# REGISTER OF CONTRACT AGREEMENTS



CONTRACT AGREEMENT NO: CA97/6

TITLE: K & S Integrated Distribution Sydney Contract Carriers Contract

Agreement 1997

I.R.C. NO: 97/2818

DATE APPROVED/COMMENCEMENT: Approved and commenced from the first pay period on

or after 12 June 1997

TERM: 12 months

**NEW AGREEMENT OR** 

VARIATION: New

**GAZETTAL REFERENCE:** 

DATE TERMINATED:

NUMBER OF PAGES: 18

COVERAGE/DESCRIPTION OF

**EMPLOYEES:** To apply to Contract Carriers at the Company's Sydney locations

PARTIES: K & S Integrated Distribution Pty Ltd -&- Transport Workers' Union of Australia, New

South Wales Branch

# K&S INTEGRATED DISTRIBUTION SYDNEY CONTRACT CARRIERS CONTRACT AGREEMENT 1997

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CLAUSE NO:

# ARRANGEMENT PART A

SUBJECT	CLAUSE NO
	1
Title	
Definitions	2 3
Interpretation	4
Relationship to Parent Award	5
Cartage	6
Area, Incidence & Parties Bound	7
Incorporation	
Existing Core Fleet	8a 8b
Probationary Period	8c
Superannuation	8d
Workers Compensation	9
Date and Period of Operation	
Availability	10
Improvements to Work Practices & Operational Efficiency Procedures	11
Performance Indicators	12
Appearance	13a
Truck Painting	13b
Training	14
Meals	15
Cartage Account Payment	16
Termination of Engagement	17a
Suspension of Contract of Engagement	1 <i>7</i> b
Assignment of Contract of Engagement	18
Dispute Resolution Procedure	19
Implementation of Enterprise Bargaining Agreement	20
No Extra Claims	21
Relationship	22
Not to be Used as a Precedent	23

# PART B CARTAGE RATES

PART A



#### 1. TITLE

This agreement shall be known as the "K&S Integrated Distribution Sydney Contract Carriers Contract agreement 1997."

#### 2. DEFINITIONS

Company shall mean K&S Intergrated Distribution Pty Ltd (ACN 004550 332).

Contract Carrier shall mean a person, partnership or incorporated body who enters into CA97.

CA 97 shall mean this Agreement between K&S Integrated Distribution Pty Ltd and its Contract Carriers and known as the K&S Integrated Distribution Sydney Contract Carriers Contract Agreement 1997.

The Determination shall mean the Transport Industry - General Carriers Contract Determination.

Union shall mean the Transport Workers Union of Australia (NSW) branch its Officers and Members.

#### 3. INTERPRETATION

Words importing the singular number shall include the plural & words importing the plural number shall include the singular number.

The masculine gender shall include the feminine & neuter genders.

#### 4. RELATIONSHIP TO PARENT DETERMINATION

a) The Transport Industry General Carriers Contract Determination shall be referred to hereinafter as the "Determination" and the K&S Integrated Distribution - Sydney Contract Contract Agreement 1997 shall be referred hereinafter as CA 97.

b) The Transport Industry General Carriers Contract Determination shall apply to the operations (as defined in that Determination) of K&S Integrated Distribution (Sydney) save and except for those matters dealt within CA 97.

Where the terms of CA 97 and the terms of the Transport Industry General Carriers Contract Determination are in conflict, the terms of CA 97 shall prevail. Should the Determination be varied during the term of CA 97 such that the Company may perceive that adoption of such variation or variations will provide the Companies business then such variation or variations will prevail over the relevant terms of the CA 97.

CA 97 shall not be interpreted so as to reduce the productivity, efficiency or flexibility of working arrangements or conditions prescribed within the Determination.

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d) The parties recognise the rights and responsibilities of management to arrange work within the Determination as modified by CA 97 in the best interests of the business and customer service.

#### 5. CARTAGE

a) CA 97, in so far as it fixes rates, is made by reference to PART B, Cartage Rates Schedule 1, herein.

#### b) Start and Finishing Locations.

The implementation of such variation will be initiated in consultation with the Consultative Committee. Such variations, to be limited to no more than one (1) per week.

The Company may vary the starting and/or finishing locations of a contract carrier from a contract carriers designated starting and finishing location.

It is agreed by all parties that remuneration for any additional related work value is covered by the CA97 allowance in PART B, CARTAGE RATES SCHEDULE 1, herein, provide at least 12 hour prior notice of such is provided to the contract carrier by the Company.

#### 6. AREA, INCIDENCE AND PARTIES BOUND

CA97 shall be binding on the Transport Workers Union of Australia (NSW Branch), its officers and members, the Contract Carriers of K&S Integrated Distribution Pty Ltd engaged at K&S Integrated Distribution Sydney locations who are required to provide cartage services for K&S Integrated Distribution Pty Ltd (ACN 004 550 332).



During the life of CA97, compliance with the Company's Incorporation requirement, relating to all existing Core Fleet Contract Carriers ("permanent & Casual") will be at each carrier's option.

Should any existing Core Fleet Contract Carrier wish to exercise his option to Incorporate he may do so by providing the Company with the following documentation for inspection:

- 1. Incorporation Certificate
- 2. Australian Company Number
- 3. Workers Compensation Policy

From the date of receipt of the above the Company will pay to the Contract Carrier the "Incorporation Rates" as contained in Schedule 1. herein. Incorporation rates may be subject to further negotiations.

The Company and its contract carriers shall enter into meaningful negotiations within the first half of 1997, with a view to compliance with the Companies Corporate Policy relating to Incorporation.

### 8 (a) EXISTING CORE FLEET

TREVOR ROWLANDS - B/D PRIME MOVER

BRIAN PARKES B/D PRIME MOVER

NICK SOLOTWA - B/D PRIME MOVER

RAY ANJOUL 1 TONNE VAN

PAUL HUNT B/D PRIME MOVER & TRAILER

BARRY NIX S/D PRIME MOVER

# (b) PROBATIONARY PERIOD

Other than all existing Core Fleet Contract Carriers, all contract carriers that are invited to operate with the Company will be required to complete a Probationary Period. The Probationary Period will be not less than forty five days of work performed by the Contract carrier for the Company. During the Probationary Period the Company will pay the Contract Carrier cartage rates in accordance with the General Carriers Contract Determination.

The Probationary Period is necessary so that the Company can familiarise the Contract Carrier with the K&S Integrated Distribution work procedures & practices.

### (c) SUPERANNUATION

The company will comply with its legal obligations in accordance with the Superannuation Guarantee Legislation and Transport Worker Superannuation Award.

### (d) WORKERS COMPENSATION

The Company will comply with its legal obligations in accordance with the Workers Compensation Act.



# 9. DATE AND PERIOD OF OPERATION

CA97 shall come into force from the first full pay period which commences on or after the date of registration by the Industrial Relations Commission of NSW and shall remain in force for a period of twelve months from that date.

#### 10. AVAILABILITY

While the Carrier acknowledges that The Company makes no guarantee or is under any obligations as to the quantity of work available, each Core Fleet Contract Carrier warrants that it will provide The Company first preference for its services.

The Company warrants to provide its existing Core Fleet Contract Carriers with first preference of the available work according to vehicle carrying capacity, first to permanent core fleet, then to casual core fleet.

# 11. IMPROVEMENT TO WORK PRACTICES AND OPERATIONAL EFFICIENCY PROCEDURES

It is recognised and agreed by all parties that to remain competitive there will be an on-going need to continuously improve systems, procedures and work practices.

It has been agreed to progressively define practices to be adopted and to implement them with consultation as they become relevant. It is agreed that practices should be defined so as to enable rather than limit opportunities for improved flexibility, efficiency and productivity or quality of working life for Contract Carriers.

The following procedures set out in the Company manuals are to be adhered to, monitored and improved upon where possible.



# (a) Safe working Practices and Injury Reduction

Through the Safety Awareness Program all Contract Carriers will understand and acknowledge their duty of care to themselves and each other and be committed to ensure a safe working environment to eliminate all injuries and accidents.

# (b) Safety Checks on Truck And Forklifts.

Each Contract Carrier will ensure that his vehicle is in a safe & roadworthy condition at all times by performing daily vehicle safety checks.

### (c) Safe Handling and Stowage.

The commitment of all contract carriers is required to handle all freight safely including complying with Dangerous Goods Acts and Codes and including all requirements to safely load, unload and handle all freight.

#### (e) Pallet Control.

As pallet loss continues to be a problem. All contract carriers are required to adhere to the pallet procedure and to work conscientiously to protect the Company's interests.

# (f) Security of Freight in Depot and on vehicles.

In addition to Clause 18 of the Determination The Company and contract carriers are responsible for the care and security of freight whilst in their control. Contract carriers agree to acknowledge this duty of care and act accordingly.

Procedures and codes of conduct have been or will be documented and agreed to in consultation with the Consultative Committee and contract carriers. Procedures and codes will be detailed in the Operating Manual. Any unresolved difficulties will be addressed through the Disputes resolution procedure Clause 19 of CA97, herein.

# (g) Introduced Technology

It is accepted that technological change will continue to take place and recognised by all parties that introduced technologies will play a vital role in keeping the business competitive and assisting future security of engagement.

These technologies may include but may not be limited to computerised vehicle scheduling, EDI (electronic data interchage), in-cab terminals barcoding and vehicle positioning.

It has been agreed to define practices to be adopted and equipment used (including specialised equipment) and to implement them with consultation and training where necessary as they become relevant.



It is agreed by all parties that remuneration for any addition to work value through introduced technology is covered by the CA97 allowance in PART B MONETARY RATES - TABLE 1 - WAGES, hereof.

# 12. PERFORMANCE INDICATORS

The parties commit themselves to a process of continuous improvement and see performance indicators and performance standards as a means of measuring what has been achieved and the need for further improvements. The primary role of performance indicators is to assist in the attainment of corporate goals in the interest of the Contractors, customers and The Company in improving competitiveness, security of engagement and the quality of service.

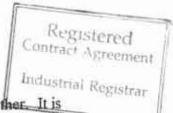
Performance indicators are to be developed with reference to clearly articulated objectives. These objectives will be developed through a consultative process and will be subject to periodic review.

It is recognised that performance indicators are not an end in themselves but are a means of identifying trends and efficiency against Best Practice benchmarks. They enable the identification of areas where there is potential for further improvements.

To date the parties have identified the following critical success factors and corresponding performance indicators and relevant performance measures;

CRITICAL SUCCESS FACTOR	PERFORMANCE INDICATOR	PERFORMANCE MEASURE
1. Quality	Customer Satisfaction	<ul> <li>Level of customer complaints.</li> <li>On time delivery</li> <li>Service reliability</li> <li>Documentation</li> <li>Loss/Damage to goods &amp; equipment, e.g. pallets</li> </ul>
2. Work Environment	OH&S Performance	Implementation of OH&S policy & standards & procedures     Reducing lost time through accident/injury
3. Labour Resources	Absenteeism (includes sick leave, industrial stoppage and other unauthorised unpaid absence)	Absentee hours as % ordinary hours     Reducing incidence of unauthorised absence from work.
4. Physical Output	to be determined	Vehicle turnaround.     to be determined

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At this stage these key issues have been identified and will be developed further. It is intended that targets will be set and measured to determine productivity performance improvements. The definite intention of the parties is that there be a direct link developed between these indicators or similar and incentive bonus remuneration is to be an outcome.

#### 13 (a) APPEARANCE

When contracting for the Company the Contract Carriers will wear clean, company provided uniforms. A Carrier's vehicle appearance will be maintained at a standard acceptable to the company.

#### (b) TRUCK PAINTING

While it is the Companies Corporate Policy to ensure that all vehicles operating for K&S Integrated Distribution are painted in it's corporate livery this will not apply to existing Core Fleet Contract Carriers during the life of CA97.

Should a Core Fleet Contract Carrier wish to replace his vehicle or the Company wishes to increase the size of its Core Fleet it will be necessary that Carrier ensures that such vehicle is white in colour prior to entering service.

#### 14. TRAINING

The Company may provide training opportunities for contract carriers in accordance with the Company Training Policy.

A new contract carrier will be required to obtain and maintain any licences personal to the contract carrier necessary to perform the duties of engagement. These licences include but are not limited to licences to drive road vehicles and forklifts and dangerous goods licences.

For all contract carriers where the company agrees to provide the cost of training for portable skills such as obtaining or maintenance of licences or development personal to the contract carrier, this training shall be free to the contract carrier. In return contract carriers will be expected to provide their own time and commitment to undertake the training. Weekend training by mutual agreement.

The Company will provide each contract carrier with a one (1) hour training session, to be conducted immediately prior to the contract carriers scheduled starting time, specifically related to the operation and application of the DISPUTES RESOLUTION PROCEDURE (clause 19, hereof) and it is mandatory that each contract carrier attend such training sessions as scheduled by the Company. The Company shall provide each contract carrier with at least seven (7) days notice of the scheduled date and/or dates of the training session.

Where the Company requires contract carriers to undertake training specific to their engagement and development with the Company, this shall be provided free of charge to the contract carrier.

15. MEAL TIMES

Flexibility



In relation to flexibility of operation, timing of unpaid meal breaks, it has been agreed that existing custom and yard practice will be maintained in that breaks are to be taken within the working span as the availability of work dictates to enable continuity of work flow.

It is agreed that Clause 5 of the determination is varied to allow the taking of meal breaks at a convenient time to maximise productivity. In formalising this custom and practice, it is recognised by all parties that no retrospective or prospective liability arises in relation to this clause of the determination.

It has been agreed that contract carriers working away from the K&S Integrated Distribution depot in the period when the break falls due will anticipate the work flow at the customers premises so as to take the meal break at a time which is most advantageous to the vehicle achieving minimal lost time during loading/unloading or pickup/lodgement.

#### 16. CARTAGE ACCOUNT PAYMENT

In accordance with existing practice, cartage account payment may be by direct electronic funds transfer into a contract carriers nominated bank (or other financial institution) account, at the company's discretion

#### 17. TERMINATION OF ENGAGEMENT

a) The Company may terminate the Contract Of Engagement and thus the services of the contract carrier, by providing the contract carrier with reasonable written notice, of four (4) weeks to that effect.

The contract carrier may terminate the Contract Of Engagement and thus his services to the Company, by providing the Company with reasonable written notice, of four (4) weeks to that effect.

#### (b) Suspension of Contract of Engagement

A Contract Carrier involved in alleged misconduct such as fighting, drinking alcohol, steeling, unsafe practices or drug abuse may be suspended by the Company from his Contract of Engagement and thus his services as a Contract Carrier for a period of up to five working days from the time of the incident. If as a result of a management investigation, in conjunction with the consultative committee a Contract Carrier is cleared of blame for acts arising in the incident, such Contract Carrier will be reinstated with back pay covering the period of suspension.

Any unresolved difficulties will be resolved through the Disputes Resolution Registered Procedure, Clause 19 of CA97, herein.

tes Resolution Registered Contract Agreement Industrial Registrar

# 18. ASSIGNMENT OF CONTRACT AGREEMENT

It is agreed by all Parties that NO GOODWILL, either directly or indirectly is or maybe attributed to CA97 or any other agreement.

The assignment of the Contract Carriers Contract of Cartage to a third party by the Contract Carrier is prohibited by the CA97.

If a Contract Carrier is an incorporated body, the transfer of any share holding in the incorporated body will be deemed to be the provision by the Contract Carrier to the Company of notice to terminate the Contract Carrier's Contract of Engagement with the Company, with immediate effect.

#### 19. DISPUTE RESOLUTION PROCEDURE

The parties acknowledge their intent to address promptly and equitably any matter likely to lead to dispute in order to attain a resolution on site without the involvement of other parties so far as is reasonably and practicably possible. In order for this to occur, the following procedure will apply:

- (a) Subject to the New South Wales Industrial Relations Act 1996 (as amended) any dispute or claim whether any such dispute or claim arises out of the operation of this Agreement or not shall be settled in the undermentioned manner:
  - Step 1. Site procedures are followed (e.g.: conferences with member, delegate, local official and site management.
    - i.e. (i) The matter shall fist be discussed between the aggrieved Contract Carrier and their supervisor
      - (ii) if not settled the matter shall then be taken up by an accredited Union delegate with the manager concerned, or by the manager with the delegate;
      - (iii) at this stage, every effort will be made to resolve the matter calling on the assistance of, the Union organiser and Senior K&S Management as necessary.

Step 2. After 1 is completed there is a minimum 24 hour cooling off period where the status quo is retained.

where the status quo is retained.

- Step 3. During 2 there are conferences between divisional management of K&S and Branch Secretary of TWU or nominee.
- Step 4. After 3 is completed there is a further minimum 24 hour cooling off period where the status quo is retained.
- Step 5. During 4 there are conferences between national management of K&S and the Branch Secretary of TWU.
- Step 6. After 5 is completed there is a further minimum 24 hour cooling off period where the status quo is retained.
- Step 7. During 6 the matter is referred to the IRC of NSW. both parties will agree to the IRC's decisions.

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#### Status Quo

The Status quo is defined by the practices in place prior to the dispute. If the status quo position cannot be agreed upon then the procedure is fast tracked to IRC with a no interruption to normal work commitment given in the meantime.

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#### Exemptions To The Above Procedure

- Safety Issues As determined by the site OH&S Committee or the State OH&S Authorities.
- 2. ACTU or State Labour council disputes 48 hours notice will be given where possible.
- (b) Until the matter is determined and except in the case of a bona fide safety issue, work shall continue normally where it is agreed that there is an existing custom but, in other cases, the work shall continue as instructed by the employer.
- (c) A party shall not be prejudiced as to final settlement by the continuation of work in accordance with this clause.
- (d) Nothing contained in this clause shall prohibit the right of either party to apply to the Industrial Relations Commission.

# 20. IMPLEMENTATION OF THE AGREEMENT

It has been agreed that there will be no industrial action on the issues of CA97. Any disputed areas are to be resolved in accordance with Clause 19 Dispute Resolution Procedure, herein during the implementation of CA97.



#### 21. NO EXTRA CLAIMS

It is a condition of the Agreement that the Union undertakes not to pursue any extra claims, during the currency of the Agreement.

There will be no further increases of the labour component of the cartage rate during the life of CA97 except those stipulated in CA97. National and State Wage Case wage movements, or variations in the Determination, will not apply to Contract Carriers covered by CA97, except for variations in the Determination due solely to vehicle cost increases or decreases approved by the Industrial Relations Commission. As any such additional increases may reduce the competitiveness of Contract Carriers, it is incumbent on the Contract Carrier to continually pursue and have instigated any and all initiatives which will result in an offset of such additional costs to the Company.

#### 22. RELATIONSHIP

The Contract Carrier acknowledges that he/she will provide services as an independent contractor.

The Contract Carrier acknowledges that he/she is not an employee of the Company.

Nothing in CA97 constitutes a relationship of employer and employee, principal and agent, or partnership:-

(a) between the company and the Contract Carrier or

(b) between the company and any employees, agents or consultants of the Contract Carrier

The Contract Carrier acknowledges no guarantee of engagement or permanency and is free to accept or decline engagement when offered, subject to Clause 10 herein, to contract elsewhere and to employ persons to assist with contract.

The Contract Carrier acknowledges that CA97 does not give the Contract Carrier or his employees, agents or consultants authority to bind the company.

The Contract Carrier must not, and must ensure that his employer, agents or consultants do not, directly or indirectly, assume or create, or attempt to assume or create, any obligation in behalf of or in the name of the company.

The Contract Carrier acknowledges that the company is under no obligation in respect of, and that the Contract Carrier is responsible for, the payment of superannuation, workers compensation insurance or levy, taxation, holidays, annual leave, sick leave or long service leave in respect of each of his employees.

The Contract Carrier acknowledges that the engagement contains no good will component.



# 23. NOT TO BE USED AS A PRECEDENT

The Agreement shall not be used in any manner whatsoever to obtain similar benefits in any other branch of the company or a related company.

De A.

# K&S INTEGRATED DISTRIBUTION SYDNEY CONTRACT CARRIERS CONTRACT AGREEMENT 1997

#### CONTRACT AGREEMENT

It is agreed that the document titled "K&S Integrated Distribution Sydney Contract Carriers Contract Agreement 1997" has been discussed by the parties and is to be submitted to the NSW IRC for registration.

SIGNATORIES TO THE AGREEMENT	
Signed for and on behalf of Kos Integrated	Distribution Pty Ltd.
Manager Signature	STATE MANAGER - NSW. 18/02/97 Date
Contract Carriers	
J. Howlands	
In the presence of Witness  4. 4. 18/2/97	Carmbat. Position
Signed for and on behalf of Transport Wor Branch.	kers Union of Australia New South Wale
Advedutchins Signature	S.P. HUTCHI D.S. TWU State Secretary
In the presence of Witness	
St. Sallef	36/2/97

# PART B MONETARY RATES



# SCHEDULE 1 - CARTAGE RATES (GENERAL CARTAGE)

CARRYING CAPACITY	GCCD RATE 06.05.96	+15% LABOUR	INCORP. RATE
UNDER 2 TONNE	20.34	21.88	23.13
2 - 5 TONNE	19.39	20.98	22.23
5 - 8 TONNE	21.62	23.25	24.50
8 - 10 TONNE	27.51	29.14	30.39
10 - 12 TONNE	34.54	36.20	37.45
12 - 14 TONNE	42.15	43.89	45.14
14 TONNE & OVER	46.52	48.26	49.51
S/D PRIME MOVER	39.06	40.82	42.07
B/D PRIME MOVER	48.21	50.04	51.29
TRAILER ALLOWANCE	31.96	PER DAY	

NOTE: UNDER 2 TONNE RATES, THE RATE GIVEN RELATES TO A MAXIMUM OF 600 KILOMETERS PER WEEK.

KILOMETERS IN EXCESS WILL BE PAID AT THE RESPECTIVE RUNNING RATE AS PER THE GENERAL CARRIERS CONTRACT DETERMINATION.

B

JR,

#### CONTRACT AGREEMENT NO:



(Filed with the Industrial Register this 1996)

day of

THIS CONTRACT AGREEMENT is made on the pursuant to section 322 of the Industrial Relations Act 1996.

day of

BETWEEN:

K & S Integrated Distribution Pty Ltd - Sydney (herein called the Company) of the first part.

AND

THE TRANSPORT WORKER'S UNION OF AUSTRALIA, NEW SOUTH WALES BRANCH, (herein called the Union) on behalf of its members, the second part.

This Agreement is made on the day of ,1997 between the Company of the first part and the Union (on behalf of its members) of the second part.

NOW THIS CONTRACT AGREEMENT WITNESSES and the parties hereto mutually agree as follows:

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# SCHEDULE 1 - CARTAGE RATES (WHARF CARTAGE)

CARRYING CAPACITY	GCCD RATE 06.05.96	+15% LABOUR	INCORP. RATE
8 - 10 TONNE	28.46	30.08	31.33
10 - 12 TONNE	34.83	36.49	37.74
12 - 14 TONNE	41.69	43.43	44.68
14 TONNE & OVER	45.95	47.69	48.94
S/D PRIME MOVER	39.30	41.06	42.31
B/D PRIME MOVER	47.39	49.21	50.46
TRAILER ALLOWANCE	31.96	PER DAY	
HAULIERS ONLY	(WHARF CA	ARTAGE)	
S/D PRIME MOVER	39.30	42.83	44.08
B/D PRIME MOVER	47.39	50.98	52.23

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# SCHEDULE 1 - CARTAGE RATES (BOX RATES)



CONTAINER	EX. PORT BOTANY	EX PORT JACKSON
TYPE	TO: - SILVERWATER,	TO:- SILVERWATER,
	PERCY ST & PARK RD	PERCY ST & PARK RD
20'	150.00	120.00
2 x 20'	160.00	130.00
		100.00
40'	150.00	120.00
	40.00	19.00
DEMURRAGE	48.00	48.00
AFTER ONE (1) HOUR		

 EMPTY	20' CONTAINER	40' CONTAINER
	20.00	40.00

- 1) Imports containers will be paid at half the export container rate when import and export containers are combined on the same trip.
- 2) Box rates will be paid for all pick up from & deliveries to a port container terminal.
- 3) The box rate is a "stand alone" rate which includes the first hour a Contract Carrier may be delayed at the container terminal by port container terminal procedures.

A Contract Carrier delayed over and above the first hour (included in the box rate), will be paid by the company at the demurrage (paid on completed 15 minute increments) rate contained in Schedule 1. herein.

4) Where a Sub Contractor is required to use his own trailer, he is to be paid the daily trailer rate as per the contract determination.

B JR.