

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/251

TITLE: New South Wales BHP Sydney Steel Mill Employee Relations Agreement

I.R.C. NO: 99/3845

DATE APPROVED/COMMENCEMENT: 3 September 1999 and commenced 18 August 1999

TERM: Expires 18 August 2000

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 37

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees in the following occupations Steelmaker -Production, Steelmaker - Electrical and Steelmaker - Mechanical, located at BHP's steel mill at Rooty Hill

PARTIES: NSW BHP Steel Pty Ltd -&- The Australian Workers' Union, New South Wales

NSW BHP STEEL SYDNEY STEEL MILL EMPLOYEE RELATIONS AGREEMENT

1. TITLE

- 1.1 This Agreement will be known as the NSW BHP Steel Sydney Steel Mill Employee Relations Agreement.
- 1.2 It is the intention of the parties that this Agreement be approved as an enterprise agreement under Division 2 of Part 2 of Chapter 2 of the Act.

2. ARRANGEMENT

1. Title
2. Arrangement
3. Definitions
4. Incidence and Parties Bound
5. Operation
6. Right of Entry of Union Official
7. Contract of Employment
8. Casual Employment
9. Part Time Employment
10. Fixed Term Employment
11. Contractors
12. Payment of Wages
13. Hours of Work
14. Classification Structure
15. Rates of Pay
16. Overtime and Meals
17. Call-In
18. Holidays
19. Long Service Leave
20. Annual Leave
21. Jury Service
22. Compassionate Leave
23. Personal Sick Leave
24. Continuity of Production and Procedure for Resolving Issues and Differences
25. Participation and Communication
26. Development Appraisals
27. Parental Leave
28. Performance Related Payments Scheme
29. No Extra Claims
30. Payment for Training

Registered
Enterprise Agreement
Industrial Registrar

3. **DEFINITIONS**

In this Agreement:

"Act" means the Industrial Relations Act 1996;

"ACTU" means the Australian Council of Trade Unions;

"BHP" and "Company" means NSW BHP Steel Pty. Ltd.;

"Commission" means the Industrial Relations Commission of New South Wales;

"AWU-FIME" means The Australian Workers' Union, New South Wales.

"Mill" means BHP's steel mill at Rooty Hill, Sydney;

"Union" means The Australian Workers' Union, New South Wales.

4. **INCIDENCE AND PARTIES BOUND**

4.1 The parties to this agreement are:

- (a) BHP;
- (b) The Australian Workers' Union, New South Wales;

4.2 The enterprise for which this agreement is made is BHP's steel mill at Rooty Hill.

4.3 The trades and occupation to which this agreement relates are:

- (a) steelmaker - production
- (b) steelmaker - electrical
- (c) steelmaker - mechanical.

4.4 This Agreement binds the parties in respect of all employees engaged at the Company's Mill to the exclusion of all other awards and agreements.

4.5 The scope of this Agreement is limited to the classifications referred to in clause 14.3 of this Agreement.

4.6 It is recognised by the Company, the Union, all employees and ACTU Policy that the Australian Workers' Union, New South Wales is the sole union representing the industrial interests of the employees covered by this agreement.

4.7 This Agreement was not entered into under duress by any party to it.



5. OPERATION

- 5.1 This agreement shall apply for the period commencing on the date the agreement is approved by the Commission until 18 AUGUST 2000 ("the nominal term").
- 5.2 The parties recognise the importance of monitoring the effectiveness of this Agreement and will consult each other on the operation of this Agreement.

6. RIGHT OF ENTRY OF UNION OFFICIAL

To assist the parties both to carry out the intent of this Agreement and to act within the spirit of this Agreement, a duly accredited official of the Union will, subject to any security or safety requirement, have the right of entry to the Mill provided that the Union official has made prior arrangement with a representative of management and does not hinder or obstruct the performance of work.

7. CONTRACT OF EMPLOYMENT

7.1 Work Obligations

Subject to the provisions of this Agreement, all employees shall be engaged on a weekly basis (full time or part time) or on a casual basis.

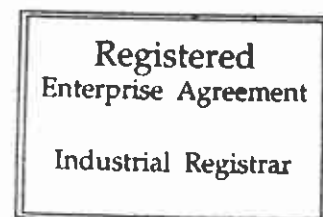
7.2 Probationary Period

Employees will be employed on a probationary basis for the first three months of service. Employment will be determinable on a daily basis for the first three weeks and on a weekly basis for the remainder of the three months.

7.3 Performance of Work

It is a term and condition of employment and of the rights applying under this Agreement, that an employee:

- (a) Attends work during the employee's rostered ordinary hours of work and that the employee not be absent from work on any such day without prior approval from the Company.
- (b) Performs such work within the range of his /her ability, as the Company from time to time reasonably requires.
- (c) Participates in training and be accredited in work skills and knowledge to become a flexible member of the work team.
- (d) In the case of a shift worker, continues work until relieved by a counterpart on the incoming shift or until the Company is able to make suitable arrangements to cover the position.

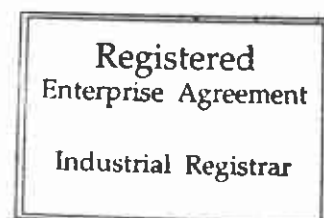


- (e) Notifies the Company if unable to work:
 - (i) at least one hour before the commencement of the rostered shift;
 - (ii) of the reason for the absence; and
 - (iii) the anticipated duration of absence.
- (f) Utilises the skills and knowledge the employee possesses throughout the plant without reservation.
- (g) Works reasonable overtime in addition to the rostered hours of duty.
- (h) Uses, as directed by the Company, protective clothing and equipment provided for specific circumstances.
- (i) Complies with safety regulations determined by the Company or as prescribed by Government regulation.
- (j) Observes regulations published by the Company to provide an orderly and safe work-place, including keeping the workplace and equipment in a clean and safe condition.
- (k) Complies with the provisions of the Continuity of Production and Resolution of Issues Procedure.

7.4 Termination of Employment

- (a) Subject to the provisions of clause 7.2, employment may be terminated by either the Company or employee by one week's notice to the other. If the Company terminates an employee, it may pay the employee one week at single time in lieu of the period of notice. If the employee leaves without notice, he or she will forfeit one weeks pay.
- (b) This will not affect the right to the Company to dismiss an employee without notice for:
 - (i) malingering;
 - (ii) refusal of duty; or
 - (iii) misconduct.

In such cases wages will be paid up to the time of dismissal only.



7.5 Suspension

Notwithstanding the provisions of this clause 7, the Company shall have the right to suspend an employee for malingering, refusal of duty or misconduct on the part of the employee and to deduct payment for any day or portion of a day during which the employee is so suspended.

7.6 Standing Down of Employees

In the event that the Company cannot usefully employ an employee as a result of industrial action or through any disruption to production or any stoppage or work by any cause for which the Company cannot reasonably be held responsible, the Company will undertake to discuss the issues with the employees but may stand employees down without pay after all alternatives have been investigated. (This clause is inserted having regard to the practice of the use of stand down clauses in NSW Steel Industry Awards.)

7.7 Redundancy

- (a) In the event that conditions are such that the Company is required to reduce its labour force then the manner in which this is to occur will be discussed with the work force. In the event that redundancies are required the conditions to apply will be discussed with the Unions.
- (b) Redundancy decisions will be made on the basis of performance and merit, including consideration of service.

8. CASUAL EMPLOYMENT

- 8.1 A casual employee means an employee engaged and paid as such and whose employment may be terminated upon one hour's notice.
- 8.2 At the time of engagement a casual employee will be notified in writing that the engagement is on a casual basis.
- 8.3 A casual employee working ordinary time will be paid at the entry level hourly rate prescribed by this Agreement for the work being performed plus twenty percent.

9. PART TIME EMPLOYMENT

- 9.1 A part time employee means an employee who works a day or days or part of a day or parts of days not less than three days per week and whose total ordinary hours shall not be less than 20 per week.

<p style="text-align: center;">Registered Enterprise Agreement</p> <p style="text-align: center;">Industrial Registrar</p>

- 9.2 Part time employees shall be paid at an hourly rate equal to the ordinary rates for the class of work performed set out in this Agreement divided by 38.
- 9.3 Part time employees shall be entitled to a proportionate amount of annual leave, sick leave and long service leave. In each instance the proportionate entitlement shall be determined by dividing the average number of normal hours worked each week by 38.
- 9.4 Subject to this clause 9 all other provisions of this Agreement relevant to weekly employees shall apply to part time employees.

10. FIXED TERM EMPLOYMENT

- 10.1 In order to meet short term production and market fluctuations, the Company may employ employees for a fixed term.
- 10.2 Employees will be advised of the circumstances surrounding the employment of employees on fixed term employment.

11. CONTRACTORS

Contractors will be used by the Company to carry out work at the Mill as required.

12. PAYMENT OF WAGES

- 12.1 All wages will be paid fortnightly by electronic transfer of funds into an account nominated by the employee with a bank or other financial institution recognised by the Company.
- 12.2 The Company may deduct from wages owing to an employee such amount as is authorised in writing by the employee.
- 12.3 The Company will keep a record which will indicate the name and occupation of each employee, the hours worked each day and the wages paid each fortnight.

13. HOURS OF WORK

- 13.1 The ordinary hours of work for a full time employee shall be an average of 38 hours per week over the full cycle of the work roster.
- 13.2 **Day Workers**

Start and finish times will normally be between the hours of 7.00am and 5.30pm unless otherwise determined by agreement between the Company and the majority of employees or a majority of employees in the section affected taking due account of the needs of the business.



13.3 Shift Workers

In this clause 13:

(Twelve Hour Rotating Shift System:)

"12 Hour Day Shift" means any shift starting at 7.00am and finishing at 7.00pm.

"12 Hour Night Shift" means any shift starting at 7.00pm and finishing at 7.00am".

(Eight Hour Rotating Shift System:)

"Day Shift" means any shift starting at 7.00am and finishing at 3.00pm.

"Afternoon Shift" means any shift starting at 3.00pm and finishing at 11.00pm.

"Night Shift" means any shift starting at 11.00pm and finishing at 7.00am.

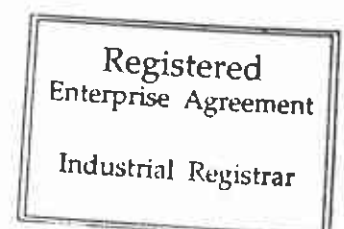
(Eight Hour Non Rotating Shift System:)

"Day Shift" means any shift between the hours of 7.00am and 5.30pm

"Continuous Work" means work carried out with consecutive shifts of employees throughout the twenty four hours of seven consecutive days.

"Rostered Shift" means a shift of which the employee concerned has had at least 48 hours notice.

- 13.4 Shift Work may be based on an 8 hour rotating shift system or a 12 hour rotating shift system as agreed between the Company and the majority of employees or a majority of employees in the section affected taking due account of the needs of the business.
- 13.5 The ordinary hours of work prescribed herein shall not exceed 12 hours in any calendar day.
- 13.6 The hours of starting and completing shifts may be altered by agreement between the Company and a majority of employees or a majority of employees in the section affected taking due account of the needs of the business.



13.7 Meal Breaks

- (a) **Day Workers** - on each day worked a meal break of 30 minutes shall be allowed within 5 hours of commencement of work which shall not be counted as time worked.
- (b) **Shift Workers**
 - (i) In an 8 hour shift, 20 minutes shall be allowed each shift for crib which shall be counted as time worked;
 - (ii) In a 12 hour shift, 2 meal breaks of 30 minutes each will be allowed about 4 hours apart which shall be counted as time worked.
- (c) The time of taking meal breaks, whether during ordinary hours or overtime, shall be so staggered as to permit the maintenance of continuous operations.

14. CLASSIFICATION STRUCTURE

14.1 Objectives

The intent of the system is for employees to utilise their skills and knowledge to the maximum and provide a mechanism for further developing their skills and knowledge in a manner which will have mutual benefit for both the Company and the employee. The system will:

- (a) Provide opportunities for employees to achieve greater job satisfaction and the basis for a sense of importance and worth;
- (b) Recognise employees who utilise skills and knowledge and competency levels of direct and substantial benefit to the operation;
- (c) Reward employees on the basis of utilising demonstrated competency in additional skills and knowledge;
- (d) Perform all tasks subject only to individual ability, safety and statutory requirements;
- (e) Provide for optimal utilisation of resources;
- (f) Provide employees with the opportunity for a career development over a range of functions on the plant;
- (g) Provide employees with the opportunity for as much responsibility and authority to be allocated as skill, knowledge and experience will allow.

<p>Registered Enterprise Agreement</p> <p>Industrial Registrar</p>
--

14.2 Each employee is classified as a Steelmaker in one of the following streams.

- (a) Production (P)
- (b) Electrical (E)
- (c) Mechanical (M)

14.3 Each stream is divided into the following grade levels

<u>Production</u>		<u>Electrical</u>	<u>Mechanical</u>
<u>Melt Shop</u>	<u>Rolling Mill</u>		
6P	6P		
5PB	5PB		
5PA	5PA		
4PB	4PB		
4PA	4PA	4E	4M
3P	3P	3E	3M
2P	2P	2E	2M
1P	1P	1E	1M

14.4 In order to qualify for a grade level the employee must gain certification in:

- (a) prerequisite functions;
- (b) prerequisite skills; and
- (c) extension skills/knowledge

as set out in the manual "Training and Development at Sydney Steel Mill."

14.5 Certification must be gained in all of the nominated functions, skills and extension skills before the employee will be eligible for regrading and certification will only be granted after all of the conditions set out in Clause 7 (Certification for Training) in the manual have been met.

<p>Registered Enterprise Agreement Industrial Registrar</p>

15. RATES OF PAY

- 15.1 The parties agree that the rates of pay in this clause 15 will not alter until there is a re-negotiation at the end of the nominal term of this Agreement and a replacement Agreement is made by the Commission.
- 15.2 Rates of pay in this clause take into account all work requirements and conditions and no additional amounts (including allowances) are payable, other than any allowance prescribed by this Agreement.

The minimum rate of pay per 38 hour week shall be as follows (such rates include the adult basic wage):

Production	From 9/6/99
1P	445.00
2P	474.30
3P	503.90
4P(A)	533.90
4P(B)	563.80
5P(A)	594.70
5P(B)	625.30
6P	656.20

Electrical	From 9/6/99
1E	594.70
2E	625.30
3E	656.20
4E	686.70

<p>Registered Enterprise Agreement</p> <p>Industrial Registrar</p>
--

Mechanical	From 9/6/99
1M	563.80
2M	594.70
3M	625.30
4M	656.20

Note: In addition to the minimum rates of pay prescribed by this clause, employees receive an over agreement payment.

15.3 Shift Allowance

- (a) Employees required to work 8 hour rotating shift work on any afternoon and night shift between the hours of 3.00pm and 7.00am will be paid an additional 15% of their ordinary rate for each hour worked on such a shift.
- (b) Employees required to work 12 hour rotating shift work on any night shift between the hours of 7.00pm and 7.00am will be paid an additional 20% of their ordinary rate for each hour worked on such a shift.
- (c) This payment will apply for all normal afternoon and night shifts worked.
- (d) The ordinary classified hourly rate for each classification will be the ordinary classified weekly rate divided by 38.
- (e) Shift Allowance will not be subject to any penalty additions.

<p>Registered Enterprise Agreement Industrial Registrar</p>
--

15.4 Saturday Rates for Shift Workers

Shift workers for their ordinary shift performed on Saturday shall be paid at the rate of time and one half.

15.5 Sunday Rates for Shift Workers

- (a) Shift workers for their ordinary shift performed on Sunday shall be paid at the rate of double time.
- (b) The start and finish of the weekend will be defined by the shift roster.

15.6 Alternative Remuneration Arrangement

- (a) Despite any other provisions of this Agreement, for the purpose of calculating ordinary time earnings, the rate of pay per week prescribed in clause 15, Rates of Pay, will be reduced by the amount which an employee

elects by notice in writing to the Company to sacrifice in order to enable the Company to make superannuation contribution for the benefit of the employee.

- (b) For an employee's election to be valid the employee must complete an election form provided by the Company.
- (c) The reduced rate of pay and the superannuation contributions provided for in this clause will apply for periods of annual leave, long service leave, and other periods of paid leave.
- (d) All other agreement payments, including termination payments, calculated by reference to the employee's rate of pay will be calculated by reference to the rate of pay per week specified for the employee in clause 15, Rates of Pay.
- (e) If at any time while an employee's election is in force, there are changes in taxation or superannuation laws, practice or rulings, that materially alter the benefit to the employee or the cost to the Company of acting in accordance with the election, either the employee or the Company may, upon one month's notice in writing to the other, terminate the election.
- (f) The Company will not use any superannuation contribution made in accordance with an employee's election to meet its minimum employer obligation under the Superannuation Guarantee Administration Act 1992 (Cth) or any legislation which succeeds or replaces it.

16. OVERTIME AND MEALS

16.1 Overtime shall be paid for all time worked in excess of the ordinary hours prescribed by clause 13.1 except when the time worked is:

- (a) by arrangement between the employees themselves; or
- (b) for the purpose of effecting the customary rotation of shifts.

16.2 Overtime shall be at the rate of time and one half for the first 2 hours and at the rate of double time thereafter.

16.3 Double time will be paid for all work done on Sundays.

In addition, where an employee is required to work overtime at the completion of a Saturday or Sunday shift, double time payment will continue for the duration of the overtime worked.

16.4 When an employee is required to continue at work on overtime for more than one and a half hours after the employee's ordinary ceasing time without having been notified before leaving work on the previous day or equivalent time of the

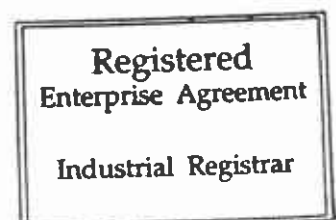
Registered
Enterprise Agreement
Industrial Registrar

requirement to work overtime, the employee shall be paid \$6.90 or provided with a meal.

- 16.5 An additional overtime meal allowance will be paid if a full 8 hours overtime is worked.
- 16.6 Should any employee be required to work overtime such that he or she has less than 8 consecutive hours off duty between the end of his or her normal duties on one day and the commencement of ordinary duties on the next day he or she shall be released after such overtime until he or she has had 8 consecutive hours off duty without loss of pay for ordinary working time occurring during such release. If on instruction of the company the employee resumes or continues work without such 8 consecutive hours off he or she shall be paid double time until released for 8 consecutive hours off duty.

17. **CALL-IN**

- 17.1 An employee recalled to work overtime after leaving the Mill (whether notified before or after leaving the Mill) will be paid a minimum of four hours at the appropriate rate, even if the employee is not required to work the full four hours.
- 17.2 The provisions of clause 17.1 will not apply where the overtime is continuous with the commencement of ordinary working time.



18. HOLIDAYS**18.1 Traditional Holidays**

The days on which: New Years Day; Australia Day; Good Friday; Easter Saturday; Easter Monday; Anzac Day; Labour Day; Queen's Birthday; Christmas Day; and Boxing Day are observed shall be holidays and employees not required to work shall be entitled to payment for the shift at the classified rate for the aforesaid holidays, but not for Easter Saturday except where that day forms part of the roster.

18.2 Additional Public Holiday

In addition to the days listed in clause 18.1 an additional public holiday will be taken each year at a date discussed with the employees and considered by the Company to be suitable to the business.

18.3 Employees Absent Without Leave

Payment under this clause shall not be made to an employee absent without leave or acceptable excuse on the working day preceding or the working day succeeding a holiday.

18.4 Holiday Rate

All work done on the aforesaid holidays will be paid at the rate of double time and one half.

19. LONG SERVICE LEAVE

For long service leave provisions see the Long Service Leave Act 1955.

20. ANNUAL LEAVE**20.1 Day Workers and Monday to Saturday Shift Workers**

For annual leave provisions, see Annual Holidays Act, 1944. This gives those employees an entitlement to 28 calendar days annual leave.

20.2 Seven Day Shift Workers

Seven day shift workers are entitled to an additional one week's annual leave if they have worked the entire year as a seven day shift worker. Where the employee works less than a full year as a seven day shift worker the entitlement will be pro-rated on the basis of the number of weeks completed as a seven day shift worker.

<p style="text-align: center;">Registered Enterprise Agreement Industrial Registrar</p>
--

20.3 Monday to Saturday Shift Workers

Monday to Saturday shift workers who are regularly rostered for duty on Saturday as ordinary working days are entitled to an additional one day's annual leave for every thirteen Saturdays on which the employee worked an ordinary shift.

20.4 All Employees - Annual Leave Rate of Pay

Annual leave pay will be based on the sum of the normal daily award rate plus daily over award rate of pay at the beginning of the annual leave multiplied by the number of days the steelmaker would have been rostered to work during normal time period.

20.5 All Employees - Annual Leave Loading

- (a) A loading of 20% of the amount calculated in accordance with clause 20.4 shall be paid for all fully accrued annual leave under this clause.
- (b) Provided that an employee who would have worked on shift work had he or she not been on annual leave shall be paid whichever is the greater of the 20% loading

OR

the shift allowance and Saturday and Sunday penalties that would have been payable to him or her in respect of ordinary time during the period of annual leave had he not been on annual leave.

- (c) Overtime or public holiday penalties shall not be taken into consideration for the purpose of the above calculation.
- (d) Annual leave loading shall apply to fully accrued leave only and does not apply to pro-rata annual leave payments on termination of employment.

20.6 Days Added to the Period of Annual Leave

- (a) In the case of an employee who was, at the commencement of his annual leave or long service leave, employed as a seven day shift worker of this Agreement, one day shall be added to his or her annual leave period or long service leave period respectively, in respect of any holiday prescribed by this Agreement which falls within the period of annual leave or long service leave to which he or she is entitled under this Agreement.
- (b) An employee who is rostered off duty on a day which is a holiday prescribed by this Agreement and who is not required to work on that day shall have one day added to his or her annual leave period.

Registered Enterprise Agreement
Industrial Registrar

- (c) An employee who is rostered off duty on a day which is a holiday prescribed by this Agreement and who is required to work part of that day, shall be paid for such work at the rate prescribed by Clause 18, Holidays, and in addition will have a pro rata entitlement of an added day for the balance of that day added to the Annual Leave entitlement.

This sub-clause shall not apply when the holiday falls:

- (i) on a Saturday or Sunday except in the case of employees employed as seven day shift workers;
- (ii) on a Sunday in the case of employees employed as Monday to Saturday shift workers who are regularly rostered for duty on Saturdays and ordinary days.
- (d) Any days added in the case of annual leave shall be paid for at the annual leave rate of pay and in the case of long service leave shall be paid for at the long service leave rate of pay.
- (e) Any day or days added in accordance with sub-clause (a) or (b) of this clause, shall be the working day or working days immediately following the period of annual leave or long service leave respectively, to which the employee is entitled under this Agreement.
- (f) For the purpose of sub-clause (e) of this clause, working days shall be:
- (i) in the case of an employee who, at the commencement of his or her period of annual leave or long service leave, as the case may be, was employed as a day worker - any day of the week including a day on which the employee concerned would have been rostered off duty if he or she were not on annual leave or long service leave, but excluding a Saturday, a Sunday or a holiday prescribed by this Agreement;
- (ii) in the case of an employee who, at the commencement of his or her period of annual leave or long service leave, as the case may be, was employed as a Monday to Friday shift worker - any day of the week other than Sunday or a holiday prescribed by this Agreement including a day on which the employee concerned would have been rostered off duty if he or she were not on annual leave or long service leave.
- (iii) in the case of an employee who, at the commencement of his or her period of annual leave or long service leave, as the case may be, was employed as a seven-day shift worker - any day of the week including a day on which the employee concerned would have been rostered off duty if he or she were not on annual leave or long service leave.

- (g) Where the employment of a worker has been terminated and he or she thereby becomes entitled to payment in lieu of an annual holiday with respect to a period of employment he or she also shall be entitled to an additional payment for each day accrued to him or her under sub-clause (b) of this clause, at the annual leave rate of pay.
- (h) An employee who is employed as a seven day shift worker who:
 - (i) has a day added to his or her annual leave or long service leave pursuant to sub-clauses (a) and (b) of this clause; and
 - (ii) such a day falls on a holiday prescribed by clause 18, Holidays, of this Agreement, on which the employees would have been rostered to work an ordinary shift were it not for his or her entitlement to an added day, shall be paid for such a day, in addition to his entitlement under sub-clause (d) of this clause, at the rate prescribed by sub-clause (1) of the said clause 18, Holidays, of this Agreement.
- (i) In this clause reference to one week and one day shall include holidays and non-working days.

20.7 Broken Leave

The annual leave will be given and taken in a continuous period or, if an employee and the Company agree, in separate periods approved by management.

21 JURY SERVICE

- 21.1 The Company will reimburse the difference between the amount of wages which would have been earned from normal hours worked and the amount paid in respect for attendance for such jury duty provided the Company has received prior notice of the jury service.
- 21.2 This clause does not apply to casual employees.

22. COMPASSIONATE LEAVE

- 22.1 An employee (other than a casual employee) will be entitled to a maximum of two working days leave on each occasion, paid at ordinary rate of pay for each day where the employee is absent from work because of death of the employee's close relative (including defacto relatives).
- 22.2 The Company reserves the right to make additional paid or unpaid compassionate leave available, dependant on the circumstances surrounding the individual case.

<p>Registered Enterprise Agreement</p> <p>Industrial Registrar</p>
--

23. PERSONAL SICK LEAVE

- 23.1 The purpose of making available personal sick pay is to mitigate against financial hardship for employees as a result of personal illness and injury by accident.
- 23.2 Paid leave of absence will be provided to cover genuine personal illness or injury by accident.
- 23.3 Sick leave will be provided for the period of time the employee is unable to attend for duty, subject to satisfactory proof of that employee's illness or injury.
- 23.4 Approval for all sick pay claimed will be dependent on satisfactory notification to the Company at least one hour before the absence commences.
- 23.5 Payment will be at the ordinary weekly rate.
- 23.6. The company reserves the right to review each individual case as appropriate and if considered appropriate cease payment under this clause.
- 23.7 The minimum standard of sick leave under this Agreement is that prescribed by section 26(1) of the Act.

24. CONTINUITY OF PRODUCTION AND PROCEDURE FOR RESOLVING ISSUES AND DIFFERENCES

- 24.1 The Company and employees recognise the importance of uninterrupted production and delivery performance and agree that they will confer and resolve any issues or differences between them without resort to industrial actions of any kind by employees or the Unions, or stand down, except for clause 7.6, by the Company and that work shall continue as normal without interruption.
- 24.2 It is also recognised that issues should be resolved speedily and it is intended that most issues will be resolved informally between the employee and the immediate supervisor.
- 24.3 Ultimately, in the event that the matter is not resolved, it will be referred to the Commission for determination. No party will be prejudiced as to the final settlement by the continuance of work in accordance with this provision.
- 24.4 Grievances or disputes will be dealt with in accordance with the following procedure determined between the management and employees:-
- Step 1. If an issue or difference arises at work an employee shall first raise it with the immediate supervisor.
- Step 2. If the matter remains unresolved, the employee shall discuss it with the appropriate section head.

<p>Registered Enterprise Agreement</p> <p>Industrial Registrar</p>
--

- Step 3. If unresolved at this level the employee and/or employee representative shall consult with the Manager or in the Manager's absence, the nominated deputy.
- Step 4. If the issue is still unresolved the Plant Manager and employee representative will request a meeting with union official(s).
- Step 5. Ultimately, in the event that the matter is not resolved, it will be referred to the Industrial Relations Commission. No party will be prejudiced as to the final settlement by the continuance of work in accordance with this provision.

It is agreed that the procedure outlined above shall be implemented as expeditiously as possible and, should any party feel that undue delay is being occasioned at any step in the procedure, then it may seek to have the next step in the procedure initiated.

25. PARTICIPATION AND COMMUNICATION

- 25.1 The parties recognise the importance of the involvement and participation of employees in the areas of the business which affect them and the need to ensure that communication paths of relevant information from management to employees and from employees to management are maintained.
- 25.2 Mechanisms and conditions for the deployment of these principles will be in accordance with the procedures agreed between the management and employees.

26. DEVELOPMENT APPRAISALS

- 26.1 The purposes of development appraisals are to:
- (a) provide employees with feedback on their performance;
 - (b) provide management with feedback on the aspirations and expectation of employees;
 - (c) provide an opportunity to discuss and plan employees' development programs in the light of their performance, aspirations and expectations.
- 26.2 Development appraisals will be conducted at least every 12 months between the employee and immediate supervisor.



27. **PARENTAL LEAVE**

For parental leave provisions see Division 1 of Part 4 of Chapter 2 of the Act.

28. **PERFORMANCE RELATED PAYMENTS SCHEME**

The Performance Related Payment Scheme Agreement appended (Appendix 1) to this Agreement is given effect.

29. **NO EXTRA CLAIMS**

It is a term of this Agreement arising from the Steel Industry Settlement 1999 that the Union undertakes for the period to 31 December 1999 not to pursue any extra claims, award or other (including any claims related to national or state wage case decisions), although the Union may commence discussions on renewal claims after 1 November 1999.

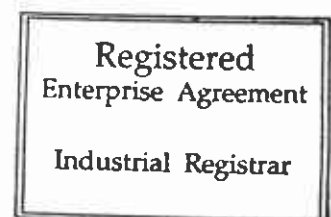
Notwithstanding the above, discussions will be allowed on a voluntary basis as to alternative employment agreements, which may involve a departure from existing award provisions for a department or section, designed to improve work arrangements for employees and business performance. These discussions will not involve resort to industrial action or to arbitration. This Agreement does not prevent the parties from exercising any existing award right.

30. **PAYMENT FOR TRAINING**

The parties have held discussions about payment for employees undertaking training for the purpose of the "Training & Development at Sydney Steel Mill" manual and have agreed to the arrangements set out in Appendix 2.

DATED:

1999




SIGNED for and on behalf of)
N S W BHP STEEL PTY. LIMITED)
in the presence of:)



Witness
Name (printed): DAVID BABER

Dated: 31 MAY 1999



Name: JOHN PRESTIDGE
Position: VICE PRESIDENT

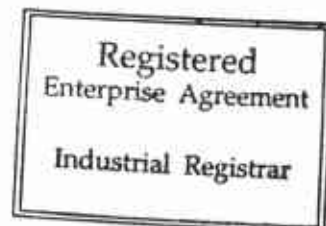
SIGNED for and on behalf of THE)
~~AMALGAMATED~~ AUSTRALIAN WORKERS')
UNION, NEW SOUTH WALES)
in the presence of:)



Witness
Name (printed): WENDY CHEN.....

Dated: 7th June, 1999


Name: RUSS COLLISON
Secretary



APPENDIX 1

**NSW BHP STEEL SYDNEY STEEL MILL
PERFORMANCE RELATED PAYMENTS
SCHEME AGREEMENT**

1998 / 1999

Registered
Enterprise Agreement
Industrial Registrar

1. TITLE

This Agreement will be known as the NSW BHP Steel Sydney Steel Mill Performance Related Payments Scheme Agreement.

2. ARRANGEMENT

1. Title
 2. Arrangement
 3. Definitions
 4. Incidence and Parties Bound
 5. Operation
 6. Purpose
 7. Quarterly Performance Related Payments
 8. "Top-Up" Arrangements
 9. Eligibility for Payment
 10. Communications
 11. Continuity of Production and Procedures for Resolving Issues and Differences
 12. Monitoring of this Agreement
- Attachment 1 Calculation of Employees' Quarterly Gross Earnings
Attachment 2 Definitions of Performance Indicators
Attachment 3 Basis of Setting of Targets Against Performance Indicators
Attachment 4 Method of Calculating Performance Related Payment Percentage

3. DEFINITIONS

In this Agreement:

"BHP" and "Company" means the NSW BHP Steel Pty. Ltd.;

"Mill" means BHP's steel mill at Rooty Hill, Sydney;

"Union" means The AUSTRALIAN WORKER'S UNION, New South Wales

4. INCIDENCE AND PARTIES BOUND

4.1 This Agreement binds

- (a) BHP;
- (b) The AUSTRALIAN WORKER'S UNION, New South Wales

4.2 The enterprise for which this Agreement is made is BHP's steel mill at Rooty Hill.

4.3 The trades and occupations to which this Agreement relates are:

- a) Steelmaker - Production
- b) Steelmaker - Electrical; and,
- c) Steelmaker - Mechanical.



4.4 This Agreement is supplemental to the NSW BHP Steel Sydney Steel Mill Employee Relations Agreement.

4.5 The scope of this Agreement is limited to the classifications referred to in clause 14.3 of the NSW BHP Steel Sydney Steel Mill Employee Relations Agreement.

4.6 This Agreement was not entered into under duress by any party to it.

5. OPERATION

5.1 This Agreement shall, having regard to s117 of the Industrial Relations Act 1991, have effect from the date it is registered and shall operate from the beginning of the first pay period on or after 18 AUGUST 1999 and will remain in force until 18 AUGUST 2000.

6. PURPOSE

6.1 It is the purpose of this agreement to put in place a scheme for the making of quarterly lump sum payments based on the performance of the Mill against agreed performance indicators.

6.2 The parties acknowledge that the viability of the Mill is dependent on achieving and maintaining significant gains in operational and business performance. Hence, maintenance of existing benefits and the introduction of additional payments can only be justified and financially supported through the achievement of significantly lowered costs, reliable delivery and improved quality performance.

6.3 Payments arising under this Agreement are in recognition of the contribution of employees to improved performance when this has occurred.

7. QUARTERLY PERFORMANCE RELATED PAYMENTS

7.1 A performance related payment of between 0% and 5.5% of each employee's gross earnings shall be paid each quarter. The definition of gross earnings is shown in Attachment 1.

7.2 The amount of the payment shall be determined by actual performance against performance ranges set for the following performance indicators:

- a) Conversion Cost per Accept Tonne
- b) Production to Schedule
- c) Despatch Performance



The definitions of these performance indicators are shown in Attachment 2.

7.3 The performance ranges will be fixed, through appropriate consultation between the parties, at the commencement of each quarter in accordance with the details contained in Attachment 3. Once having been set the performance indicators will be reviewed by the parties quarterly and monitored monthly. Such outcomes will be detailed to employees and the union.

- 7.4 The Schedule shown in Attachment 4 indicates the relationship between the performance ranges and the quarterly lump sum payment.
- 7.5 Calculation of actual performance will be made by the Company using the same information as is used for the normal financial reporting of the Company.
- 7.6 Payment will be made through payroll within the latter part of the month immediately following the end of the financial quarter. The payment will be taxed at the individual's appropriate marginal rate. The payments, including tax deductions, will be included in each employee's Group Certificate.
- 7.7 With each payment, a statement will be provided to employees detailing the performance payment percentage for the quarter, the individual's gross earnings for the period, the amount of the payment and tax deducted.
- 7.8 The first quarter for Performance Related Payments will be that commencing _____ . The final quarter covered by this Agreement will be that ending _____ .
- 7.9 Notwithstanding anything contained elsewhere in this agreement, employees will, subject to Australia Taxation Office approval, be able to choose entering into arrangements so that (in part or full) payments arising from this scheme become employer contributions to the employee's superannuation account.

8. "TOP UP" ARRANGEMENTS

- 8.1 Quarterly payments will range from 0% to 5.5% of each employee's gross earnings. However, performance may be such that for some quarters it exceeds that which is required for the maximum 5.5% payment and in others it may be less than targeted levels. In recognition of this fact, an additional calculation will be made at the completion of the fourth and eight quarters (the final quarter) which may see a "top-up" amount being paid in addition to the final quarter payment.
- 8.2 The amount of the top-up will be determined by consideration of performance over the four quarters compared with the aggregated performance ranges over the same period.
- 8.3 The amount of top-up will not exceed that which would take total payments arising from the Performance Related Payments Scheme (quarterly payments plus the top-up amount) to 4.5% of earnings over the four quarters.

9. ELIGIBILITY FOR PAYMENT

- 9.1 Performance Related Payments will be made to employees in full-time or part-time employment on the Company's payroll at the end of the business quarter for which the payment is being made. This will include Fixed Term employees.

- 9.2 Individuals who have had their employment terminated due to extended compensation but who received compensation payments through the payroll system are not entitled to participate in the scheme.

10. COMMUNICATIONS

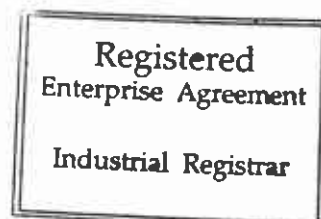
- 10.1 The Company will provide monthly information to employees covering progress against performance ranges.
- 10.2 The results from each quarter will be communicated by way of shift briefings / notices.

11. CONTINUITY OF PRODUCTION AND PROCEDURES FOR RESOLVING ISSUES AND DIFFERENCES

- 11.1 The parties agree to adopt the provision of clause 24, Continuity of Production and Procedures for Resolving Issues and Differences, of the NSW BHP Steel Sydney Steel Mill Employee Relations Agreement.

12. MONITORING OF THIS AGREEMENT

- 12.1 Operation of the Performance Related Payments Scheme will be monitored by the parties on a periodic basis.
- 12.2 The parties agree to treat information relating to business performance as confidential.
- 12.3 Should the situation arise whereby disagreement arises about the operation of the scheme, the matter will be progressed by the parties through the Procedures for Resolving Issues and Disputes.
- 12.4 In the event of a catastrophe (such as a major fire) which occurs after performance ranges have been set for a quarter, there will be a review of the performance ranges so that they are "reasonably achievable" notwithstanding the effects of the catastrophe.



Attachment 1**CALCULATION OF EMPLOYEES' QUARTERLY GROSS EARNINGS**

For the purpose of this Agreement, gross earnings for the quarterly accumulation period will include all monies considered as earnings for P.A.Y.E. taxation, except:

- Payments made on termination of employment such as proportionate annual leave and long service leave, redundancy payments etc.
- Payment arising from this scheme received during the quarter.

The quarterly period for earning accumulation will start at the beginning of the pay period immediately following the end of the previous earnings quarter and will end at the close of the last full pay period finishing on or before the close of the financial quarter.

Example**Financial Quarter****Ending**

May 1998

Earnings Accumulation**Period**

07.03.98 to 29.05.98

<p style="text-align: center;">Registered Enterprise Agreement Industrial Registrar</p>
--

Attachment 2**DEFINITIONS OF PERFORMANCE INDICATORS****a) Conversion Cost per Accept Tonne**

Conversion cost per accept tonne is derived from the formula:

$$\frac{\text{Total Melt Shop Conversion Costs for Quarter}}{\text{Total Tonnes Accept Billets Produces for Quarter}} + \frac{\text{Total Rolling Mill Conversion Costs for Quarter}}{\text{Total Tonnes Accept Rolling Mill Production for Quarter}}$$

expressed as a dollar per tonne amount.

“Total Melt Shop Conversion Costs” are equal to the total cost of Melt Shop production less the cost of scrap. This will include costs associated labour, raw materials, consumables, energy and utilities, repairs and maintenance etc.

“Total Tonnes Accept Billets Produced” are the total tonnes of billets produced which meet the customers’ specifications as prime feed for their processes.

“Total Rolling Mill Conversion Costs” are equal to the total cost of Rolling Mill production less the cost of billet feed used in production. This will include costs associated with labour, raw materials, consumables, energy and utilities, repairs and maintenance etc.

“Total Tonnes Accept Rolling Mill Production” are the total tonnes of Rolling Mill production which meet the customers’ specifications as prime production. Excludes production scrapped following reinspection.

b) Production to Schedule

Production to schedule is a measure of the reliability with which the Mill can meet the production demands placed on it by customer requirements and is derived by the following formula:

$$\frac{\text{Billet Heats Produced within Weekly Schedule}}{\text{Billet Heats Planned in Weekly Schedule}}$$

expressed as a percentage and aggregated over the quarter as follows:

$$\frac{\text{Week 1\%} + \text{Week 2\%} + \text{Week 3\%} + \dots + \text{Week N\%}}{\text{N Weeks}}$$

and rounded to one decimal point.

<p>Registered Enterprise Agreement Industrial Registrar</p>

c) Despatch Performance

Despatch performance is a measure of despatch of Rolling Mill product to customers and is defined as follows:

“Despatch Performance” is measured through the Company’s production and despatch system.

Notes on Production to Schedule

1. Where performance in any one week is below the minimum point of the performance range, it shall be deemed to be equal to that minimum for the purposes of aggregation of weekly results. Conversely, where performance in any one week is in excess of 100%, it will be deemed to be 100%.
2. Over production in any one week can be counted towards the next week’s total, if and only if, this excess production is required within the following week’s schedule.
3. When the weekly production schedule is published, it will define the planned start-up time and date and the planned operating shifts.
 - a) Production to schedule will be measured as at the end of the planned operating shifts.
 - b) Where, due to operational difficulties, extra shifts must be worked beyond those which were planned to make up a shortfall in production, the heats produced during these extra shifts will not be counted.
 - c) Where, within the currency of a schedule, the decision is made to work additional shifts so as to allow for production of heats in addition to those planned under the schedule, the additional heats planned to be produced during this period will not be counted against this measure.

However, should additional heats be achieved over and above those planned within these additional shifts, they may be:

- i) used to fill a shortfall in heats which has occurred during the week in questions; or
- ii) counted towards the schedule for the following week in accordance with point 1. Above.

<p style="text-align: center;">Registered Enterprise Agreement</p> <p style="text-align: center;">Industrial Registrar</p>

Attachment 3**BASIS OF SETTING TARGET AGAINST PERFORMANCE INDICATORS****a) Conversion Costs per Accept Tonne**

The Company will set performance ranges based on planned levels of production and costs (including required reductions in costs).

The performance range for the first quarter of the Scheme (Quarter ending 31st May 1998) will be as follows:

Upper limit	\$252.26	or lower
Lower limit	\$240.07	or higher

It is the aim that this performance range improve (i.e. move downwards) each quarter. Performance ranges will be reviewed by the Company each quarter to account for required improvements in costs or production and known factors which will either positively or negatively impact on performance, e.g. planned shut down of the plant.

b) Production to Schedule

It is the ultimate aim to achieve a production to schedule performance of 100%. This will reflect that planning and production processes are predictable and reliable.

Hence the performance ranges will be as follows:

Upper limit	100%
Lower limit	90%

c) Despatch Performance

It is the ultimate aim to achieve despatch performance of 100%.

Based on this aim, the performance ranges for the period for the first two quarters operation of the scheme will be as follows:

<u>Quarter Ending</u>	<u>Lower Limit</u>	<u>Upper Limit</u>
May	80%	90%

Registered Enterprise Agreement Industrial Registrar
--

Attachment 4**CALCULATION OF PERFORMANCE RELATED PAYMENT**

Performance ranges against each of the three performance indicators will attract points as follows:

Upper limit of performance range	10 points
Lower limit of performance range	0 points

Hence, actual performance in any one quarter can range from 0 points to 30 points.

Where 0 points are accrued a performance related payment of 0% will arise. Where 30 points are accrued, a performance related payment of 5.5% will be paid.

Payments between 0 and 30 points will attract payment on a pro rata basis with the performance related payment percentage being rounded to one decimal point.

**Registered
Enterprise Agreement
Industrial Registrar**

APPENDIX 2

PAYMENT FOR TRAINING AGREEMENT

1. SCOPE OF AGREEMENT

This agreement applies to Company authorised training to allow employees to

- (a) carry out the full range of duties of their current classification, and/or
- (b) progress within the appropriate Employee Job Development model.

provided that the employee's attendance at authorised training has been approved by supervision after consideration of the employee's and Company's needs, including operational requirements. Any refusal by supervision to grant such approval is subject to review under the established procedure for resolving industrial claims, issues and disputes or other local arrangements.

This agreement does not apply to training which is generally not associated with:

- (a) allowing employees to carry out the full range of duties of their current classification and/or
- (b) the appropriate Employee Job Development model

such as occupational health and safety committee training, trade union training, full time training (e.g. apprentices) or training such as that covered by the Approved Student and Cadet Schemes and University Degrees.

So far as is reasonably practicable, having regard to operational requirements and the need to minimise labour costs additional to those of the employee's paid ordinary hours, an employee's training shall be done during the employee's ordinary hours of work (including where appropriate by rescheduling those hours).

2. PAYMENTS

Where with the approval of the Company an employee attends training authorised by the Company, the employee's attendance will be on the following basis: . .



- (a) TAFE and other externally provided training whether conducted on or off the plant -
- (i) during ordinary working hours - no deduction from the employee's ordinary wage;
 - (ii) outside ordinary working hours - attendance and payment at single time payment will be approved in accordance with the needs of the authorised training. Generally this training will not exceed six hours per week except that additional training may be approved and single time payment will be made if exceptional training requirements exist.
- (b) Other classroom training -
- (i) during ordinary working hours - no deduction from the employee's ordinary wage;
 - (ii) outside ordinary working hours - single time payment.
- (c) Computer aided or computer based training during ordinary working hours - no deduction from the employee's ordinary wage.
- (d) Computer aided or computer based training outside ordinary working hours - single time payment for the time spent training up to the maximum of the course duration as determined by the course designer or course coordinator. No payment will be made for time beyond that duration. Any refusal of payment is subject to review under the established procedure for resolving industrial claims, issues and disputes or other local arrangements.
- (e) On-the-job training:
- (i) during ordinary working hours - no deduction from the employee's ordinary wage;
 - (ii) outside ordinary working hours single time payment for the employee's initial training period. However, once the employee has completed the initial training period and commences experience training the appropriate Agreement overtime rates of pay will apply..

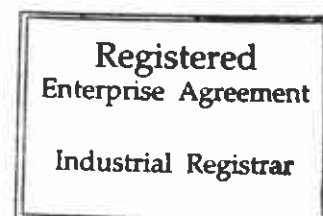
For the purposes of 2(e)(ii) above:

- (i) "initial training" is the training which an employee undertakes to the point where the employee's supervision is satisfied that the employee has acquired sufficient knowledge and understanding of a skill, task or function to perform that skill, task or function; and
- (ii) "experience training" is the training, if applicable, following initial training during which an employee is gaining experience in the skill, task or function which is required for the purpose of accreditation.

3. REPEAT TRAINING

- (a) If an employee fails to pass an accreditation stage:
 - (i) But has genuinely applied himself/ herself to training (as determined by supervision), supervision will authorise and pay the employee for additional training at a mutually agreed time (which fits in with the employee's departmental requirements and does not disadvantage other employees).
 - (ii) And has not made a genuine effort (as determined by supervision), the employee will be placed at the bottom of the training waiting list for that training requirement. The employee will not be paid for repeat training outside ordinary working hours and, unless circumstances require a different approach, repeat training will not be arranged during ordinary working hours.
- (b) Repeated failure will result in counselling by supervision to determine a solution.
- (c) Any disputes arising in relation to 3(a)(i), (ii) or (b) will be progressed through the established procedure for resolving industrial claims, issues and disputes or other local arrangements.

4. REFRESHER TRAINING



In the case of an employee who is undertaking authorised refresher training (e.g. a forklift driver who has not driven a forklift for five years), the employee will receive payment in accordance with the appropriate payment for training provision in (2) above.

5. DEFINITIONS

- (a) Ordinary working hours means:
- the employee's normal working hours in the case of a dayworker.
 - the employee's rostered on shifts in the case of a shiftworker.
 - the employee's rescheduled rostered on shifts in the case of a shiftworker whose shifts have been rescheduled for the purposes of approved training.
- (b) "Ordinary wage" means the employee's ordinary award wage (including shift and weekend premiums and any allowances but excluding disability allowances if these are not experienced) and bonus. It is paid for time spent in tuition, travelling and examination only.
- (c) "Single time payment" means the employee's ordinary award wage and bonus and excludes shift and weekend premiums, overtime, special rates, etc. It is paid for time spent in tuition and examination only.
- (d) "Classroom training" means training conducted by a trainer, supervisor or other suitably qualified person in any training centre, conference room, crib room or office.

6. MISCELLANEOUS

- (a) An employee is training until he/she receives accreditation for the skills being learned.
- (b) Where an employee is required to travel from work, during ordinary working hours, to attend Technical and Further Education Commission or other externally provided training, or travel from training back to work, the employee shall be allowed up to 30 minutes travelling time. This travelling time will be paid at the employee's ordinary wage.

If the travelling time is outside the employee's ordinary working hours, no payment will be made.

- (c) Employees will not be expected to work excessive hours and attend training at the same time (i.e. an employee will not be expected to work and train on sequence of doublers).

7. EXCEPTIONS TO (2) ABOVE

- (a) If an employee is required to attend authorised training outside ordinary working hours on a Saturday, Sunday, Public Holiday, or rostered day off, the employee shall be entitled to the appropriate penalty payments, or by agreement, time off in lieu.

For the purposes of 7(a) above

- (i) "appropriate penalty payments" means the appropriate agreement overtime payments;
- (ii) shift allowance is not paid on any shift; and
- (iii) "time off in lieu" is equal time not penalty time (e.g. if an employee trains for 8 hours on a Saturday and it is agreed that the employee has time off in lieu the employee has 8 hours off work).
- (b) Employees attending authorised training on compulsory ring roster days" or 21st shifts" will be paid according to their roster (i.e. overtime rates).
- (c) Employees asked to remain at work or attend work outside their ordinary working hours for the purpose of performing work shall be paid overtime. If, during such work, training is carried out (e.g. during a mechanical breakdown) the employee will continue to be paid overtime for the training period.
- (d) No payment will be made for:
- (i) time spent in personal study and/or private tuition.

Registered
Enterprise Agreement
Industrial Registrar

- (ii) time spent enrolling in authorised external courses (e.g. TAFE).
- (iii) time spent in preparation of assignments.
- (iv) waiting time between courses.
- (v) time spent on text based self guided learning.

8. PAYMENT OF COURSE FEES

Unless an employee has failed to complete training through insufficient effort or application the Company will reimburse to the employee the cost of any authorised training fees associated with authorised training. Textbooks and other material associated with the training will be paid by the employee.

