

REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA05/294

TITLE: One Steel Sydney Steel Mill Employee Relations Agreement 2005

I.R.C. NO: IRC5/4910

DATE APPROVED/COMMENCEMENT: 30 September 2005 / 30 September 2005

TERM: 35

**NEW AGREEMENT OR
VARIATION:** Replaces EA04/72.

GAZETTAL REFERENCE: 4 November 2005

DATE TERMINATED:

NUMBER OF PAGES: 34

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all production and maintenance employees and apprentices employed by OneSteel NSW Pty Limited, located at 22, Kellogg Road, Rooty Hill NSW 2766.

PARTIES: Onesteel NSW Pty Limited -&- The Australian Workers' Union, New South Wales

ONESTEEL SYDNEY STEEL MILL EMPLOYEE RELATIONS AGREEMENT 2005

1. Title

- 1.1 This Agreement will be known as the "OneSteel Sydney Steel Mill Employee Relations Agreement 2005 ("the 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

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3. Definitions

In this Agreement:

"Act" means the *Industrial Relations Act 1996*;

"ACTU" means the Australian Council of Trade Unions;

"OneSteel" and "Company" means OneSteel NSW Pty Limited.;

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

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

"Sydney Steel Mill" means OneSteel'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) Onesteel;
- (b) The Australian Workers' Union, New South Wales;

4.2 The enterprise for which this Agreement is made is OneSteel'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 31 August 2008 ("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. Industrial Relations

6.1 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.

6.2 Union Delegate Training

- (a) Recognised delegates may be granted up to three (3) days per annum trade union training leaving without loss of ordinary pay (excluding overtime). Such leave may accrue to a maximum of five (5) days. Reasonable requests for additional days may be authorised by the Company subject to meeting operational needs.
- (b) The taking of such leave will be for the purposes of attending formal trade union training courses.
- (c) The unions will provide to the employer reasonable notice in writing of the need for such training.
- (d) As far as practicable, such leave should be organised so as to minimise the need for the employer to replace the delegate by the working of overtime and to allow the delegate to be released within ordinary time. It is recognised that the employer and delegates may need to demonstrate flexibility in the rostering of shifts to allow this to occur.
- (e) Where issues arise as to the application of this clause, discussions will be held, consistent with local consultative arrangements and the dispute settlement procedure under this Agreement, with a view to resolving the issue prior to the commencement of the training.

6.3 Payroll deduction of union dues

The employer will, on the written authority of the employee, make regular deductions of union dues and disburse them to the union party to this Agreement.

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 six (6) 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 six (6) 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

Subject to the provisions of clause 7.2, employment may be terminated by either the Company or employee by the provision of the notice periods, as outlined below.

Period of Continuous Service	Notice Period
Not more than 1 year	At least 1 week
More than 1 but not more than 3 years	At least 2 weeks
More than 3 but not more than 5 years	At least 3 weeks
More than 5 years	At least 4 weeks

NOTE: If the employee is over 45 years of age, and has been continuously employed by the employer for more than 2 years, an extra week of notice is required to be given by the Employer. Additional notice based on age is not required by the employee.

The employee may be terminated immediately and paid compensation in lieu of notice equal to the amount the employee would have earned had they continued working to the end of the required notice period, including allowances and penalties, but excluding overtime. If the employee leaves without notice they will forfeit the equivalent week/s pay at the ordinary time rate of pay.

Where payment is made instead of notice, the date of termination is the day the employee is advised, not the expiry of the nominal notice period.

- (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 Union and the work force. In the event that redundancies are required the conditions to apply will be as set out in Appendix 4.
- (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
- 8.4 The loading referred to under 8.3 above does not include payments due to casual employees arising from the *Annual Holidays Act 1944*.

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.
- 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.

The Company is prepared to discuss issues related to the use of contractors through the normal industrial processes applying at Sydney Steel Mill.

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.

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

Production		Electrical	Mechanical
Melt Shop	Rolling Mill		
8P	8P		
7P	7P		
6P	6P		
5P	5P		
4P	4P	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.

15. Rates of Pay

15.1 The parties agree that the rates of pay in this clause 15 will be paid in accordance with the terms of the Steel Industry Wage Settlement 2003 (the Agreement) and 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):

Column A - a 4% increase to apply from the first full pay period commencing on or after (date of ratification).

Column B - a 1% increase to apply from the first full pay period commencing on or after 1st March, 2006.

Column C - a 4% increase to apply from the first full pay period commencing on or after 1st September, 2006.

Column D - a 4% increase to apply from the first full pay period commencing on or after 1st September, 2007.

Production	A	B	C	D
1P	726.50	733.80	763.20	793.70
2P	800.70	808.70	841.00	874.60
3P	839.60	848.00	881.90	917.20
4P	879.00	887.80	923.30	960.20
5P	918.40	927.60	964.70	1003.30
6P	959.10	968.70	1007.40	1047.70
7P	999.40	1009.40	1049.80	1091.80
8P	1057.90	1068.40	1111.10	1155.50
Electrical				
1E	959.10	968.70	1007.40	1047.70
2E	999.40	1009.40	1049.80	1091.80
3E	1057.90	1068.40	1111.10	1155.50
4E	1098.10	1109.00	1153.30	1199.40
Co-ord	1138.40	1149.70	1195.70	1243.50
Mechanical				
1M	918.40	927.60	964.70	1003.30
2M	959.10	968.70	1007.40	1047.70
3M	999.40	1009.40	1049.80	1091.80
4M	1057.90	1068.40	1111.10	1155.50
Co-ord	1098.10	1109.00	1153.30	1199.40

Note:

The above rates of pay consist of the minimum rates of pay plus the over agreement payment, previously paid but not listed in the EBA.

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.

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 Flexible Remuneration

- (i) In this clause, "Plan" means the terms under which flexible remuneration benefits may be offered by the company at its absolute discretion from time to time to employees by way of a sacrifice of wages payable under this award. Without limitation, the benefits may include, for example, superannuation contributions and employee share plans.
- (ii) Despite the provisions of this award an employee may elect:
 - (a) to receive the benefits of any Plan offered by the company; and
 - (b) to reduce wages otherwise due under this award by the amount required under the plan for the benefits received by the employee under the Plan.
- (iii) Any election by an employee under sub-clause (ii) must be in the form prescribed by the Company from time to time.
- (iv) Where an employee has made an election under sub-clause (ii), the wages payable under this award will be reduced by such amount as prescribed from time to time under the relevant Plan.
- (v) The reduced wages and the contributions under the Plan will apply for periods of annual leave, long service leave and other periods of paid leave.
- (vi) The company or an employee may only terminate or vary an election under sub-clause (ii) in accordance with the terms applicable to the relevant Plan.
- (vii) Other than as already provided for under any Plan, the company at its discretion may terminate the provision of benefits under a Plan or amend the terms applicable to a Plan. The company will give one month's notice of such a termination or amendment.
- (viii) The Company shall 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 or any legislation which succeeds or replaces it.
- (ix) The provisions of this clause have been agreed to by the parties with the intent of facilitating flexible remuneration benefits for employees covered by this award. To remove any doubt, this clause is not intended to:
 - (a) provide substantive industrial regulation of any benefit included in a Plan; and
 - (b) be used as a precedent in relation to any claim for the industrial regulation of any benefit included in a Plan, including, for example superannuation contributions and employee share plans."

15.7 Maintenance Co-ordinators

Employees who are appointed as Maintenance Coordinators will be paid at the appropriate Level 5 rate in either the Electrical or Mechanical Streams. After achieving a "Leading" rating based on the appraisal criteria and serving a minimum of 12 months in the position they will be paid an additional \$1.40 per hour for all time worked.

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 requirement to work overtime, the employee shall be paid the amount specified below or provided with a meal.

Date of ratification	Ffpp 1/9/2006	Ffpp 1/9/2007
\$9.70	Adjusted for relevant CPI	Adjusted for relevant CPI

- 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

19.1 The terms of the *Long Service Leave Act 1955* shall apply except for the provisions prescribed below.

19.2 For all service after 1 July 2001, long service leave will accrue at the rate of 13 weeks for each 10 years of service. From 11 April 2002, pro-rata long service leave will be able to be accessed or will be paid out on resignation or termination of the employee, other than in circumstances of summary dismissal, after 5 years continuous service.

19.3 Long service leave shall be paid at the employee's ordinary time earnings for the shift roster that the employee would have worked had it not been for the long service leave. This means whilst employees are on long service leave they will be paid their ordinary time rate of pay, shift & weekend penalties and compulsory rostered overtime (i.e. such rostered overtime which is currently recognised for the purposes of annual leave, sick leave, superannuation, etc). Payment will also include public holidays penalties provided that the employee would have been required to work the public holiday and the period of long service leave is not subject to added days for such public holiday.

To be eligible to be paid long service leave as per the shift roster, an employee must have been in a permanent shift position for a period of at least twelve months at the time of taking long service leave.

19.4 Where payment is made in lieu of accrued long service leave, such as on termination of employment, payment shall be at the employee's ordinary time rate of pay (i.e. excluding compulsory rostered overtime, shift and weekend penalty rates).

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.

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.
- (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 de facto 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.

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. Grievances or disputes arising from any review will be managed in accordance with Clause 24 of this Agreement.
- 23.7 The minimum standard of sick leave under this Agreement is that prescribed by section 26(1) of the Act.
- 23.8 For the life of this Agreement, the discretionary arrangements prescribed above will remain in place. However, for extended periods of leave due to non-works illness or injury, generally no less favourable terms and conditions will apply than those generally applying in the industry as outlined in Appendix 3.

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.
 - 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

The parental leave provisions set out in Division 1 of Part 4 of Chapter 2 of the Industrial Relations Act 1996 shall apply in conjunction with the provision for paid parental leave set out below:

27.1 Eligibility

- (a) An employee who has completed at least 12 months continuous service with the employer (on a full-time or part-time basis) is entitled to paid parental leave in accordance with this clause.
- (b) A casual employee is entitled to paid parental leave if they have worked for the employer on a regular and systemic basis for more than 12 months and have a reasonable expectation of on-going employment on that basis.

27.2 Entitlement

- (a) An employee is entitled to paid parental leave as follows:
 - (i) maternity leave - six weeks paid leave immediately after the child's birth and, for employees with at least 24 months continuous service, an additional six (6) weeks.
 - (ii) paternity leave - one week paid leave around the time of birth.
 - (iii) adoption leave - six weeks paid leave at the time of placement if the employee is the primary carer, and, for employees with at least 24 months continuous service, an additional six (6) weeks.
- (b) Any period of paid parental leave arising from this clause will be deducted from the period of unpaid parental leave to which the employee is entitled arising from legislation or industrial award/agreement
- (c) The entitlement to parental leave is not extended for multiple births.
- (d) Parental leave is paid at the employee's weekly ordinary time rate of pay for the period of the leave (as per sick leave).

- (e) Employees taking maternity or adoption leave may elect to double the period of paid leave arising from paragraph a) above to be paid at 50% of the employee's weekly ordinary time rate of pay. Provided that this extended period of paid leave falls within the period of unpaid parental leave to which the employee is entitled arising from legislation or industrial agreement.

27.3 Giving notice and applying for leave

- (a) To be eligible to claim paid parental leave, employees must comply with the requirements regarding advice to the employer normally associated with the taking of unpaid parental leave.
- (b) To claim paid paternity leave the employee must provide such reasonable proof as the employer may require.

27.4 Impact of paid parental leave on other entitlements

- (a) Paid parental leave shall be considered service for the purpose of service related entitlements (unpaid leave is not counted for such purposes).
- (b) The receipt of paid parental leave does not otherwise limit the employee's rights or obligations with respect to unpaid parental leave arising from legislation or industrial agreement.

27.5 Impact of legislative paid parental leave on these entitlements

Leave is reserved to the Company to review these arrangements should the mooted national scheme of paid paternal or maternal leave be introduced.

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 OneSteel Wage Review 2005 (the Settlement) that the Union undertakes for the period to 31 August 2008 not to raise any further claims, award or overaward (including claims arising from National or State wage cases), and acknowledge that this settlement deals comprehensively with rates of pay, conditions of employment and related matters.

There will be agreed scope to arbitrate, if necessary, unresolved issues about classification restructuring or work value claims.

This clause do not limit the ability of the parties to perform the process outlined in clause 9.5 of the Settlement.

Discussions regarding a replacement settlement may commence 3 months prior to expiry of this settlement.

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.

31. Supplementary Labour - Rates of Pay

Where supplementary labour is engaged payment will be based on the appropriate classification rate of pay otherwise payable to an employee under this Agreement.

In this clause, "supplementary labour" is labour sourced through labour hire firms to fill temporary vacancies or to top up the existing full time labour force (e.g. to cover seasonal or peak work loads) but excludes labour

engaged under service contracts and other contractual arrangements (eg. maintenance contracts, capital contracts, etc).

So as to remove doubt, this clause is binding only on the Company, unions and employees party to this Agreement and does not extend this Agreement to other employers or their employees engaged as supplementary labour.

32. Transition Arrangements for Retiring Shift Workers

The parties agree to providing support in terms of shift, financial and lifestyle planning for those employees who nominate their retirement in advance. These arrangements will be managed on an individual basis. The aim of this clause is to provide a smooth transfer from work into retirement for long serving employees (typically having served on shift work greater than 10 years). Such transitions would not normally exceed a period of 12 months and will be subject the capacity of the business to reasonably accommodate the needs of the employee. For example, shift workers who nominate their retirement date in advance the following could apply:

staged moderation of duties;

lifestyle planning/training; and/or,

movement to day shift at the employee's request.

33. Commitment to Ongoing Business Improvement

It is acknowledged and agreed that the wages and conditions enjoyed by OneSteel employees, including the gains flowing through this Award, are only afforded by ongoing competitiveness in all areas of OneSteel's operations.

Employers, employees and unions party to this Settlement commit to co-operatively and expeditiously pursuing workplace change necessary for ensuring OneSteel meets its promise to customers and improving asset and labour productivity during the life of this settlement. Such change will occur consistent with the principles of fair treatment, consultation and competitive manufacturing.

It is agreed that these types of changes and flexibilities underpin the wage increases provided for in the Settlement.

34. Apprentices

Where any provisions of this Agreement, so far as they relate to apprentices, are inconsistent with the provisions of this clause, the provisions of this clause shall, to the extent of the inconsistency, prevail.

34.1 Conditions Of Employment

The ordinary conditions of employment, including method of payment, award holidays, hours and overtime, shall be those contained in this award provided an apprentice whilst under 18 years of age shall not be allowed to work shift work, and the apprentice shall not work shift work unless working under the control of a tradesperson in the same trade. The apprentice shall not be required to work overtime during the first year of their apprenticeship unless they are willing to do so.

34.2 Lost Time

The Company may deduct from the wages of an apprentice amounts proportionate to the working time lost by the apprentice in any wage period when suspended under the provisions of subclause (iii) or owing to their absence from the service of the Company, unless such absence is caused by:-

- (a) The Company's fault

- (b) Illness not exceeding one week in each year of service duly certified by a qualified medical practitioner.
- (c) The occurrence of any holiday prescribed by this award.

34.3 Disciplinary Code

- (a) The apprentice may be suspended by the Company without pay during such period of suspension for the following reasons, and subject to the undermentioned limitations of each suspension, viz.:

Nature of Offence or

Misdemeanour

Disobedience - Laziness Bad Timekeeping,
General Misconduct etcetera

First Offence - The apprentice shall be told that this caution will be noted on their history card.

Second Offence - The apprentice may be suspended for a period not exceeding five working days (without pay). Time lost by such suspension shall be made up at the end of each year.

Third Offence - The apprentice may be suspended for a period not exceeding ten working days (without pay). Time lost by such suspension shall be made up at the end of each year. Following a suspension the apprentice may be brought before the Company's Internal Apprenticeship Authority which shall admonish the apprentice and advise them that their offence or misdemeanour, if persisted in, may lead to cancellation of their indenture in accordance with Part 4 of the *Apprenticeship and Traineeship Act 2001*.

Insolence, Wilful Disobedience, Wilful
Damage to Property - Neglect of Safety
Precautions which may result in injury to
himself or herself or fellow employees
Theft - Assault or Other Serious and
Wilful Misconduct

First Offence - The apprentice may be instantly suspended for a period not exceeding five working days (without pay). Time lost by such suspension shall be made up at the end of each year.

Second Offence - The apprentice may be instantly suspended for a period not exceeding ten working days (without pay). Time lost by such suspension shall be made up at the end of each year. Following a suspension the apprentice may be brought before the Company's Internal Apprenticeship Authority which shall admonish the apprentice. If such conduct is persisted in the apprentice may be suspended immediately and their indenture may be cancelled in accordance with Part 4 of the *Apprenticeship and Traineeship Act 2001*.

- (b) When the Company intends to suspend an apprentice it shall immediately so advise the Commissioner for Vocational Training and the union or unions covering the apprentice's trade.

- (c) When the Company suspends an apprentice, the suspension shall be effected by handing or delivering to the apprentice a notice in writing specifying:
- (1) Particulars of the offence alleged to have been committed;
 - (2) The period of suspension;
 - (3) That future misconduct may cause the Company to seek cancellation of the indenture;
 - (4) The address of the Commissioner for Vocational Training; and
 - (5) That the apprentice is entitled to apply to the Commissioner for Vocational Training at that address, by letter, to have the suspension set aside.
- (d) The Company shall forward a copy of the notice to the Commissioner for Vocational Training, the union or unions covering the apprentice's trade and to the parent or guardian of the apprentice on the same day as the notice is handed or delivered to the apprentice.
- (e) Any purported suspension not effected in accordance with the above shall be of no effect.
- (f) Nothing in this clause shall affect the rights or obligations of any party to the apprenticeship under the *Apprenticeship and Traineeship Act 2001*.

34.4 Wages

- (a) The minimum weekly rates of pay for apprentices shall be:- Column A - to apply from the first full pay period commencing on or after date of ratification
- Column B - to apply from the first full pay period commencing on or after 1st March, 2006.
- Column C - to apply from the first full pay period commencing on or after 1st September, 2006.
- Column D - to apply from the first full pay period commencing on or after 1st September, 2007.

\$ per 38 hours	Date of ratification	Ffpp 1/3/2006	Ffpp 1/9/2006	Ffpp 1/9/2007
Year 1	385.70	389.60	405.20	421.40
Year 2	505.10	510.20	530.60	551.80
Year 3	688.80	695.70	723.50	752.50
Year 4	808.20	816.30	848.90	882.90

- (b) An employee who is under twenty-one years of age on the expiration of their apprenticeship and thereafter works as a minor in the occupation to which they have been apprenticed shall be paid at not less than the adult rate prescribed for that classification.
- (c) In keeping with this agreement 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.

35. Anti-Discrimination

- 35.1 It is the intention of the parties to this agreement to seek to achieve the object in s 3(f) of the *Industrial Relations Act 1996* to prevent and eliminate discrimination in the workplace. This includes discrimination on the grounds of race, sex, marital status, disability, homosexuality, transgender identity, age and responsibilities as a carer.
- 35.2 It follows that in fulfilling their obligations under the dispute resolution procedure prescribed by this agreement the parties have obligations to take all reasonable steps to ensure that the operation of the provisions of this agreement are not directly or indirectly discriminatory in their effects. It will be consistent with the fulfilment of these obligations for the parties to make application to vary any

provision of the agreement which, by its terms or operation, has a direct or indirect discriminatory effect.

35.3 Under the *Anti-Discrimination Act 1977*, it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.

35.4 Nothing in this clause is to be taken to affect:

(a) any conduct or act which is specifically exempted from anti-discrimination legislation;

(b) offering or providing junior rates of pay to persons under 21 years of age;

(c) any act or practice of a body established to propagate religion which is exempted under s 56(d) of the *Anti-Discrimination Act 1977*;

(d) a party to this agreement from pursuing matters of unlawful discrimination in any State or federal jurisdiction.

35.5 This clause does not create legal rights or obligations in addition to those imposed upon the parties by the legislation referred to in this clause.

36. Signatories

SIGNED for and on behalf of)
ONESTEEL NSW PTY LIMITED)
in the presence of:)

Name:
Position:

Witness
Name (printed):

Dated: 13-09-05

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

Name:
Secretary

Witness
Name (printed):

Dated: 13-09-05

APPENDIX 1

THE ONESTEEL NSW SYDNEY STEEL MILL PERFORMANCE RELATED PAYMENTS SCHEME AGREEMENT

1. Title

This Agreement will be known as the OneSteel NSW 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:

"OneSteel" and "Company" means the OneSteel NSW Pty. Ltd.;

"Mill" means OneSteel'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) OneSteel;
- (b) The AUSTRALIAN WORKER'S UNION, New South Wales.

4.2 The enterprise for which this Agreement is made is OneSteel'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 OneSteel NSW 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 OneSteel NSW 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 the date the agreement is approved by the Commission until 31 August 2003 ("the nominal term").

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 payment for Performance Related Payments will be that commencing 5 July 2000. The final quarter covered by this Agreement will be that ending pay period commencing on or after the nominal expiry date of this enterprise agreement.

- 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 eighth 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 OneSteel 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	Earnings Accumulation Period
September 2000	05/07/2000 to 26/09/2000

ATTACHMENT 2

DEFINITIONS OF PERFORMANCE INDICATORS

- (a) Conversion Cost per Accept Tonne

Conversion cost per accept tonne is derived from the formula:

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

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:

Billet Heats Produced within Weekly Schedule

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.

(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.

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 30th September 2000) will be as follows:

Upper limit	\$238.86	or lower
Lower limit	\$227.32	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:

Quarter Ending	Lower Limit	Upper Limit
September	85%	95%

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

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 of 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 Developmental Model

such as occupational health and safety committee training, trade union training, full time training (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 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 him/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 (eg 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 day worker.
 - the employee's rostered on shifts in the case of a shift worker.
 - the employee's rescheduled rostered on shifts in the case of a shift worker 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 at 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 rate.

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 (eg 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 (eg. 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.
 - (ii) Time spent enrolling in authorised external courses (eg. 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 materials associated with the training will be paid by the employee.

APPENDIX 3

WAGE SUPPORT FOR EXTENDED PERIODS OF ILLNESS OR INJURY

1. Purpose

These arrangements are designed to provide employees of OneSteel with added financial security in the event of their being off work for an extended period due to non-works illness or injury.

2. Underpinning principles

- (a) Employees may reasonably expect continued financial support in the event of extended illness or injury
- (b) Employees are expected to provide for their own security by accessing reasonable levels of existing leave entitlements
- (c) The extension of financial support places obligations on the employee to cooperate with the reasonable requests of their employer
- (d) Fair & equal treatment of all employees
- (e) These arrangements are not intended to support "casual" absences or benefit employees with chronic poor attendance

3. Extended wage support - non-works injury or illness

- (a) Subject to the provisions of this clause, employees will receive financial support at the ordinary time rate of pay for the period of their incapacity, up to a maximum of twelve (12) months, in the event of their being unable to attend work continuously for greater than one (1) month due to personal illness or injury. Provided further that where an employee is a shiftworker and would have remained on shift but for their inability to attend work, such financial support will include additional payment of the ordinary shift and weekend penalties applicable to the employee's roster.
- (b) Employees will be required to exhaust all available sick leave accruals before accessing the support available under this clause.

Additionally, employees will be required to utilise:

any annual leave (including pro-rata accruals) in excess of 4 weeks; and,

any long service leave (including pro-rata accruals) in excess of 13 weeks

for a combined period of not more than 6 weeks before accessing the support available under this clause.

- (c) The period of extended wage support referred in a) above is in addition to existing sick leave entitlements and such annual leave or long service leave as may be taken under paragraph b) above.

- (d) Where the employee is entitled to benefits arising from personal injury insurance (eg motor vehicle CTP insurance, sporting injury insurance, etc), other than workers compensation, the wage support otherwise extended under this clause will be reduced by the amount of insurance benefit paid. Where such monies are paid by an insurer substantially after the absence, the employee is required to repay such monies to the employer. The employer may require the employee to authorise the employer to claim such monies direct from the insurer prior to receiving extended wage support.
- (e) Should circumstances arise where the employer believes that the conduct of the employee is such that the continued extension of wage support would be at odds with the principles outlined in 2. above, the employer may initiate a formal review in which the employee, and their union should they wish, are given the opportunity to respond to any allegations prior to the employer making a decision as to continuance or cessation of wage support. Any disputes that arise from the exercise of this facility will be progressed in accordance with the dispute settlement procedure.
- (f) Consideration may be given to further wage support beyond the 12 months referred to under paragraph a) above in circumstances where the agreed rehabilitation plan for the employee and medical opinion indicate that an imminent return to normal duties by the employee.

4. Obligations of employees

- (a) Employees are required to provide all reasonable evidence requested by the employer as to the nature of their illness or injury including making themselves available for examination by medical practitioners/specialists nominated by the employer.
- (b) Employees are required to actively participate in any reasonable rehabilitation or return to work plan required by the employer.

5. Exclusions - The above arrangements will not extend to the following:

- (a) Employees engaged on a casual or fixed term basis
- (b) Employees with less than 3 months continuous service
- (c) Absences covered by workers compensation or arising from works related injury or illness
- (d) Casual absences or absences of short duration
- (e) Injury or illness arising from the unlawful actions of the employee
- (f) Absences which would otherwise be covered by carers leave
- (g) Multiple periods of extended absences beyond those totalling 12 months in any 3 year period.
- (h) Employees enjoying similar support under discretionary sick leave arrangements
- (i) Absences resulting from alcohol, drug or substance abuse
- (j) Absences resulting from high risk sporting or recreational activities generally precluded from personal accident insurance arrangements (such as competitive motor sport, sky diving, etc).

6. Other matters

- (a) Any disputes arising from the operation of this clause will be progressed in accordance with the dispute settlement procedures under the respective award/agreement.

- (b) Nothing within these arrangements is to be taken to preclude termination of employment where the prognosis for the employee is that they will be unable to return to their normal employment, subject to the employee being afforded reasonable extended wage support so to allow them to resolve questions as to their financial security post-termination.

In November 2002, the Company and unions will undertake a formal review of the operation of these provisions and cooperatively resolve any implementation issues identified.

APPENDIX 4

REDUNDANCY

1. Purpose

These arrangements are designed to provide employees with fair and reasonable benefits in the event of redundancy.

2. Definitions

In this clause:

- (a) "weeks pay" means the employees weekly ordinary time rate of pay including award rate, over award rate and all-purpose allowances but excluding shift allowances, weekend penalties and overtime.
- (b) "continuous service" means unbroken service under a contract of employment of indefinite duration and excludes periods of unpaid leave of absence including unpaid parental leave.
- (c) "redundancy" means the employer has made a decision that the employer no longer wishes the job an employee has been doing done by anyone, and this is not due to the ordinary and customary turnover of labour; and that decision results in the termination of employment.
- (d) "employee" means an employee engaged under a contract of employment of indefinite duration and excludes casuals, fixed term employees and employees engaged under a training contract (such as apprentices and trainees).

3. Notice

- (a) In the event of forced redundancy, the employee will be provided a minimum of 4 weeks notice of termination (or 5 weeks if the employee is 45 years or older with 2 or more years continuous service) or payment in lieu of notice.
- (b) In the event of voluntary redundancy, the period of notice shall be on an agreed basis, but not exceeding 3 months, and there shall be no payment in lieu of notice.

4. Redundancy Benefit

Subject to the terms of this clause, employees terminating by reason of redundancy will be paid a redundancy benefit on termination of 4 weeks pay per year of continuous service (pro-rata for part years) provided that:

the minimum benefit is 8 weeks

the maximum benefit is 104 weeks

The above minimum and maximum redundancy benefits do not include any notice due or paid under 32.3 above.

These redundancy arrangements will come into effect from the date of ratification of this agreement, subject to the following conditions:

- (a) Employee who as of 1 October 2001 had attained 36 years or more continuous service who leave the Company by cause of redundancy shall, in addition to the redundancy benefit above, be paid an ex gratia redundancy benefit of 2.5 weeks at the employee's weekly ordinary time rate of pay for each year of service in excess of 36 years (pro-rata for part years).
- (b) Permanent employees who as at 1 October 2001 had at least 6 months but less than 9.3 years continuous service who leave the Company by cause of redundancy shall be paid a redundancy benefit of 14 weeks pay plus 2.5 weeks pay per year of service. This benefit will be lieu of the redundancy benefit above.
- (c) Where a decision is made to effect redundancies, discussions will be held between the Company and respective unions as to the selection of an appropriate outplacement provider to assist terminating employees. Such assistance may include resume writing, interview skills, job search and financial counselling. Should agreement not be reached, the Company's nominated provider/s will be utilised.

5. General exclusions

- (a) Nothing in this clause shall be read as:

requiring the employer to extend a redundancy benefit to an employee where the employer offers the employee acceptable alternative employment (including alternative employment with rate retention arrangements as elsewhere provided for under this award/agreement)

giving rise to an entitlement to a voluntary redundancy benefit in the absence of a formal offer by the employer

- (b) Redundancy benefit will not be paid in event of:

termination due to succession, assignment or transmission of business where the new employer offers the employee acceptable alternative employment with continuity of service; or,

where the employer otherwise obtains an offer of acceptable alternative employment for an employee.