



ENTERPRISE AGREEMENT made on the                      day of                      1997

BETWEEN:

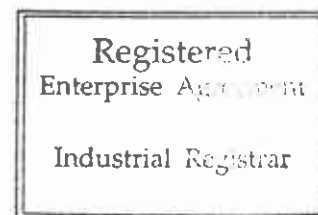
**BHP REFRACTORIES PTY. LIMITED (ACN 004 346 972) of corner Gavey and Frith Streets, Mayfield, in the State of New South Wales ("the company");**

AND

**THE AUSTRALIAN WORKERS UNION, NSW of 16-20 Good Street, Granville, in the State of New South Wales ("AWU").**

**1. TITLE**

This agreement shall be known as the "Mayfield Productivity Agreement 1997"



**2. PREAMBLE**

(a) The company employs members of the AWU under the Refractory Material Makers and Assistants (state) Award (the award) and the "37 Hour Week Agreement - Mayfield Plant" respectively.

(b) The objective of this agreement is to put in place arrangements which will improve flexibility and productivity of the Mayfield plant.

(c) It is intended that this agreement be approved as an enterprise agreement under Part 2 of Chapter 2 of the Industrial Relations Act 1996 (NSW).

**3. PARTIES**

(a) The parties to this agreement are the Company and the AWU.

(b) The enterprise for which this agreement is made is the Company's Mayfield Plant.

(c) The occupations to which this agreement relates are set out in Schedule 1.

#### 4. WAGES

(a) The current weekly rates of pay set out in column 1 of schedule 1 will be increased as follows:

- (i) A 3% Increase effective from the first pay period commencing on or after 29th April 1997.
- (ii) A 2% increase effective from the pay period commencing 3rd. November 1997.
- (iii) A 3% increase effective from the pay period commencing 4th. May 1998.
- (iv) A 2% increase effective from the pay period commencing 2nd. November 1998.

The actual rates of pay to apply are set out in schedule 1.

(b) It is intended that 3 months prior to the expiry of the nominal term of this agreement the parties will enter into discussions about wage increases.

(c) Subject to paragraph (b) of this clause, employees agree not to pursue further wage claims during the term of the agreement.

(d) The wages payable pursuant to this agreement absorb any increases in wages which may be awarded by The Industrial Relations Commission of New South Wales during the term of the agreement.

#### 5. ALLOWANCES

##### (a) Overtime Meal Allowances

(a) The first meal allowance of \$6.50 and the subsequent meal allowance of \$5.50 will be increased to \$6.90 and \$5.80 respectively effective from the first pay period commencing on or after 29th April 1997. Meal allowance will be increased from pay period commencing 4th May 1998 to reflect subsequent CPI changes.

##### (b) Leading Hand Allowances

Leading Hand Allowances will be increased in line with increases provided for in Clause 4 WAGES.

##### (c) Shift Allowances

Current shift allowances set out in column 1 of schedule 2 will be increased as follows:

- (i) A 9% increase effective from the first pay period commencing on or after 29th April 1997.,
- (ii) A 2% increase effective from pay period commencing on 3rd November 1997.



(iii) A 3% increase effective from pay period commencing 4th May 1998.

(iv) A 2% increase effective from pay period commencing 2nd November 1998.

**(d) Other Allowances**

Other allowances will be increased by 4.5% from the first pay period commencing on or after 29th April 1997.

The actual allowances to apply are set out in Schedule 2.

(e) It is intended that 3 months prior to the expiry of the nominal term of this agreement, the parties will enter into discussions about increases in allowances.

(f) Subject to paragraph (e) of this clause, employees agree not to pursue further claims during the term of the agreement.

(g) The allowances payable pursuant to this agreement absorb any increases in allowances which may be awarded by The Industrial Relations Commission of New South Wales during the term of the agreement.



**6. QUARTERLY LUMP SUM PAYMENT**

The Company will continue the Quarterly Lump Sum Payment Scheme with maintenance of 4% to 5% targets for "reasonably achievable" performance.(range of payment being from a maximum of 5.5% to a minimum of 0.0% depending on results achieved)

The parties agree that a consultative group will be formed to review measures, targets and working arrangements with a view to improving business performance. It is intended that this review be completed by 31st August 1997.

**7. BUSINESS PERFORMANCE IMPROVEMENT**

In order to support wage increases provided for in Clause 4 WAGES, the parties agree on the need to improve business performance during the period of the agreement, by minimising costs and improving productivity.

Specific areas identified for review include:

(a) **Increased Mobility** - Obtaining increased efficiency through effective and timely allocation of labour.

The intention is to improve mobility of labour for the purpose of meeting work priorities and minimising idle time.

**(b) Removal of Demarcations** - Removing demarcations by establishing what is legal, logical, safe, efficient and consistent with the classification structure.

The intention is to improve labour flexibility across Mayfield Plant; rationalise shared functions, and establish "basic maintenance" skills in relation to Mayfield classification structures.

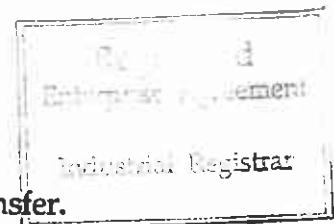
A Consultative committee consisting of management, production and maintenance representatives will be formed for the purpose of implementing agreed outcomes in the areas specified. Union officials will participate in these discussions as appropriate.

It is the intention of the parties to agree on the outcomes of change, and to implement the agreed changes as soon as practicable. Any disputes arising from this process will be dealt with under the award disputes settling procedure.

## **8. ARRANGEMENTS**

### **(a) Electronics Funds Transfer**

The parties agree that all wages will be paid via electronic funds transfer.



### **(b) Continuous Operations**

The parties agree to implement arrangements to achieve continuous operations by optimising available working time and equipment availability.

The intention is to reorganise shift changeovers (including "hot seat" changeovers), crib breaks, morning tea breaks in such a way as to allow the process lines(s) to operate continuously, and to have flexible roster days so as to provide additional ordinary working time.

Also, alternate shift rostering arrangements and maintenance schedules will be reviewed.

The process for determining the outcome of change will be consultative, and to this end, parties agree to form and participate in consultative groups to assist in the development of these new working arrangements.

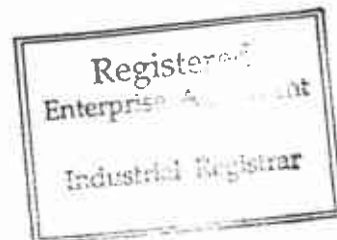
### **(c) Shared Production and Maintenance Functions**

(i) The parties agree that increased efficiencies will be achieved if process/maintenance interface adjustments and changes can be done by both maintenance and production employees based on what is practical, safe and efficient at the time, whether on overtime or ordinary time.

Employees agree as a normal part of their classification to assist in implementing the on the job training and assessment processes.

Maintenance functions to be shared between maintenance and production employees include:

- Packing (press) - Plate and plunger packing changes on all presses
- Top and Bottom Plate changes for all presses
- Adjust - Hazemag's cone crushers, jaw crusher for sizing
- Charger Boards (change, adjust and make) for Boyd Presses
- Adjust scrapers for all mixers and pans
- Open access doors and covers
- Make jigs, change blades and wheels (grinding room)
- Resimic Plant - remove scrapers; remove and replace guards and distributor
- All employees (including staff) to replace household type fluorescent tubes or light bulbs which are not shattered.
- All employees can install heaters in dies once CEPU employees make up heaters with plugs.



Maintenance Forklift driving duties to be shared between maintenance and production employees include:

- In the machine shop and rapid die change compound areas. Maintenance to drive forklifts to move die boxes, plungers, steel etc.
- In the changing of dies, including changes to equipment associated with die changes. Returning of new/old dies from die storage area.
- Moving items for repair to and from Mech./Elec. workshop(s)
- Moving spare parts/repair parts around workshop(s) and plant spares area.

Under the terms of the Refractory Material Makers & Assistants (state) Award, all production employees with appropriate training and required licence are available to drive forklifts or able to "share" forklift driving duties on both ordinary and overtime to achieve the most efficient operation of Mayfield Plant. Classified 'green ink' forklift drivers will retain as a minimum, their 'green ink' rate of pay where they are required to undertake other duties in accordance with the "Transfer and Mixed Functions" award provisions or where positions are restructured.

(ii) All employees are available to assist each other to the extent of their training and competence. This subclause is intended to create teamwork rather than replace jobs.

#### (d) Managing Surplus employees

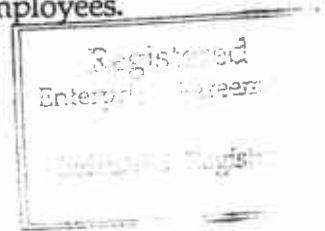
The parties agree that prior to the retrenchment of full time permanent or permanent part time employees, the following process will occur:

(i) Non-Permanent employees (eg. Fixed term, temporary, casual employees, etc.) and contractors will be released.

(ii) A Voluntary Redundancy Scheme will be offered to relevant classifications as approved by the Australian Taxation Office.

(iii) Employment opportunities available with the CES and other local companies (including BHP companies) will be investigated.

(iv) Job search training will be provided to any remaining surplus employees.



#### **(e) Retention of Rate**

Where, as a result of the introduction of technological change or major product line closures, an employee is appointed to a classification where the award rate plus overaward payment (excluding all award and overaward allowances) is less than his/her classification (award plus overaward amounts - excluding allowances) immediately prior to the appointment (the "previous classification"), then:

(i) If the employee has one or more years' continuous service with the company, he/she shall retain the award rate plus overaward amount applicable to the previous classification subject to the following adjustments:

- in the first and second years after the date of his/her appointment, all changes in the award plus overaward amount applicable to the previous classification.
- in the third year after the date of appointment, half of any changes in the award plus overaward amount applicable to the previous classification.
- thereafter, no further adjustments until this award plus overaward amount is exceeded by his/her new and correct classification rate. Thereafter, the employee will continue to be paid at his/her correct classification rate, and the retention of rate policy will no longer apply.

(ii) If the employee has less than one years' continuous service with the company, he/she shall retain the award plus overaward amount applicable to the previous classification subject to the following adjustments:

- in the first year after the date of appointment, half of all changes in the award plus overaward amount applicable to the previous classification;
- thereafter, no further adjustments until this award plus overaward amount is exceeded by his/her new and correct classification rate. Thereafter, the employee will continue to be paid at his/her correct classification rate, and the retention of rate policy will no longer apply.

#### **(f) Personal Accident and Sickness Cover**

It is agreed that this matter can be raised by the Unions with the Company during the term of the agreement as part of any overall negotiation that may occur between BHP Company Pty. Ltd. and the Union during this period.

**(g) Payment for Skills**

It is the intention of the parties to implement a skills based payment system in lieu of payment under the Award "Transfers and Mixed Functions" provisions.

**9. GRIEVANCE PROCEDURE**

This agreement adopts the grievance procedures contained in the award.



**10. DECLARATION**

The parties to this agreement declare that this agreement was not entered into under duress by any party to the agreement.

**11. TERM**

This agreement shall have effect from <sup>27 February 1998</sup> ~~the date of certification~~, and shall expire on 2nd. May 1999.

SIGNED for and on behalf of )  
BHP REFRACTORIES PTY. LTD. )  
in the presence of

*CK*  
*Geoffrey Kay*  
Name (printed) GEOFFREY KAY

*John Bailey*  
Witness  
Name (printed) JOHN BAILEY

SIGNED for and on behalf of )  
AWU, NSW )  
in the presence of

*M. Rudd*  
Name (printed) MAURIE RUDD

*M. Stokic*  
Witness  
Name (printed) MAURIE STOKIC



SCHEDULE 1					
Mayfield Plant Rates Pay					
Classification	Column 1	Column 2	Column 3	Column 4	Column 5
	Current	5/05/97	3/11/97	4/05/98	2/11/98
Refractory Employee					
Basic Entry	\$466.90	\$480.9	\$490.5	\$505.2	\$515.3
Refractory Employee					
Level 1					
1A	\$479.00	\$493.4	\$503.2	\$518.3	\$528.7
1B	\$489.50	\$504.2	\$514.3	\$529.7	\$540.3
1C	\$535.00	\$551.1	\$562.1	\$578.9	\$590.5
Refractory Employee					
Level 2					
2A	\$489.50	\$504.2	\$514.3	\$529.7	\$540.3
2B	\$507.30	\$522.5	\$533.0	\$549.0	\$559.9
2C	\$513.60	\$529.0	\$539.6	\$555.8	\$566.9
2D	\$519.70	\$535.3	\$546.0	\$562.4	\$573.6
2E	\$527.00	\$542.8	\$553.7	\$570.3	\$581.7
2F	\$532.00	\$548.0	\$558.9	\$575.7	\$587.2
2G	\$541.00	\$557.2	\$568.4	\$585.4	\$597.1
2H	\$542.80	\$559.1	\$570.3	\$587.4	\$599.1
2I	\$558.30	\$575.0	\$586.5	\$604.1	\$616.2
2J	\$553.10	\$569.7	\$581.1	\$598.5	\$610.5
2K	\$563.60	\$580.5	\$592.1	\$609.9	\$622.1
Refractory Employee					
Level 3	\$562.60	\$579.5	\$591.1	\$608.8	\$621.0
Refractory Employee					
Level 4	\$632.40	\$651.4	\$664.4	\$684.3	\$698.0
Mayfield Plant Allowances					
SCHEDULE 2					
Allowance	Current	5/05/97	3/11/97	4/05/98	2/11/98
Shift - Rotating	\$6.92	\$7.54	\$7.69	\$7.92	\$8.08
Shift - Perm. A/Shif	\$10.18	\$11.10	\$11.32	\$11.66	\$11.89
Shift - Perm. N/Shif	\$20.37	\$22.20	\$22.65	\$23.33	\$23.79
Leading Hand	\$31.30	\$32.2	\$32.9	\$33.9	\$34.5
Acting Staff	\$57.40	\$59.1	\$60.3	\$62.1	\$63.4
First Aid	\$10.36	\$10.83	10.83	\$10.83	\$10.83

Registers  
Employee Signatures  
Approved By: \_\_\_\_\_