	75%
Productivity ratio (TWU mechanics only) -	75%

8.0 Tomago Depot Only (continued)



1. **Safety Performance Indicator (all TWU respondent employees):** The agreement includes a performance indicator for safety (excluding the criteria for the safety-related component of clause 9.1(a) & 9.1(b).
2. A 25% improvement in the safety score in each year of the agreement. The safety score will be a weighted score, which includes work-affecting injuries, medically treated injuries and minor vehicle accidents. A 0.375% increase is available to all TWU respondent employees if the entire group achieves the target.
3. **Driver Availability Ratio (TWU Drivers Only):** This ratio will be calculated by dividing the number of hours each driver makes themselves available to drive by the number of productive hours available to the company for a said driver's allotted fleet vehicle on any set day. The availability ratio system would be applied as follows:
 - i) An agreed benchmark of 80% will apply to the availability ratio.
 - ii) An agreed target of 85% will apply to the availability ratio.
 - iii) Each individual driver's availability to the company would be measured for all days from Monday to Saturday, every week of the year.
 - iv) The hours that each driver makes himself/herself available on each measurable day will be measured against the productive hours that the company has available for his/her allotted fleet vehicle. Dividing the hours that a driver makes himself/herself available by the number of productive hours the company has available for said drivers allotted fleet vehicle will be the method of measurement.
 - v) The performance of each individual driver (with regard to availability) will be monitored throughout the period of the agreement.
 - vi) The performance of each individual driver will be consolidated daily into a yard performance for measurement of the performance of the total TWU drivers employed by the business.
 - vii) Days off sick without a doctor's certificate taken by an individual will count as an availability ratio for that individual of 0%.
 - viii) RDOs, annual leave, long service leave, sick days with a doctors certificate, public holidays, TWU picnic day and Sundays are excluded from measurement.



8.0 Tomago Depot Only (continued)

- ix) On Saturdays an overtime roster based upon seniority would be applied to available overtime.
- x) Each driver in order of seniority would be asked to work in order to fill the hours that the company has available. Those that decline to work will achieve an availability ratio of 0% those that accept the offer will achieve an availability ratio of 100%. Historically the company does not have a problem filling weekend shifts. It is therefore envisaged that those that accept work on a Saturday would negate those that decline the offer. However on a Saturday where the company has to source an external provider to fulfil it's obligations to it's customers such hours filled by an external provider will be measured against a driver who has declined the offer to work.
- xi) A further increase of 1.125% is available to all drivers should the entire driver workforce achieve the driver availability target of 85%.

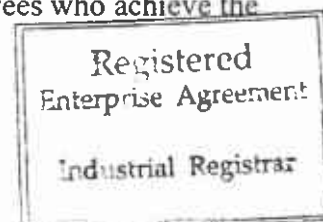
2. **Mechanics Productivity:** The productivity of the mechanics located at Tomago will be measured against a set benchmark and will be calculated as follows:

- i) Benchmark set at 93%.
- ii) Target set at 96.25%
- iii) Method of measurement will be calculated by dividing the total number of hours worked by each employee by the total number of productive hours of each employee.
- iv) An increase of 1.125% is available to the group upon achievement of the nominated target.

NB. A detailed explanation is attached as an addendum to this agreement. The addendum applies to the Tomago Depot only.

9.0 Rewards

- 9.1 A guaranteed annual percentage increase of 1.5% shall be offered to all employees. The increase shall apply to those employees who achieve the following criteria:



- a) A **zero Lost Time Injury** result for each twelve-month period, beginning from the commencement of the agreement.
 - b) A **zero Driver at Fault Major Accident** result for each twelve-month period, beginning from the commencement of the agreement.
- 9.2 The Safety Award Program will be abolished.
- 9.3 For Ravensworth and Mt Thorley there shall be a guaranteed annual percentage increase of 2.0%, payable to employees as per clause 10. The first 2.0% increase will be payable from 1 July 2002.
- 9.4 For Tomago the first of the guaranteed percentage increases of 2.0% will be payable to employees as per clause 10. The first 2.0% increase will be payable from 1 July 2002.
- 9.5 In the first year of this agreement, a percentage increase of 1.5% shall be offered to Ravensworth & Mt Thorley depots based upon achievement of the nominated safety and productivity targets described in clauses 7.2 and 7.3. This increase will be payable as per clause 10.
- 9.6 In the second year of this agreement, a further percentage increase of 1.5% shall be offered to Ravensworth & Mt Thorley depots based upon recalculated benchmarks and achievement of the nominated safety and productivity targets described in clauses 7.2 and 7.3 and payable as per clause 10.
- 9.7 In the first year of this agreement, a percentage increase of 1.5% shall be offered to the TWU respondent Tomago drivers based upon achievement of the nominated performance targets described in clauses 8.4 (1) and 8.4 (2) and to the TWU respondent mechanics based upon achievement of the nominated performance targets described in clauses 8.4 (1) and 8.4 (3). This increase is payable as per clause 10
- 9.8 In the second year of the agreement a further 1.5% percent increase shall be offered to both the TWU respondent drivers and mechanics at Tomago. The increase will be based upon recalculated benchmarks and the achievement of the nominated performance targets for each respective group as described in clauses 8.4(1), 8.4(2) and 8.4(3). This increase will be payable as per clause 10.

10.0 Reviews

Four formal depot performance reviews will be held during the period of this agreement.

- 10.1 The first will be held in January 2002 to review performance from 1 July 2001 to 31 December 2001. 1.5%
- 10.2 The increase associated with the first review will be payable from the first pay period after 1 January 2002.
- 10.3 The second will be held in July 2002 to review performance 1 July 2001 to 30 June 2002. 2.0% plus possible extra 1.5% based on KPI performance
- 10.4 The increase associated with the second review will be payable from the first pay period after 1 July 2002.
- 10.5 The third will be held in January 2003 to review performance from 1 January 2002 to 31 December 2002. 1.5%
- 10.6 The increase associated with the third review will be payable from the first pay period after 1 January 2003.
- 10.7 The fourth will be held in July 2003 to review performance from 1 July 2002 to 30 June 2003. 2.0% plus possible 1.5% based on KPI performance
- 10.8 The increase associated with the fourth review will be payable from the first pay period after 1 July 2003.

11.0 No Duress

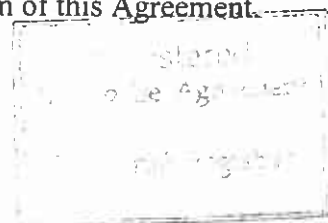
- 11.1 This agreement is made between the parties without duress.

12.0 Enterprise Agreement Committees

- 12.1 Committees will be initially responsible for ensuring benchmarks are properly established, developing action plans to improve performance, and ensuring feedback systems are in place so that depot performance is communicated to all concerned on a regular basis, and that action plans and improvement ideas are followed through.
- 12.2 The region manager will review the benchmarks action plans and feedback systems.
- 12.3 Depot enterprise agreement committees will meet at least quarterly to review progress.

13.0 No Extra Claims

- 13.1 There shall be no further wage increases during the term of this Agreement.



14.0 Disputes Procedure

14.1 The following steps must apply in the following order for resolution of a dispute. For each step, the next step must be taken if the dispute has not been resolved within the time indicated for that step, which runs from the time the initial consultation is required;

- a. a dispute must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels;
- b. the depot manager should deal with the initial discussion;
- c. if the matter is not resolved at this level, the employee and the union delegate (s) should approach senior management representative for discussion and resolution of the problem;
- d. the union organiser and senior management may get involved if required at any time;
- e. either party may call a *Special Committee** of the EBA committee to attempt to resolve the dispute;
- f. if the issue remains unresolved, the matter may be referred to the NSW Industrial Relations Commission for conciliation / arbitration, (either party may refer a dispute to the NSW Industrial Relations Commission at any time during the process); and
- g. whilst the above procedure is being followed and until the matter is resolved there must be no industrial action of any kind by any employee, Boral or the Union.

*The special committee shall consist of;

- Senior management representatives
- The TWU organiser
- The delegate(s) from the depot(s) with the dispute and any external facilitators the committee may require.

15.0 Signatures to the Agreement

The parties register their formal agreement to this document with their signatures below.



Signed for and on behalf of the Transport Workers Union.

Dated

4/2/02.

