

REGISTER OF
CONTRACT AGREEMENTS



CONTRACT AGREEMENT NO: CA99/2

TITLE: BFI Waste Collection Contract Carriers Agreement 1998

I.R.C. NO: 98/6229

DATE APPROVED/COMMENCEMENT: 10 December 1998

TERM: 36 months

NEW AGREEMENT OR
VARIATION: New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 12

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EMPLOYEES: Applies to all contract carriers engaged by BFI and operating Rear Load vehicles for the purpose of waste collection

PARTIES: Browning Ferris Industries (NSW) Pty Ltd -&- Transport Workers' Union of Australia, New South Wales Branch



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CONTRACT CARRIERS AGREEMENT
FOR WASTE COLLECTION WORK (REAR LOAD VEHICLE)

THIS AGREEMENT is made on the _____ day of _____ 1998 between:

BROWNING - FERRIS INDUSTRIES (NSW) PTY LTD a company duly incorporated in Australia and having its registered office at Lot 2, Waterview Close, Hampton Park, Victoria (hereinafter referred to as "BFI") of the one part; and

THE TRANSPORT WORKERS UNION OF AUSTRALIA NEW SOUTH WALES BRANCH (hereinafter referred to as "the Union") for and on behalf of Contract Carriers engaged pursuant to the terms of this Agreement.

The parties hereto hereby agree as follows:



1. TITLE

This Agreement shall be known as the BFI Waste Collection Contract Carriers Agreement 1998

2. STATUS AND SCOPE

- (i) This Agreement shall cover all Contract Carriers engaged by BFI and operating "Rear Load" Vehicles for the purposes of Waste Collection.
- (ii) This Agreement is made pursuant to the terms of Part 3 of Chapter 6 of the Industrial Relations Act 1996 (NSW).
- (iii) The making of this Agreement provides to each Contract Carrier engaged by BFI under the terms of this Agreement a contract for the term specified in Clause 15 Term hereto.

3. CARTAGE RATES

- (i) Contract Carriers engaged pursuant to this Agreement shall be paid Cartage Rates for all work performed in accordance with the Cartage Rate Formula contained in Schedule A.
- (ii) The Cartage Rates payable under this Agreement will be reviewed annually on the first day of March during the term of this Agreement in accordance with the Rise and Fall Formula contained in Schedule B. Provided that there shall be no adjustment of the Cartage Rates under Rise and Fall unless there is a net annual increase in costs of 3% relative to the benchmarks contained in Rise and Fall formula.

- (iii) BFI has the right to reject an increase in the Cartage Rate pursuant to sub-clause (ii) hereof if such increase would erode the competitiveness of the contract carriers.

4. PAYMENT

- (i) Each Contract Carrier is responsible for the submission to BFI of a monthly invoice in the form detailed in Schedule C. Such invoice must be submitted on the second working day of each month.
- (ii) BFI shall pay each Carrier pursuant to the invoice within five (5) working days of the date of submission of the invoice provided that where there are invoice discrepancies these shall be discussed direct between a BFI representative and the Carrier concerned. Any discrepancies must be resolved before the next invoice period.
- (iii) BFI will pay each Contract Carrier by cheque.



5. VEHICLE

- (i) The Contract Carrier shall during the term of this Agreement supply and maintain a vehicle at the expense of the Contract Carrier for six (6) days in each working week.
- (ii) The vehicle supplied by the Contract Carrier must meet the specifications contained in Schedule D.
- (iii) It is the obligation of the Contract Carrier to keep the vehicle in good working order and condition during the term of this Agreement and to this end the Carrier at the expense of the Carrier shall:
- (a) supply all fuel, oils, greases and any other lubricants necessary to maintain and operate the vehicle;
 - (b) effect all repairs necessary to keep the vehicle in good working order and condition.
 - (c) replace any tyres which are, in the reasonable opinion of a BFI representative, dangerous or unacceptable in the light of RTA regulations governing tyres.
 - (d) keep the vehicle clean and washed to a reasonable standard.

6. INSURANCES AND STATUTORY OBLIGATIONS

- (i) It shall be the obligation of each Contract Carrier during the term of this Agreement to have and maintain:

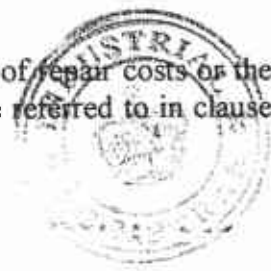
- (a) Public Liability Insurance to the value of \$5,000,000 (Five Million Dollars) with the interest of BFI noted on the policy.
 - (b) Motor Vehicle Comprehensive Insurance.
 - (c) Third Party Property Damage Insurance to the value of \$10,000 000 (Ten Million Dollars) single occurrence limit.
 - (d) Workers Compensation Insurance to cover both a director and shareholder who drives the vehicle and any employed relief driver who may drive the vehicle from time to time.
- (ii) It shall be the obligation of each Contract Carrier during the term of this Agreement to register and keep registered the vehicle under the relevant New South Wales legislation and to have any necessary licences and permits necessary under either State or Federal Law for the driving and operation of the vehicle.
 - (iii) For the purposes of checking validity, BFI is entitled to require any Contract Carrier to produce copies of insurance policies, registration papers, licences and permits at any time during the term of this Agreement.



7. COMPANY EQUIPMENT

- (i) BFI will fit the necessary equipment (as detailed in Schedule E) to the Contract Carriers truck to enable the Carrier to carry out the work required.
- (ii) Subject to 7(iii) of this Contract, BFI will at its expense maintain the BFI equipment and carry out all repairs caused by normal wear and tear resulting from contracted use of the Body by the Carrier in accordance with the provisions of this Agreement. The Carrier shall inform BFI daily of such equipment's operating condition. If the BFI equipment requires repairs the Carrier will make such equipment available for repairs at the BFI depot or other nominated location as requested by BFI. The Carrier shall be responsible for repair of BFI equipment when a defect has not been reported in a timely manner and the defect is exacerbated because of the failure to report the defect or provide the BFI equipment to BFI for repair. BFI will from time to time advise the Carrier of the desired schedule of preventative maintenance for the BFI equipment and the Carrier shall use its best endeavours to comply with such schedule and deliver such equipment to the BFI depot or other nominated location by BFI at a mutually agreeable time and date for such maintenance work to be completed.

- (iii) Notwithstanding the provisions of clause 7(ii) of this contract the Carrier will be liable for the repair cost for any equipment damaged due to the fault of the Carrier or any relief driver engaged by the Carrier.
- (iv) Where technological advances make it either necessary or desirable to BFI to do so, BFI shall have the right to fit new equipment to the vehicle at its discretion.
- (v) If BFI equipment breaks down then subject to spare vehicles being available BFI will rent to the Carrier a spare vehicle at no cost to the Carrier whilst the BFI equipment is being repaired. The Carrier will be paid at the rates prescribed under this contract during such time as the Carrier is driving the spare vehicle but other responsibilities of the Carriers contained within the agreement Shall continue to apply.
- (vi) Where a dispute arises between BFI and the Carrier in respect of repair costs or the reason for repair of BFI equipment then the disputes procedure referred to in clause 17 of this contract shall apply.



8. PAINTING

BFI will at its own expense paint the vehicle of each Contract Carrier to a standard which is reasonable and acceptable in the opinion of BFI. At all times BFI will ensure that the painting is performed in a professional manner and that the paint used is durable having regard to the nature of the industry.

9. TOLLS AND OTHER COSTS

- (i) Any road tolls, fines or other government charges relating to the use of the vehicle will be met by the Carrier.
- (ii) Any disposal costs or Government charges relating disposal shall be met by BFI.

10. RELIEF DRIVER

- (i) Each Contract Carrier may engage a relief driver for the purpose of covering absences arising from illness, accident or scheduled leave.
- (ii) Such relief driver must be trained in waste collection and hold all appropriate licences and permits and must first be interviewed and approved by a BFI representative. BFI shall have the right to withhold work from any truck driven by a relief driver who has not been approved by BFI.



11. SALE OF CONTRACT

- (i) A Contract Carrier is permitted to sell the balance of the period of the Carriers contract subject to terms of this clause.
- (ii) Where a Contract Carrier wishes to sell the balance of the Carriers contract then the contract and the vehicle must first be offered for sale to BFI. In this case the following procedure shall apply:
 - (a) The Carrier must advise BFI in writing of the Carriers intention to sell and to first offer to BFI;
 - (b) BFI must advise the Carrier in writing within 21 days of receipt of the Carriers notice as to whether it wishes to purchase the contract and the vehicle.
 - (c) If BFI wishes to purchase the contract and the vehicle then it shall pay to the Carrier what the Carrier would have received had the Carrier been terminated in accordance with Clause 12 Termination With Compensation of this Agreement. The Carrier shall assign the balance of the contract and transfer the registration of the vehicle to BFI upon settlement of the transaction.
 - (d) If BFI does not wish to purchase the contract and the vehicle then the Carrier is free to sell on the open market to a purchaser who must be approved by BFI (such approval not to be unreasonably withheld).
- (iii) In the event of a purchase being approved by BFI then the Carrier and the purchaser shall both indemnify BFI against any claims whatsoever arising from the transaction and such indemnity shall release BFI from all liability either to the Carrier or the purchaser.
- (iv) For the purposes of this clause any change in the beneficial ownership of more than 49% in the shares of a Carrier corporation shall be deemed to be a sale of contract.

12. TERMINATION WITH COMPENSATION

- (i) Where BFI terminates any Contract Carrier during the life of this Agreement for a reason other than serious misconduct (as defined in Clause 13 hereto) then it shall pay compensation to the Carrier in accordance with the following formula:

Initial Contract Value shall be the agreed value of the Carriers vehicle at the commencement of this Agreement.

Termination After commencement of this Agreement:

Agreed value of the vehicle
at the time of commencement
of this Agreement

x Proportionate Balance
of Contract



- (ii) BFI shall have the discretion to purchase the vehicle if termination is effected under this clause. Purchase price of the vehicle shall be the fair market value of the vehicle or, if there is no agreement the average of three (3) independent valuations. In any case the carrier shall receive no extra monies because his vehicle is purchased. If BFI does not wish to exercise its discretion then the Carrier will co-operate fully in allowing BFI to remove its equipment before the Carrier departs the fleet.

13. TERMINATION WITHOUT COMPENSATION

- (i) Where a Carrier goes into liquidation or enters into any form of external administration or commits an act of serious and wilful misconduct during the term of this Agreement then BFI shall have the right to terminate the Carriers contract without compensation.
- (ii) At all times the Disputes Procedure contained in Clause 16 hereto shall apply.

14. FLEET SIZE

BFI has the discretion at all times during the life of this Agreement to adjust the size and make up of its fleet. This discretion includes the right to introduce additional company owned and driven vehicles or Contract Carrier driver vehicles. At all times BFI must take into account the effect a change in fleet size will have on the income of the existing Contract Carriers.

15. TERM

This Agreement shall commence from the date on which it is approved and have a term of 3 years from that date.

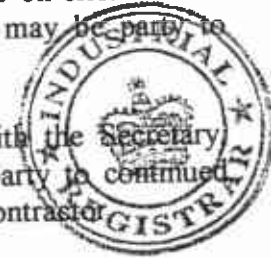
16. INCORPORATION

Each Contract Carrier shall be incorporated and remain incorporated during the term of this Agreement.

17. DISPUTES PROCEDURE

- (a) It is understood and accepted by all parties to this Agreement that work shall continue normally during all negotiations and any necessary proceedings.

- (b) When there is a disagreement, the Carrier shall attempt to resolve the matter by negotiating with the Contractor or his representative on site.
- (c) Where the matter is not resolved, the Yard Carrier Delegate shall attempt to resolve the matter by negotiation with the Contractor or his representative on site. Where applicable the Carrier's executive delegate or his representative may be party to further negotiations with the Contractor.
- (d) If the matter remains unresolved, the representative together with the Secretary Assistant Secretary or the representative of the Union may be party to continued discussions/ negotiations with the relevant representatives of the Contractor.
- (e) If the matter is unresolved the matter will be notified to the Industrial Relations Commission of New South Wales by the Union or the Contractor pursuant to Part 4 of Chapter 6 of the Industrial Relations Act, 1996.



18. UNIFORMS

All carriers shall be issued with a BFI uniform and shall be required to wear the uniform at all times when on duty.

19. COLLECTION OF INFORMATION

- (i) BFI shall have the right to collect via technology improvements to the vehicle such information as it requires in order to ensure that Contract Carriers remain productive during the life of this Agreement.
- (ii) Each Contract Carrier will complete BFI's standard Route Documentation and submit such documentation to BFI at the end of each day.

**SIGNED for and on behalf of
BROWNING - FERRIS INDUSTRIES (NSW) PTY LTD
in the presence of:**

[Handwritten signature]
.....

Walter J. Forbes

.....
WALTER J. FORBES
DIRECTOR.



**SIGNED for and on behalf of
the TRANSPORT WORKERS UNION OF AUSTRALIA,
NSW BRANCH in the presence of:**

[Handwritten signature]

.....

[Handwritten signature]
.....

SCHEDULE A

REAR LOAD TRUCKS ONLY

SYDNEY METROPOLITAN AREA

<u>SERVICE</u>	<u>AMOUNT</u>
• Carts 240 litre	\$ 1.90 per cart
• 0.8 cubic metre bins = 1 cu. metre	\$ 3.50 per m3
• Loose pick up – 0.9 cubic metre = 1 cu. metre	\$ 3.50 per m3
• 1.5 cubic metre	\$ 3.50 per m3
• 3.0 cubic metre	\$ 3.50 per m3
• Specials: Dedicated single customer loads (charge applicable from the customer to BFI yard)	\$ 70.00 per hour





SCHEDULE B

BROWNING-FERRIS INDUSTRIES PTY LTD SYDNEY METROPOLITAN AND CENTRAL COAST AREAS RO/RO TRUCKS ONLY

SCHEDULE B – RISE AND FALL DATA BASE AND REVIEW CALCULATION:				
	DESCRIPTION	AMOUNT	%	INDEX
1	Truck Registration	\$ 1,174.00	0.78%	Actual RTA Charge 3 Axel 13.8kg tare
2	Compulsory Third Party Insurance	\$ 1,179.00	0.78%	Australian Broking & Risk Services
3	Truck Insurance	\$ 2,000.00	1.33%	3% \$50,000 ABRS
4	Public Liability (\$5Mill)	\$ 140.00	0.09%	ABRS
5	Depreciation	\$ 7,000.00	4.65%	\$80K at line depr 7+yrs Res \$10K
6	Labour: Normal Time	\$ 27,607.00	18.34%	Trade Waste Award (NSW) \$530.90
7	Labour: Overtime	\$ 16,708.00	11.10%	Trade Waste Award (NSW) \$530.90
8	Casual Labour	\$ 2,646.00	1.78%	Trade Waste Award (NSW) \$530.90
9	Workers Compensation Insurance	\$ 5,763.00	3.83%	8.9% Annual Earnings (NSW Legislation)
10	Union Picnic Day	\$ 106.00	0.07%	Trade Waste Award (NSW) \$530.90
11	Leave Loading	\$ 531.00	0.35%	Trade Waste Award (NSW) \$530.90
12	Long Service Leave	\$ 531.00	0.35%	Trade Waste Award (NSW) \$530.90
13	Superannuation	\$ 1,656.00	1.10%	6% Ordinary Time Earnings (Federal Legislation)
14	Fuel	\$ 25,693.00	17.07%	ACCC Average Pump Price Diesel (\$0.748)
15	Tyres	\$ 9,210.00	6.12%	Dunlop SP370 11R22 – Beaufeapairs Disc Price \$630.00
16	Repairs & Maintenance: Labour	\$ 19,656.00	13.08%	Mechanics Wage Engineers (State) Award
17	Repairs & Maintenance: Material	\$ 4,212.00	2.80%	Consumer Price Index Sydney (All groups) 119.7
18	Major Repair Contingency \$40.hr	\$ 4,328.00	2.87%	Consumer Price Index Sydney (All groups) 119.7
19	Administration (Accountancy, Postage & Misc)	\$ 1,400.00	0.93%	Consumer Price Index Sydney (All groups) 119.7
20	Profit (15% of costs 1-19)	\$ 19,011.00	15%	FIXED
	TOTAL	\$150,551.00		

SCHEDULE D

REAR LOAD TRUCKS ONLY

SPECIFICATION FOR VEHICLE



- Initial vehicle – is an International ACCO 6x4 2250D; 1989 model.
- 210 h.p. fitted with power take off to suit Heil 4000 rear load compaction body and associated equipment.
- Subsequent vehicle(s) – must be less than 5 years old.

SCHEDULE E

REAR LIFT TRUCKS ONLY

- Heil 4000, 19 cubic metre rear load compaction body fitted with bin lifters as required
- Two way radio.
- Air and electrical take-offs from cab/chassis.
- Fire extinguisher (external).
- Company signage as required.

