

**REGISTER OF
CONTRACT AGREEMENTS**

CONTRACT AGREEMENT NO: CA04/4

**TITLE: TNT Australia Pty Limited - TWU New South Wales
(Contract Carriers) Amended Heads of Agreement 2003-2004**

I.R.C. NO: IRC3/7318

DATE APPROVED/COMMENCEMENT: Approved 8 January 2004/Commenced 1
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VARIATION:** Replaces CA03/2

GAZETTAL REFERENCE: 30 April 2004

DATE TERMINATED:

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COVERAGE/DESCRIPTION OF

EMPLOYEES: The contract agreement applies to all contract carriers in New South Wales employed by TNT Australia Pty Ltd, McPhee Transport Pty Ltd and Riteway Transport Pty Ltd who fall within the coverage of the Transport Industry - General Carriers Contract Determination

PARTIES: McPhee Transport Pty Limited, Riteway Transport Pty Ltd, TNT Australia Pty Limited -&- the Transport Workers' Union of New South Wales

**TNT Australia Pty Limited - TWU New South Wales
(Contract Carriers) Amended Heads of Agreement 2003 - 2004**

Clause No. Subject Matter

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2. Title

This Agreement shall be known as the "TNT Australia Pty Limited - TWU New South Wales (Contractor Carriers) Amended Heads of Agreement 2003-2004"

3. Parties Bound

The parties to this Agreement are:

- (i) TNT Australia Pty Limited
- (ii) McPhee Transport Pty Limited
- (iii) Riteway Transport Pty Limited
- (iv) Transport Workers' Union of New South Wales

4. Definitions

(i) In this Agreement, unless the context otherwise requires:

"Act" means the *Industrial Relations Act* 1996 (NSW), as amended

"business entity" means TNT Express in respect of TNT Australia Pty Limited, McPhee Transport in respect of McPhee Transport Pty Limited and Riteway Express in respect of Riteway Transport Pty Limited

"Company" means respectively TNT Australia Pty Limited, McPhee Transport Pty Limited and Riteway Transport Pty Limited

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

"Contract Carrier" means any contractor performing a contract of carriage, as defined by section 309 of the Industrial Relations Act 1996, for TNT Australia Pty Limited or McPhee Transport Pty Limited or Riteway Transport Pty Limited

"Determination" means the Transport Industry - General Carriers Contract Determination

"parties" means respectively TNT Australia Pty Limited, McPhee Transport Pty Limited, Riteway Transport Pty Limited and the Transport Workers' Union of New South Wales

"TNT Sameday" means the local courier and taxi truck businesses of TNT Express which comprises the former TNT point to point local couriers, the former Ansett point to point local couriers and the former TNT taxi trucks (including the former Kwikasair Taxi Trucks)

"Transport Workers Welfare Fund" means clause 14 of the Union's "Final Draft 2002 TWU Heads of Agreement" (referenced as "2002 Heads of Agreement - 5th draft - 12 September.doc")

"TWU" means the Transport Workers' Union of New South Wales

"Union" means the Transport Workers' Union of New South Wales

"Union Training Days" means any training attended by elected Delegates which is organised by the TWU

"Vehicle" means a vehicle provided by the Contract Carrier

(ii) In this Agreement:

(a) words importing the singular shall include the plural

(b) words importing the masculine gender shall include the feminine gender

5. Application of Agreement

Where there is an inconsistency between this Agreement and the Determination, this Agreement shall apply.

6. Relation to TNT Domestic and International Express Ancillary Contract Determination

The TNT Domestic and International Express Ancillary Contract Determination prevails over this Agreement and any other general contract determination applicable to other contract carriers in relation to the subject matter of the TNT Domestic and International Express Ancillary Contract Determination.

7. Application of This Agreement to Riteway Transport Pty Limited

(i) The terms of the Riteway Express contractors' agreement, shown in Attachment 2 to this Agreement, shall apply to Contract Carriers engaged by Riteway Transport Pty Limited.

- (ii) Where there is an inconsistency between this Agreement and the Riteway Express contractors' agreement shown in Attachment 2, this Agreement shall apply.

8. Objectives

The Company, TWU and Contractor Carriers recognise the link between Customer satisfaction and Shareholder value. The objectives of this Agreement are:

- (i) to create an environment where customer satisfaction is of paramount importance to all Contract Carriers
- (ii) to positively assist the Company to achieve its vision of becoming the fastest and most reliable provider of express delivery services
- (iii) to create and maintain a profitable and viable enterprise for the benefit of the key stakeholders - customers, Contract Carriers and shareholders

9. Commitment

- (i) By entering into this Agreement the parties commit to deploy the Company's Key Processes which are:

Winning and keeping profitable customers

Delivering on time and in perfect condition

Issuing clean invoices and getting paid

Recruiting, equipping, developing and empowering people

Ensuring safe and secure work environments

Creating and strengthening competitive edge

Making Money

- (ii) The Company is committed to providing induction, product knowledge and work systems training to ensure that Contract Carriers are equipped and motivated to provide continuously improving customer service and meet the performance indicators of the relevant Key Processes.

10. Implementation of Technology and Operational Procedures

- (i) Contract Carriers will co-operate in the introduction and continuing use of technology which assist in improving and maximising the performance of the business, improves customer service, enhances monitoring and measurement of service quality.
- (ii) The Company may, at its own expense and using qualified technicians, supply and fit the Vehicle with technology and other equipment. Such technology and other equipment will remain the property of the Company.
- (iii) The Contract Carrier shall ensure that care is exercised in the use and security of the Company's technology and other equipment.
- (iv) The Contract Carrier must immediately inform the Company if any of the Company's equipment requires servicing or repair, is lost or stolen.
- (v) The Company will pay for the removal of the Company's equipment if the engagement of the Contract Carrier is terminated. The Company will make good any damage to the Vehicle caused by the installation or removal of such equipment.

- (vi) All labour component increases paid under this Agreement are in full satisfaction of any claims that may arise relating to the use of technology and/or operating procedures during the operation of this Agreement.
- (vii) The Company shall make no further payments on account of the use and application of technology regardless of whether or not, after the registration of this Agreement, increases or new allowances are prescribed by any applicable Determination in relation to the introduction or use of any technology.
- (viii) The Company shall provide additional support to Contract Carriers who are experiencing problems with using the new technology. Where such support is given and the Contract Carrier's performance has not improved, the Company will discuss options for dealing with the situation with the Union.
- (ix) Any productivity improvements which arise out of the introduction of new technology and operational procedures during the operation of this Agreement may be subject to future Heads of Agreement negotiations.
- (x) The parties commit to consultation on the implementation of new technology including but not limited to the impact on changed work processes and job security.

11. Training

- (i) The Company will continue training in such areas as product knowledge, customer service, trade practices compliance, occupational health and safety and safer work practices for the benefit of the Contract Carriers bound by this Agreement.
- (ii) The Company and the TWU recognise that induction training is necessary to promote an understanding of the Company's businesses and enhance customer service, productivity, efficiency and compliance with legal obligations.
 - (a) Subject to the Company not breaching current contractual arrangements with Victoria University, the Company will provide Blue Card training to Contract Carriers during the operation of this Agreement. Provided that such training is delivered, in the first instance, by Victoria University or in its absence a Registered Training Organisation selected by the Company.
 - (b) The operation of the Blue Card shall not restrict access to the Company's sites and operations or interfere with an individual Contract Carrier's right of association.
 - (c) At the expiry of the contract with Victoria University on 19 December 2003, the Company will implement Blue Card in each business entity.
 - (d) Commencing from the operation of this Agreement, the Company will advise all regular contractors working in each business entity of the Blue Card to allow the contractor to make a decision on obtaining a Blue Card.
- (iii) The Company commits to continue the training of Contract Carriers. As a minimum, such training will include:
 - (a) Induction, including site and job function
 - (b) Occupational health and safety
 - (c) Industrial rights and obligations, including the operations of this Agreement and the Determination
 - (d) Legal compliance
 - (e) Driver fatigue.

- (iv) The Company is committed to retaining the Investors in People accreditation, part of which requires a commitment to develop Contract Carriers to meet business objectives. As part of this commitment, the Company will provide site and individual training plans.
- (v) Where the Company requires particular training to be undertaken by Contract Carriers, the Company will conduct the training at its own expense.

12. Union Recognition and Union Membership

- (i) The Company recognises the TWU as being the union entitled to represent Contract Carriers covered by this Agreement.
- (ii) All new Contract Carriers covered by this Agreement, shall upon induction, be given an application form and any literature provided by the TWU so they may join the TWU if they so wish.
- (iii) The Company agrees to the Delegates Charter of Rights shown in Attachment 1. The Delegates Charter of Rights may be varied from time to time by written agreement between the State Secretary of the TWU and the Company.

13. Attending Union Training Days

- (i) The Company shall permit elected Delegates to attend the following number of Union Training Days, within each year of the life of this Agreement:

TNT Express (Metropolitan Depots)	90 days in total for all Delegates
Riteway Express	20 days in total for all Delegates
McPhee Transport	42 days in total for all Delegates

- (a) A total of 10 days per annum for Union Training will be available for an elected Delegate at the Gosford, Newcastle and Wollongong depots of TNT Express.
- (b) Having regard to travel times between the Contractor Carrier's depot and training venue, Delegates who attend a Union Training Day shall be paid in accordance with the following arrangements:

Where a Delegate returns to the workplace after a Union Training Day or part of a day and continues to work after his/her ordinary hours, the Company will pay the overtime for all hours worked in excess of the ordinary hours

Where a Delegate attends a Union Training Day or part of a day and fails to present and be available for work either before or after the Union Training Day, the delegate will only be paid the labour component for the period in attendance at the Union Training Day

Where a Delegate attends a Union Training Day for the whole day, and provided that notice has been given to the Company in accordance with sub-clause (ii) of this clause, the Company will pay the Delegate the hours worked under normal circumstances

- (c) The number of Delegates who will be paid to attend Union Training Days shall be as follows:

TNT Express - Mascot, Enfield, Chullora, TNT Sameday:
Up to 2 Contract Carrier Delegates per meeting per depot

McPhee Transport - Homebush:
Up to 3 Employee or Contract Carrier Delegates per meeting

Riteway Express - Chullora:
Up to 2 Employee or Contract Carrier Delegates per meeting

- (ii) Notice to Attend Union Training:

- (a) The Company requires, from the TWU, at least 48 hours written notice for Delegates to attend Union Training Days.
- (b) Notice referred to in (a) of this sub-clause shall be provided by the TWU to the General Manager Human Resources, TNT Express or the State Manager, McPhee Transport or the State Manager, Riteway Express for Delegates required to attend from the respective business entity.
- (c) Notice referred to in (a) of this sub-clause shall include the expected duration of the Delegate's absence from the workplace, purpose of the training, date, time and location of the training.

14. Superannuation

Subject to the provisions of this Agreement, the Company agrees to continue its current superannuation arrangements with Contract Carriers.

15. Labour Component Adjustments

- (i) The Company shall increase the existing labour component of the Contract Carriers contractual remuneration, consistent with the percentage increases outlined in Attachment 1 of the agreement known as "TNT Australia Pty Limited - TWU New South Wales Branch (Employees) Heads of Agreement 2003 -2004", and shown below:
 - (a) 2% in respect of the TWU's claim for increased wages and a further 0.5% in full and final settlement of the TWU's claim under the Transport Workers Welfare Fund. The operative date of these increases shall be from the first full pay period commencing on or after 1 July 2003;
 - (b) 2% in respect of the TWU's claim for increased wages and a further 0.5% in full and final settlement of the TWU's claim under the Transport Workers Welfare Fund. The operative date of these increases shall be from the first full pay period commencing on or after 1 December 2003;
 - (c) 2% in respect of the TWU's claim for increased wages and a further 0.5% in full and final settlement of the TWU's claim under the Transport Workers Welfare Fund. The operative date of these increases shall be from the first full pay period commencing on or after 1 July 2004;
 - (d) 2% in respect of the TWU's claim for increased wages and a further 0.5% in full and final settlement of the TWU's claim under the Transport Workers Welfare Fund. The operative date of these increases shall be from the first full pay period commencing on or after 1 December 2004.
- (ii) The increases referred to in sub-clause (i) of this clause shall apply, provided that:
 - (a) any labour component variations to the Determination or rate increases to the Transport Industry (State) Award will be absorbed by the increases in labour components provided by this Agreement.
 - (b) the TWU on behalf of itself, officers and members agrees that where any future agreement provides for labour component increases in addition to those contained in this Agreement, then any such labour component increase shall not become due or payable before 31 March 2005. However the parties agree to commence negotiating an agreement no later than 1 October 2004.
 - (c) an amount of 2% (ie 1% + 1%) of the increase is in settlement of the TWU's claim in respect of the Transport Workers' Welfare Fund. If any future claims are made in respect of any contribution by the Company in respect of the Transport Workers' Welfare Fund or any similar replacement fund or scheme, the increases in labour components under this Agreement shall be taken into account in respect of any such claim.
- (iii) The Company agrees to co-operate with the TWU to facilitate deductions to various bodies from the Contract Carrier's labour component where the individual Contract Carrier provides deduction authority to the Company.

- (iv) Clauses (i) to (iii) will not apply to TNT Sameday, however the current labour component adjustments applying within TNT Sameday will continue.

16. Vehicle Component Adjustments

- (i) The Company will vary the vehicle component for Contract Carriers in accordance with current practice.

17. Discretionary Leave

- (i) The Company, at its discretion, provides leave to Contract Carriers to assist in situations declared by the state emergency services organisations. The Company will continue to support such leave subject to the approval at the TNT Express Depot General Manager or McPhee State Manager or Riteway Express State Manager level, consistent with current practice.
- (ii) Leave granted under this arrangement will have regard to pay supplementation by emergency services organisations and the Company will ensure the Contract Carrier receives the labour and truck component for any time lost from work.
- (iii) The Company may request "proof of attendance" documentation as part of the discretionary leave approval process.
- (iv) The arrangements contained in sub-clauses (i), (ii) and (iii) of this clause shall apply to Contract Carriers wishing to donate blood.
- (v) The provisions of this clause do not apply to TNT Sameday.

18. Settlement of Disputes

- (i) The parties agree that the following settlement of disputes procedure shall apply:
 - (a) The matter should first be discussed at the workplace level between the Contract Carrier and relevant management and where requested, a Delegate;
 - (b) If the matter is not settled, discussions shall occur between the appropriate TWU Official Delegate and management;
 - (c) If the matter is still not settled, it shall be discussed between the Branch Secretary (or nominee) of the TWU and the Company. At each discussion, other Company and TWU representatives may be in attendance as required;
 - (d) If the matter is still not settled, it shall be submitted to the Commission, which shall conciliate the matter;
 - (e) The Commission may make a determination, which is binding on the parties, where there is no likelihood that within a reasonable period conciliation or further conciliation will result in agreement.
- (ii) The above steps do not preclude reference of a dispute to the Commission at any stage of this procedure if a party believes it necessary. In these circumstances, the Commission will retain its discretion to refer the parties back to a continuation of this procedure where the Commission considers that course appropriate.
- (iii) While the parties attempt to resolve the matter work will continue in accordance with contractual obligations as directed by the Company, subject to a Contract Carrier's rights regarding health and safety issues in accordance with the Act.
- (iv) The ultimate terms of settlement of the dispute will not be affected in any way nor will the rights of any person involved in or affected by the dispute be prejudiced by the fact that work has continued without interruption in accordance with contractual obligations.

- (v) The procedures and obligations contained herein will be equally binding on the parties to this Agreement. The decisions of the Commission will be accepted and adhered to by all the parties subject to their appeal rights under the Act. Where yard meetings are held, Company representatives will be given the opportunity to address the yard and propose solutions to any matter in dispute.
- (vi) The TWU and the Contract Carriers commits that it will not undertake industrial action or otherwise breach contractual obligations while this dispute process is being followed.
- (vii) Notwithstanding the contents of this clause, it has always been the policy of the Company and of the TWU to ensure the supply of blood and any agreed emergency and medical supplies in all business entities.

19. Introduction of Major Change

The Company commits to the process set out in this clause:

- (i) Where the Company believes major changes to its business may be imminent and where those changes will have significant effects on contract carriers, the Company will consult the TWU and those contract carriers prior to the Company implementing the changes.
- (ii) "significant effects", referred to in (i) of this clause, means major changes in the composition, operation and engagement of the Company's workforce covered by this Agreement.
- (iii) The Company will discuss the introduction of changes referred to in (i) of this clause, the effects the changes are likely to have on the contract carriers and any measures to avert or mitigate the effects of such changes on the contract carriers with the TWU.
- (iv) The Company will give consideration to matters raised by these contract carriers and/or the TWU in relation to the changes, prior to implementation of the changes.

20. No Extra Claims

- (i) It is a condition of this Agreement that the TWU on behalf of itself, officers and members shall not make or pursue any extra claims during the operation of this Agreement.
- (ii) The TWU on behalf of itself, officers and members agrees that where any future agreement provides for labour component increases in addition to those contained in this Heads of Agreement, then any such labour component increase will not become due or payable before 31 March 2005.
- (iii) Nothing in this clause precludes individual sites from agreeing to performance based schemes which will bring benefit to the Company and Contract Carriers. Such schemes shall only be implemented by mutual agreement.
- (iv) The provisions of this clause do not apply to TNT Sameday owing to the different methods of adjusting the labour component and the vehicle component for local couriers and taxi trucks.

21. Compliance to Laws

- (i) The Company shall comply with the requirements of laws and regulations relating to the road transport industry.
- (ii) Where a Delegate has a specific incident of a suspected breach of compliance to road transport law, the Delegate may raise the suspected breach with his/her supervisor. Subject to the provisions of privacy legislation and other commercial arrangements, the Delegate will be shown relevant reports captured on the Company's linehaul system, Juliet.

22. Anti - Discrimination

- (i) It is the intention of the parties to this Agreement to seek to achieve the object in section 3(f) of the Act to prevent and eliminate discrimination in the workplace. This includes discrimination on the grounds of carers' responsibilities, race, sex, marital status, disability, homosexuality, transgender identity and age.
- (ii) 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.
- (iii) Nothing in this clause is 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 section 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.
- (iv) This clause does not create legal rights and obligations in addition to those imposed upon the parties by the legislation referred to in this clause.

23. Leave Reserved

- (i) The parties acknowledge that during the operation of this Agreement there may be a number of Test Case matters determined by the Commission, which may then be the subject of further negotiations between the parties.
- (ii) Leave is reserved for the TWU to negotiate a separate service fee agreement with the Company during the life of this agreement.

24. Operation of Agreement

- (i) This Agreement shall come into effect on 1 January 2003 and shall remain in force until 31 December 2004.
- (ii) This Agreement rescinds and replaces the TNT Australia Pty Limited - TWU New South Wales Branch (Contract Carriers) Heads of Agreement 2003 - 2004 (CA03/02).

25. Signatures

Executed as an Agreement

SIGNED by TNT AUSTRALIA PTY LIMITED
ABN 41 000 495 269 pursuant to section 127(1)
of the Corporations Act 2001:

Secretary

H. E. Chapman
Name of Secretary

Director

R. B. Corcoran
Name of Director

Date: 18 December 2003

SIGNED by MCPHEE TRANSPORT PTY
LIMITED ABN 65 001 856 113 pursuant to
section 127(1) of the Corporations Act 2001:

Secretary

H. E. Chapman

Name of Secretary

Date: 18 December 2003

Director

R. B. Corcoran

Name of Director

SIGNED by RITEWAY TRANSPORT PTY
LIMITED ABN 66 003 427 576 pursuant to
section 127(1) of the Corporations Act 2001:

Secretary

H. E. Chapman

Name of Secretary

Date: 18 December 2003

Director

R. B. Corcoran

Name of Director

SIGNED by the TRANSPORT WORKERS'
UNION OF NEW SOUTH WALES:

Secretary

H. E. Chapman

Name of Secretary

Date: 16 December 2003

Director

R. B. Corcoran

Name of Director

ATTACHMENT 1

DELEGATES CHARTER OF RIGHTS

A TWU Delegate, as the workplace representative, shall:

Be treated fairly and perform their role as Union Delegate without any discrimination in the workplace

Be recognised by the Company as the endorsed representative to represent the Union members in the workplace

Bargain collectively on behalf of those they represent

Be paid in accordance with clause 13 of the TNT Australia Pty Limited - TWU New South Wales (Contract Carriers) Amended Heads of Agreement 2003-2004, to:

represent the interests of Union members to the Company and industrial tribunals

consult with Union members during normal working hours

participate in the operation of the Union

attend accredited Union education and training

Have access to new employees to explain the benefits of Union membership

Respect the right of association of an individual contract carriers

In recognition of the Company's support, the Company expects the TWU Delegate to:

Encourage members of the TWU to comply with awards, agreements and determinations

Encourage members of the TWU to comply with occupational health and safety rules at all times

Encourage members of the TWU to follow the dispute settlement procedures at all times

Have reasonable access to Company resources, such as telephone and facsimile, for the purpose of carrying out his/her delegate's duties

Attachment 2

AN AGREEMENT BETWEEN:

RITEWAY TRANSPORT PTY LTD AND THE TRANSPORT WORKERS' UNION OF AUSTRALIA

This Agreement made on the 15 February 2001, between Riteway Transport Pty Ltd (trading as Riteway Express), (hereinafter called the company) of the first part and members of the Transport Workers' Union of Australia (hereinafter called the union) engaged by the company in the state nominated in Annex A here to of the second part WHEREBY the company and the union have mutually agreed that the conditions and terms of engagement of the above members of the said union shall be as set out herein.

1. Rates

1.1 Rates of pay are contained in Annex A herein.

2. Variation

2.1 The rates and conditions applicable in Annex A herein shall be reviewed annually and maybe adjusted only by mutual consent of the company and the contractor drivers (hereinafter called the contractors). The labour, and vehicle fixed and running costs shall be varied in accordance with the method outlined in Annex A.

2.2 The union reserve the right to approach the company for variation in respect of any extraordinary increase in any of the costs incurred by contractors in the normal operation of their vehicles, or in the event that the Consumer Price Index for the capital city of the state nominated in Annex A hereof, should exceed 2.5 percent in any quarter during the period of the agreement.

2.3 The company and contractor recognise the introduction of new technology following appropriate training will promote employee skills, productivity and efficiency. No extra claims will be pursued for such technology.

3. Hours

3.1 The contractors shall work as directed by Management in the depot or on the road on all days Monday to Friday, public holidays excepted, for a period of hours per day as specified in Annex A exclusive of meal breaks, attending to the pick-up and delivery of the company freight and duties associated therewith.

- 3.2 Payment will be made to the contractors on the basis of the said specified hours worked each day whether hours worked are less than or in excess of those specified hours.
- 3.3 If in any calendar month a contractor works more hours than the specified hours on average for each day worked, then the contractor will be entitled to accumulate such hours as are in excess of noted hours per day and be granted time off with pay for such hours at a time convenient to the company and the contractor. All hours worked above those specified are to be approved by the company. No overtime above the specified hours is payable.
- 3.4 The company and the union acknowledge that it is not desirable that any contractor will work an average in excess of the specified hours per day for which payment is being made and will work together in order to achieve the most even distribution of work possible.
- 3.5 A daily meal break (unpaid) of 30 minutes will be taken each day between 11:00 a.m. to 2:00 p.m.

4. Payments

- 4.1 Accounts shall be paid to all contractors on a weekly basis and under no circumstances shall money be deducted from contractors accounts unless an itemised statement is shown setting out each deduction. The weekly amount of such deduction shall be by mutual consent only.

5. Starting Time

- 5.1 Work for contractors shall commence on each day at or prior to 8:00 a.m. PROVIDED THAT the union and the company may agree to a later starting time for contract carriers to meet the requirements of work.
- 5.2 Once fixed, starting times for contractors may be changed on the giving of seven (7) days notice, or as agreed.
- 5.3 For the time being, the starting time is as specified in Annex A

6. Uniforms

- 6.1 Contractors shall be issued with uniforms, provided by the company at no cost to the contractors.
- 6.2 Subject to fair wear and tear, the company as required shall replace such uniform items.
- 6.3 Contractors must wear such uniforms whilst undertaking work for the company. Uniforms must be maintained in a clean and pressed condition, and minor repairs shall be effected by the contractor.
- 6.4 The company may require contractors to return fair wear and tear items to the company at the time of replacement. The company, at its discretion, may use these returned items to replace damaged items or uniforms during the currency of any issue for short engagement period.
- 6.5 Singlets, football shorts, or any other variations of the company uniform are not to be worn whilst engaging in deliveries and pickups.
- 6.6 Non company issued accessories, such as gloves, hats and scarfs, are to be unbranded (no logos) and neutral in colour or preferably, in Riteway Express corporate colours (black, grey, red or white). Accessories deemed inappropriate by the company will be required to be removed.

7. Vehicle Selection

- 7.1 The contractor shall supply and keep fully maintained and serviceable, a company approved vehicle. The company shall approve the type and classification of vehicles, as specified in Annex A, proposed to be operated prior to their being brought into service, and the company may make directions as to the ongoing condition and presentation of such vehicles.

- 7.2. Approval shall not be withheld unreasonably and should any dispute arise regarding the suitability of any vehicle, it shall be dealt with pursuant to the provisions of Clause 17 - Settlement of Disputes, hereof.
- 7.3. Initially, all vehicles when supplied shall be painted white. The company will provide identification decals that will be fitted to the vehicles at the company's expense and or sign writing of the company identification at the company's expense.
- 7.4. All contractors shall be required to replace their vehicle with a new vehicle once the vehicle age has reached 5 years, providing however, that if the vehicle is kept well and fully maintained and its appearance is in a condition acceptable to the company then the company at its sole discretion can extend this replacement period of 5 years at one year at a time, on not more than 3 occasions, so that the maximum vehicle life may be 8 years.
- 7.5. The body of the vehicle (meaning the tray, pan or taut liner box) maybe transferred from one vehicle to another, only once, provided it meets the vehicle specification in Annex A, and its appearance is in a condition acceptable to management. If the body of the vehicle is transferred it must be re painted and repaired to the company's requirements at the contractor's expense. The decals will remain the responsibility of the company.
- 7.6. Irrespective of the age of the vehicle or body, where the vehicle or body deteriorates either in mechanical performance to the point where it is unreliable, or in appearance which cannot be satisfactorily rectified by repainting or panel repairs, the company may give the contractor two (2) months notice that it requires the vehicle or body to be changed.

8. Two Way Radio

- 8.1. Contractors shall permit and facilitate the installation of a two-way radio and equipment in their vehicle. Such two way radio and equipment shall remain the property of the company but the contractor shall exercise a duty care to ensure the security and protection of the said radio and equipment.
- 8.2. Contractors shall be liable for repairs or replacement of radio or equipment lost or damaged as a consequence of the attributable negligence of the contractor.
- 8.3. Otherwise, maintenance and repairs to the radio and equipment shall be the responsibility of the company.
- 8.4. The two-way radio shall be operated strictly in accordance with the procedures laid down by the company, and only for the purposes of transacting the business of the company.
- 8.5. Upon ceasing to undertake work for the company the contractor shall immediately permit and facilitate the removal of the said radio and equipment by the company, at no cost to the contractor. In these circumstances the company will ensure that bodywork is made good.
- 8.6. Radios to be installed at company's time and expense by a qualified technician.

9. Codes of Conduct

- 9.1. The codes of conduct are contained in Annex A herein.

10. Union Membership

- 10.1. Contractors are encouraged by the company to consider making application to become financial members of the Transport Workers' Union of Australia.

11. Workers Compensation for Incorporated Contract Drivers

- 11.1 All incorporated contractors are required by law to have their own personal current workers compensation policy for their business. The premium for this policy will be reimbursed by the company as specified in Annex A.

12. Outside Operators

- 12.1 Riteway Express will cooperate with the TWU in addressing matters of non compliance with legal awards and agreements where this is an issue with companies that provide contractors to Riteway Express.

13. Permanence

- 13.1 The number of contractors employed at any time is at the sole discretion of the company. Any new contractor will be employed for a probationary period of not less than 13 weeks. Where performance related issues are identified and counselling has ensued, the probationary period may be extended by an additional month by mutual consent. Nothing in this clause detracts from the company's sole discretion to discontinue employment during the course of or at the end of the probationary period on the basis of performance.
- 13.2 Any offer to a casual contractor to become a permanent will be at the sole discretion of the company. The company is entitled to employ such contractors as it requires, provided that outside-carriers comply in full with the provisions of this agreement.

14. Sale of Vehicle With Work

- 14.1 During the period of this agreement, only contractors as specified in Annex A herein are permitted to offer their vehicle for sale with goodwill to a person approved by the company on the following terms and conditions;
- 14.1.1 The company will have the first right of refusal to purchase the vehicle in accordance with this clause.
- 14.1.2 The value of the vehicle will be determined by the average of three quotes from reputable motor vehicle dealers. If the variation between the lowest and highest quote is more than 15%, or if the company believes the quotes to be unreasonable, then the company may obtain alternative quotes directly from other dealers.
- 14.1.3 The run may be sold for a premium fixed at a maximum of TWENTY THOUSAND DOLLARS (\$20,000).
- 14.1.4 The new contractor may need to spend two full working weeks with the retiring contractor during his induction. Only (1) labour rate in addition to the vehicle rebate will be paid during the two-week induction period.
- 14.1.5 The new contractor acknowledges that he/she understands that the probationary period shall be of no less than thirteen (13) weeks, and if he/she is not found to be suitable, he/she shall dispose of the vehicle on the same terms and conditions as purchased within two (2) months of the notification date whereby termination of the probationary contract shall occur.
- 14.1.6 The new contractor and the retiring contractor acknowledge that the monies paid in respect of transfer are as per this agreement and in the event that any additional money is paid above this agreement, then the new contractor will be terminated and the company shall seek to recover such additional monies from the retired contractor by way of liquidated damages for breach of this agreement.

15. Conversion to Company Fleet

- 15.1 In the event that the company wishes to convert all or any number of contractor position(s) to a company position(s) it shall do so by giving 3 months notice to the yard of its intention to do so. Contractors may volunteer to accept conversion and remain with the company as an employed driver if acceptable. In the event that the number of volunteers exceeds the positions to be converted, preference will be given by order of seniority. In the event that there are no or insufficient volunteers, conversion will be determined by last on first off principle, with the converted contractor at the sole discretion of the company been given the option of remaining with the company as an employed driver.
- 15.2 The price payable for conversion will be fixed at TWENTY THOUSAND DOLLARS (\$20, 000), and is only offered to those drivers as specified in Annex A herein.
- 15.3 A contractor who volunteers or who is directed to convert to a company driver will be able to sell his vehicle to the company.
- 15.4 If the company wishes to retain his or her vehicle then the purchase price will be determined by the average of three quotes from reputable motor vehicle dealers. If the variation between the lowest and highest quote is more than 15% or if the company believes the quotes to be unreasonable, then the company may obtain alternative quotes directly from other dealers.
- 15.5 If the company does not wish to retain the vehicle then it will still offer to purchase the vehicle at its trade-in value. The company may then use the vehicle as a trade-in for a new replacement vehicle.
- 15.6 The contractor will have the option to sell the vehicle privately if they believe they can obtain a better price than what the company is offering. The sale of the vehicle must be transacted within a period of two months from notification of the company's intention.
- 15.7 If a contractor converts within the first year of having purchased a new vehicle, an additional payment will be paid above the normal conditions. This additional payment is to recognise the accelerated depreciation that may occur during the first year after purchase.
- 15.8 The payment is based on a set percentage of the difference between the purchase price and the established market price at the date of conversion, as opposed to the date of notice of conversion. The percentage that will apply is as follows:
 - A vehicle up to six months old - the payment is 100% of the difference;
 - A vehicle over six months and up to twelve months old - payment is 50% of the difference;
- 15.9 Conversion to company fleet does not constitute redundancy.

16. Responsibilities of Contractors

- 16.1 Contractors shall be available for work at the time and place determined on all days, Monday to Friday inclusive not declared as Public Holidays.
- 16.2 Upon attending for work, contractors shall locate and load freight allocated to them and shall check all freight against freight documents prior to leaving the depot. Any discrepancies shall be reported to the person in charge prior to leaving the depot. Contractors shall be responsible for any discrepancies not so reported.
- 16.3 Contractors shall properly maintain the delivery sheet, including obtaining a legible and identifiable signature for all deliveries effected, and notations relating to the time of delivery, and particulars of any claim of discrepancies. These notations shall be made also on the delivery consignment notes. All delivery sheets and other documentation shall be handed in to the person in charge, on the return to the Depot of the contract carrier. All parcels signed for by the contractor shall be received, loaded on to the vehicle with appropriate care, recorded on the pick up sheet, and checked off on return to the depot. Both the delivery and pick up sheets must be handed in prior to the contractor leaving the depot

premises at the end of the workday. The company and the union will discuss and agree on a method for the implementation of a computerised freight management system (FMS).

- 16.4 It is the responsibility of the contract driver to ensure the security and protection of goods in the vehicle at all times. Whilst engaged in deliveries and pick-ups the vehicle shall be locked. For this purpose the company shall provide locks at no cost to the contractor.
- 16.5 On returning to the depot the contractor shall unload the vehicle and assist by the checking of the freight against the freight notes and place his freight on the conveyor system. In the event of a breakdown of the conveyor system the contractor is to assist in carrying and wheeling freight to or from the relevant interstate/intrastate vehicles. Each contractor shall 'check weigh' and 'check cube', as a minimum, an average of three consignments per day over the course of a week.
- 16.6 The contractor shall undertake all contracts of carriage directed by the company with diligence and despatch. The contractor shall behave with civility towards clients of the company. The contractor shall not unnecessarily delay either the delivery of goods, nor the return to depot for unloading. Any occasions of delay beyond the control of the contractor shall be reported to the company. The contractor shall advise the company immediately if a pick-up or delivery cannot be effected for any reason.
- 16.7 The contractor shall observe any proper directions given to them by the company. Prior to leaving the delivery area, the contractor shall notify the radio controller of the company.
- 16.8 The contractors will attend to cubing and check weighing of freight as much as is reasonably practical and in accordance with the company programmes introduced or in force from time to time.
- 16.9 The company has the right to search any contractor's vehicles leaving the yard. The contractor has the right to ask for the presence of a union delegate or, in the absence of a delegate, an independent member of the union to be present during the search.
- 16.10 Should a contractor be unable to effect a pick up or delivery they shall advise the vehicle controller immediately thus allowing sufficient time for another vehicle to effect the pick up or delivery or for alternative arrangements to be made.
- 16.11 Contractors shall not cease work without notifying the vehicle controller. If unavailable for work, contractors shall advise the fleet controller or a supervisor prior to the start time, as specified in Annex A, on the day or days of being so unavailable.
- 16.12 If a contractor's vehicle is taken out of service due to accident or mechanical repair, then the contractor driver will be required to supply a suitable replacement vehicle (hire if required) to perform the regular daily duties at the contractor's own cost, until the vehicle is returned to service.
- 16.13 Contractors are to ensure that all procedures are followed as detailed in the pick-up and delivery (PUD) drivers manual. This manual provides an outline of the procedures in picking up and delivering freight together with supporting information on dangerous goods, and accident and breakdown procedures. The company will provide the PUD driver's manual to all contractors.

17. Settlement of Disputes

- 17.1 It is agreed that in the event or need for interpretation or definition of a particular clause in this Agreement or alternatively in the event of a dispute arising relative to the general operation of this Agreement, then the following procedure will be adopted:-
 - 17.1.1 The matter should first be discussed at the workplace level between the contractor and relevant management and where requested, a delegate.
 - 17.1.2 If the matter is not settled, discussions shall occur between the appropriate union official, a delegate and management.

- 17.1.3 If the matter is still not settled, it shall be discussed between the Branch Secretary (or nominee) of the union and the company. At each discussion, other company and union representatives may be in attendance as required.
- 17.1.4 If the matter is still not settled, it shall be submitted to the Industrial Relations Commission of NSW for conciliation and then if necessary, where there is no likely-hood that within a reasonable period further conciliation will result in agreement, arbitrate the matter.
- 17.1.5 The Industrial Relations Commission of NSW may make a determination, which subject to the rights of appeal, is to be binding on the parties. During the period of dispute, work is to continue as directed by the company subject to an employee's rights regarding health and safety issues according to the *Industrial Relations Act*.

18. Annual Leave and Public Holidays

- 18.1 Contractors shall be entitled to annual leave, as provided in Annex A and may be required by the company to take such leave, on a roster determined by the company, having regard where possible to the preferences of the contractors. Contractors shall be entitled to payment of public holidays at the rates contained in Annex A. Eight sick days and one Union Picnic Day are included in the rates contained in Annex A.
- 18.2 Any other leave taken by the contractor shall be taken with the approval of the company and shall be unpaid leave.

19. Kilometre Rates

- 19.1 Contractors who normally travel more than 100 km per day from depot to depot whilst engaged on company work are to provide start and finish odometer readings on bundy cards for payment as specified in clause 18 of Annex A. Audit checks of such readings may occur.

20. Painting of Vehicles

- 20.1 The company may require the contractor to paint his vehicle, to repair damaged or inadequate paint work, or to maintain the suitable presentation of the contractor's vehicle.
- 20.2 In any other instance, including to restore the paint work after removal of signs affixed by the company, the company may direct the contractor to make his vehicle available, and shall paint only the areas effected by the Riteway decals and Riteway paint work at the expense of the company. This will be done so as not to prejudice the resale price of the vehicle. The company will not repaint the entire vehicle as new.

21. Redundancy

- 21.1 In the event that the company seeks to make redundant all or any number of contractor position(s) the following will apply.
- 21.1.1 Contractors may volunteer to accept redundancy, however in the event that the number of volunteers exceed the positions to be made redundant, preference will be given by order of seniority. In the event that there are no or insufficient volunteers, redundancy will be determined by last on first off principle.
- 21.1.2 Redundancy payments to Contractors will be in accordance with TNT Australia Pty Limited redundancy arrangements applicable at the time of the Contractor's redundancy occurring.

22. Insurance and Licences

- 22.1 The contractor must have the following insurance policies:-

- 22.1.1 Comprehensive vehicle insurance
 - 22.1.2 Sickness and Accident
 - 22.1.3 Public liability. (Cover \$5,000,000.)
 - 22.1.4 Dangerous goods insurance. (\$2,500,000 per event/per spill)
 - 22.1.5 Current drivers licence for relevant Class of vehicle.
- 22.2 Contractors will be asked to show documentation and provide copies of all current policies and licence to be kept on company file.

23. GST

- 23.1 From 1 July 2000, only contractors with an Australian Business Number (ABN) will be eligible for employment by the company.
- 23.2 Contractors also agree to a system of 'Recipient Created Invoices' where the company will issue each driver with a tax compliant invoice each week.

This Agreement Is Binding Upon Riteway Transport Pty Ltd (The Employer), All Contract Drivers Employed By The Employer, And The Transport Workers' Union Of Australia (New South Wales).

Signed for and on behalf of
Riteway Transport Pty Ltd

In the presence of:

Signed for and on behalf of
the Transport Workers' Union
of Australia (New South Wales)

In the presence of:

Annex A

1. TWU

New South Wales

2 Effective Date

From March 2002

3. Rates Clause 1

Effective 1 March 2002

<u>Class</u>	<u>Per 5 Day Working Week</u>
A	\$1553.58
C	\$1686.87
CT	\$1713.77
D	\$1823.28
DT	\$1849.83

4. Salary Formula

A contractor's salary will consist of a labour component and a component for the fixed and running costs of their vehicle.

(i) Labour: The labour component will be calculated as follows:

- | | |
|----------------------------|--|
| (a) Annual Leave | 160 hours @ ordinary time plus 25% loading |
| (b) 10 public holidays | 80 hours @ ordinary time |
| (c) Union Picnic Day | 8 hours @ ordinary time |
| (d) Long Service Leave | 13/15 x 40 x ordinary time rate |
| (e) 8 days Sick Leave | 64 hours @ ordinary time |
| (f) 44.4 weeks - 11 hours@ | |

222 x 8 x ordinary rate

222 x 2 x time and one half

222 x double time

The ordinary time rate is \$14.986. Current Labour component for all classes is \$49,086.71 that represents the following percentages of contract driver's total earnings:

A	60.76
C	55.96
CT	55.08
D	51.77
DT	51.03

(i) Fixed Vehicle Component:

The non labour portion of the contract carriers earnings will be varied according to the movement in a basket of costs with different weighting's and will be reviewed on the 1 April each year. The basket of costs will be based on those for a Class C vehicle and the resultant percentage movements applied to the other classes.

COST TYPE	EXPLANATION	2002 B/MARK	WEIGHTING (% of total variable & fixed costs)
VARIABLE RUNNING COSTS			
Fuel	23000 km per year travelled @ 4.5km/litre = 5111 litres/year. The cost per litre is the ave. of the Caltex price over the previous 12 months.	88.03c/litre Based on a 12 mth average (\$4,499)	11.68%
Oil	60 litres per year. Source: FleetServe Valvaline Diesel Extra	\$4.02 per litre (\$241)	0.62%
Tyres	Tyre life 23.000km, therefore 6 tyres per year. Source: Bridgestone 11R22.5 16 R285	\$328.20 per tyre (\$1969)	5.11%
Repairs & Maintenance	Percentage movement measured by Movement in cost of part at attached schedule.	\$7,391	19.19%

FIXED COSTS			
Registration & third party insurance	Source: An average of three Class C Contract drivers	\$1,499	3.89%
Comprehensive Insurance	Source: 3% of value of the truck. Movements to be taken from an average of three Contract drivers.	\$3,300	8.57%
Accident & Sickness insurance	Source:TCIS 3.5/\$100/week	\$1,615	4.19%
Public liability and DG's insurance	Source:TCIS 5mil public liability & 2.5mil DG's	\$376	0.97%
Administration	Adjustment will be made in line with movements in the CPI	\$4,065	10.55%
Leasing costs and return	Source: City Hino - Ranger 6 Long Homealloy for body (Total price \$68,587) Interest rate: prime rate MESI, March 2002 - 8%. Five years with 30% residual.	\$13,548	35.18%
TOTAL			100%

5. Hours - Clause 3

- 3. (A), (B), (C), (D) 11 hours
- 3. (E) 1/2 hour

6. Starting Time - Clause 5

- (ii) Starting time 7.00 am unless otherwise agreed.

7. Vehicle Type

As contract drivers replace their truck, they will be required to purchase a vehicle with the following characteristics:

Characteristic	Pantec	Taut Liner
Carrying Capacity	5 to 6 tonne	5 to 6 tonne
Box Dimension	2.40w x 2.30h x 5.51 meters	2.4w x 2.35h x 6.11 meters
Rear Doors	Double Barn	Double Barn
Side Doors	Double Barn (a pallet width each)	N/A
Floor	Steel Checkerplate, min 3mm	Steel Checkerplate, min 3 mm
Colour	White cabin and box	White cabin and grey curtains
Other		Wire Mesh Gates

8. Workers Compensation Allowance

The maximum allowance for any class of incorporated contract driver is \$3926.00 Contract drivers will be reimbursed upon the production of an invoice. Any increase in premiums as a result of a claim for an injury sustained whilst not engaged in work for Riteway Transport, will not be passed on.

9. Sale of Vehicle With Work - Clause 13

- (i) The value of the vehicle determined by the average of three quotes from reputable motor vehicle dealers, provided that if the variation between the lowest and highest quote is more than 15%, or if the company believes the quotes to be unreasonable, then the company may obtain alternative quotes directly from other dealers.
- (ii) A premium fixed at TWENTY THOUSAND DOLLARS (\$20,000)

(iii) Sydney Contractors able to sell their vehicle with work (in descending order of seniority)

1. Clarrie Gibbs
2. Dave Mayhew
3. Sid Mercer
4. Geoff Scott
5. Clark Abdul
6. Eddie Lester
7. Norm Freeman
8. Steve Petrovski
9. Terry Cook

(iii) Sydney Contractors Able to Sell Their Vehicle With Work (in Descending Order of Seniority) - Continued

10. Tony Camilleri
11. Doug Knight
12. Robert Edwards
13. Richard Orr
14. John Salim
15. Jim Zanetti
16. Ian Bevan
17. Andrew Bayliss
18. Paul Durrant
19. Mohamad D'Bouk
20. Hosam Itani
21. Wayne Bell
22. Phu Luc Nguyen
23. Khalil Salim
24. Georges Eid
25. Rocco Violi
26. Steve Roccon
27. Mohamad Younes

- 28. Ibrahim Nasser
- (iv) Sydney Contractors NOT able to sell their vehicle with work (in descending order of seniority)
 - 1. Steve Lester
 - 2. Sean Ison
 - 3. Andrew Ball
 - 4. Anthony Karcz

11. Annual Leave and Public Holidays - Clause 17

<u>Class</u>	<u>Daily Rates</u>
A	\$ 310.71
C	\$ 337.37
CT	\$ 342.75
D	\$ 364.75
DT	\$ 369.96

12. Fuel Allowance - Clause 18

2.5 litres of fuel for each four and one half kilometres of travel certified over and above 100 kilometres each day. The price of a litre of fuel will be determined by the going monthly rate available throughout the Company issued Caltex "Star Card".

Code Of Conduct For Contract Drivers And Employees

Vehicle Cleanliness

(1) Contract Drivers.

Contract drivers must present their vehicles in a clean and/or washed condition at the beginning of the working week. A Driver failing to do so may be required, in their own time, to go and clean their vehicle before commencing work.

(2) Company Drivers.

Whilst the company will be responsible for washing the vehicle, company drivers must keep the cabins clean and remove all rubbish when they have finished driving a vehicle for the day.

Driver Presentation

- (i) Drivers shall be issued with uniforms, provided by the Company at no cost to the driver.
- (ii) Subject to fair wear and tear, the Company as required shall replace such uniform items.
- (iii) Drivers must wear such uniforms whilst undertaking work for the Company. Uniforms must be maintained in a clean and pressed condition, and minor repairs shall be effected by the driver.
- (iv) The company may require drivers to return unworthy items to the Company at the time of replacement; the Company, at its discretion, may use these returned items to replace damaged items or uniforms during the currency of any issue for short engagement period.
- (v) Singlets, tracksuit pants, football shorts, or any other variations of the company uniform are not to be worn whilst engaging in deliveries and pick-ups.

- (vi) Non company issued accessories, such as gloves, hats and scarfs, should be unbranded (no logos) and neutral in colour, but preferably in Riteway corporate colours (black, grey, red or white). Accessories deemed inappropriate by the company will be asked to be removed.

Leave Policy

Planned annual leave and RDO's will not be permitted from 1 November to 26 December each year. Only under special circumstances and at the approval of the General Manager will this be allowed (ie weddings, honeymoons).

Contract drivers and employees should not accrue annual leave in order to plan holidays longer than four weeks in duration. Only in special circumstances and with the approval of the General Manager will a contract driver or employee be able to take more than four weeks consecutive annual leave.

Contract drivers are able to take single annual leave days off for pre planned engagements ie visit to an accountant or specialist appointment, using annual leave provided that:

1. It is at a time suitable to the company and,
2. a minimum of seven days prior notice is given.

Sick days will not be paid as annual leave.

Only under special circumstances, and at the approval of the General Manager, will these conditions be varied i.e. a driver who misses more than eight consecutive work days through illness.

Smoking Policy

Contract drivers and employees are not permitted to smoke in any building inclusive of the raised dock area, lunchrooms and toilets. Smoking is prohibited in company vehicles and on forklifts. Drivers must also remember to observe customer's smoking policies when picking up or delivering freight.

Suspension of Driving Licence

Any contract driver or employee who has their driving licence suspended or cancelled, is to inform the fleet controller immediately.

Rubbish Policy

Contract drivers and employees are requested to place rubbish in the receptacles provided and not leave rubbish around the yard. This includes leaving discarded paperwork in the lunchroom and sweeping vehicles out on to the dock.

Speed Limit

The maximum speed limit in the depot is 10 km/hr. All vehicles entering the depot are required to stop at the gate house (regardless of whether there is a security guard in attendance) before proceeding into the yard.

Forklift Ramp

Pedestrian use of the fork lift ramp on the North-Eastern side of the depot is forbidden.

Truck Wash

The truck wash is not to be used to wash out the residue from any liquid spills.

Safety Vests

Safety vests are required to be worn by any contract driver or employee in the yard or on the dock to the North of the freight office other than on the designated walkways.

Disciplinary Policy

On proven issues of a serious discipline nature the company reserves the right to take disciplinary action and/or terminate employment with or without notice. Serious discipline issues are considered to be, but not limited to:

- (i) Wilful misconduct, overstating times or evidence or falsification of documents to the Company.
- (ii) Disclosure of confidential information (ACCC breaches).
- (iii) Consuming illegal drugs or intoxicating liquor between bundying on and bundying off .
- (v) Failure to properly secure the vehicle and to keep locked all vehicle doors giving access to goods therein.
- (vi) Verbal and physical acts of aggression, harassment or discrimination to Riteway personnel, or that of its clients
- (vii) Theft of Riteway or its customers' property, equipment or freight.
- (viii) Wilful damage of freight.
- (ix) Wilful damage of Riteway, or its employee's property and/or equipment, including defacing by graffiti.
- (x) Failure to carry out a reasonable management direction.

Verbal and written warnings may be used to counsel contract drivers and employees displaying poor performance or disregard of the yard rules or any other policy as periodically issued. Failure to respond to such warnings may lead to the termination of the driver or employee from the company.

APPENDIX 1

To Salary Determination

VEHICLE PARTS SCHEDULE

Parts schedule was based on the prices provided by Fleet Serve Pty Ltd 62 Hume Highway, Chullora, March 2002

	Part Description		Part/Model/Number	Unit Cost	Fitting time	
Motor	engine	full rebuild	JOBC			
		hose	Top	9001-5474	48.53	.5
		hose	Bottom	9001-54877	93.74	.5
		Fan belt	Set	9001-49290	39.65	.5
		Starter Motor		28100-2327	820.00	1
		Alternator		27040-1952	810.00	1
		Water Pump		16100-3465	608.48	3
		Flasher Can		81980-1690	101.32	.5
		Muffler (main)		17501-5470	550.00	1
	Front Axle	(bearing set)	Front axle	9884-50103(2)	55.36	2
		Rear axle	9884-35120(2)	31.23	2	
		Seal	9828-01137(2)	8.11	2	
Brake linings	One side	Front axle	47441-7790(2)	98.00	2	
	One side	Front axle	47443-2480(4)	98.00	3	
Brake drums	One side	Front	43512-3331	350.14	3	

	One side	Rear	43512-4190	253.76	3
clutch	Plate		31250-5340	691.00	5
	Pressure plate		31210-2621	Complete	7
	Thrust bearing		31242-1210		7
Gear box		New	CS-33050-1870	8750.00	
Differential		new	41120-1980	4780.00	
Services					
Air cleaner outer		1pa	17801-2280M	64.05	
Air cleaner inner		1pa	17801-2840M	27.82	3
Fuel filter-tank		3pa	23401-1440	54.84	
Fuel filter pump		3pa	23401-1510	21.84	
Oil filter		3pa	15607-2050	60.27	
labour				52.00/hr	

Cost of Parts	\$18,416	(33%)
Labour	\$37,390	(67%)
Total Cost	\$55,806	(100%)

Note: The ratio of 33% parts and 67% labour will be used to calculate movements in R & M.