

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA01/242

TITLE: CSR Ltd t/a CSR Construction Materials Sydney Quarries LOD Agreement

I.R.C. NO: IRC01/4621

DATE APPROVED/COMMENCEMENT: 31 July 2001

TERM: 24 Months

**NEW AGREEMENT OR
VARIATION: Variation EA00/251**

GAZETTAL REFERENCE: 31 August 2001

DATE TERMINATED:

NUMBER OF PAGES: 13

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all Contract Carriers engaged by Readymix for the purpose of carrying quarried material (including sandstone) and located at Penrith, Prospect, Hornsby, Londonderry, East Kurrajong, Sandy Point, Mt.Hunter and other locations as may be agreed

PARTIES: CSR Construction Materials -&- Transport Workers' Union of Australia, New South Wales Branch



AGREEMENT

THIS AGREEMENT is made on **28 JUNE** 2000, between the following parties.

CSR LIMITED trading as the READYMIX GROUP of 90-92 Phillip Street, Parramatta in the State of New South Wales [hereinafter referred to as "Readymix"] of the one part; and

THE TRANSPORT WORKERS UNION OF AUSTRALIA NSW BRANCH of 388 Sussex Street, Sydney in the State of New South Wales [hereinafter referred to as "the Union"] for an on behalf of Contract Carriers engaged by Readymix within the provisions of clause 1, Scope of this Agreement.

The parties hereto hereby agree as follows:

1. SCOPE

- 1.1 This agreement applies to all Contract Carriers engaged by Readymix for the purpose of carrying quarried material (including sandstone) and such other materials as may be agreed by the parties from time to time, from sites at Penrith, Prospect, Hornsby, Londonderry, East Kurragong, Sandy Point, Mt. Hunter and such other locations as may be agreed.
- 1.2 Where the provisions of the Transport Industry - Quarried Materials &c. Carriers Contract Determination are inconsistent with the provisions of this Agreement then this Agreement shall prevail.

2. FLEET

- 2.1 The fleet size as at the date this Agreement is approved by the Industrial Relations Commission shall commence at twelve (12) vehicles made up as follows:

5	Trailers
7	Rigid vehicles
- 2.2 Readymix may adjust the fleet size and configuration of the fleet at any time during this Agreement subject to paying compensation in accordance with Clause 5 Contract Value of this Agreement.
- 2.3 In any case Readymix has the right to detach dogs from company owned vehicles and use those vehicles as rigid vehicles. The provisions of Clause 12 Rostering of this Agreement will be applied in respect of those vehicles.



- 2.4 Subject to this clause, the following shall apply in the case of a Contract Carrier who changes his/her vehicle combination to a Truck and Dog combination who immediately prior to such change in vehicle combination operated as a Trailer:
- 2.4.1 The Contract Carrier will be regarded for all purposes of this Agreement as undertaking trailer work only
- 2.4.2 The Contract Carrier will not detach the Dog and attempt to operate or operate as a Rigid Vehicle under any circumstances. Readymix shall not be required to provide work to a Contract Carrier, and shall be indemnified for any loss and damage to the Contract Carrier that results, in this circumstance.
- 2.4.3 The Contract Carrier will not operate to the detriment of any other Contract Carrier, either Trailer or Rigid during the term of this Agreement.
- 2.4.4 The Contract Carrier will only cart the same payload as previously allowed under the Contract Carrier's former vehicle combination.



3. TERM OF CARRIER CONTRACTS

- 3.1 Each Contract Carrier has a contract with Readymix for a term of seven (7) years commencing on 1 August, 1996.
- 3.2 At the end of the term the contractual relationship between the parties shall cease.
- 3.3 Six months prior to the expiration of the contract between Readymix and each Contract Carrier Readymix will consult with the Contract Carriers and the Union as to the possible renewal of the Carriers contract.

4A. CARTAGE RATES

- 4A.1 Subject to the provisions of clause 4B of this Agreement, Readymix will pay cartage rates to Contract Carriers who operate trailers in accordance with the rates shown in Schedule A.
- 4A.2 Subject to the provisions of clause 4B of this Agreement, Readymix will pay cartage rates to Contract Carriers who operate rigid vehicles in accordance with the rates shown in Schedule A when the Contract Carrier undertakes rigid work.
- 4A.3 Subject to the provisions of clause 4B of the Agreement, Readymix will pay cartage rates to Contract Carriers who operate rigid vehicles in accordance with the rates shown in Schedule A when the Contract Carrier undertakes trailer work.

- 4A.4 Cartage rates paid for back loading shall be a matter of negotiation between Readymix and the Union but Readymix shall be under no obligation to offer back loads at any time.
- 4A.5 Where a load is rejected or not delivered for reasons beyond the control of the Carrier then the Carrier will be paid at the full rate for the journey to the intended delivery point and at 50% of the rate for the return journey.

4B. RISE AND FALL

- 4B.1 Cartage rates will be revised annually on 1 January pursuant to the Rise and Fall formula in Schedule B. In addition, cartage rates will be reviewed on 1 July each year, commencing 1 July 2001, with regard to fuel prices only. Such fuel review will be undertaken in accordance with the principles contained in clause 20.8.
- 4B.2 The rise and fall formula will be deemed to have been applied effective 1 January 2000 to include an increase in the cartage rates of 7.85% on the rate payable on 31 December 1999. Any amounts outstanding as not paid to Carriers as a result of this increase will be paid to the Carriers upon approval of this agreement by the Industrial Relations Commission.

5. CONTRACT VALUE FOR PREVIOUSLY "DEEDED" CONTRACT CARRIERS

- 5.1 The contract between Readymix and each Contract Carrier (who prior to the making of this Agreement held a Deed signed by Readymix which entitled the Contract Carrier to sell his truck "in work" and whose name appears in Schedule D to this Agreement) governed by the terms of this Agreement, made on 1 August 1996 as varied on 26 July 2000, shall have an initial value of Eighty Thousand Dollars (\$80,000.00) which will decline at a pro-rata rate to zero over the life of the Contract.
- 5.2 If a Schedule D Contract Carrier's contract is terminated by Readymix for any reason other than convicted or admitted theft or serious misconduct then Readymix shall pay to the Schedule D Contract Carrier an amount calculated in accordance with the following formula.

$$\$80,000.00 \times G/H$$

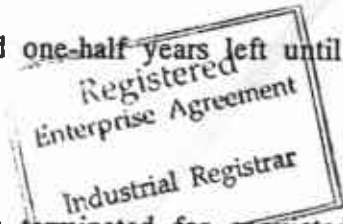
Where H = the initial term of 7 years

and G = the number of years (or part thereof, expressed as a decimal) remaining in the contract.

Example: A contract of carriage is for a term of 7 years, commencing on 1 April, 1996. The contract is then terminated by Readymix on 30 September, 2000.

$\$80,000.00 \times 2.5/7$ (there being two and one-half years left until the expiration of the contract).

= \$28,571.43



5.3 If a Schedule D Contract Carrier's contract is terminated for convicted or admitted theft or serious misconduct then the Carrier will not receive any compensation.

5B. CONTRACT VALUE FOR PREVIOUSLY "UNDEEDED" CONTRACT CARRIERS

5B.1 The contract between Readymix and each Contract Carrier (who prior to the making of this Agreement did not hold a Deed signed by Readymix which entitled the Contract Carrier to sell his truck "in work" and who is not listed in Schedule D) governed by the terms of this Agreement, made on 1 August 1996 as varied on 26 July 2000, shall have an initial value of Fifty Thousand Dollars (\$50,000.00) which will decline at a pro-rata to zero over the life of the Contract.

5B.2 If a Contract Carrier's contract is terminated by Readymix for any reason other than convicted or admitted theft or serious misconduct then Readymix shall pay to the Contract Carrier an amount calculated in accordance with the following formula.

$$\$50,000.00 \times \frac{G}{H}$$

Where H = the initial term of 7 years

and G = the number of years (or part thereof, expressed as a decimal) remaining in the contract.

Example: A contract of carriage if for a term of 7 years, commencing on 1 April, 1996. The contract is then terminated by Readymix on 30 September, 2000.

$\$50,000.00 \times 2.5/7$ (there being two and one-half years left until the expiration of the contract).

= \$17,857.15

5B.3 If a Contract Carrier's contract is terminated for convicted or admitted theft or serious misconduct then the Carrier will not receive any compensation.

6. TRANSFER FEE

6.1 Clause 6, Transfer Fee shall only apply to the Readymix contracts between Readymix and the Contract Carriers listed in Schedule D to this Agreement (i.e. Contract Carriers who were previously "Deeded").

6.2 Readymix will pay to each of the Schedule D Carriers a sum of \$20,000.00 ("the fee") as compensation for the termination of the Schedule D's Carriers former Deed. The fee is payable by Readymix to the Schedule D Carrier on the expiration of the Carriers contract unless the contract is renewed at the contracts expiration or assigned by the Contract Carrier prior to the contracts expiration.

6.3 If the Schedule D Contract Carriers contract is terminated by Readymix prior to its expiration (other than for convicted or admitted theft or serious misconduct) then Readymix shall pay the fee to the Schedule D Contract Carrier.

6.4 Readymix shall not be required to pay the fee, or any part thereof, to the Schedule D Contract Carrier if:

6.4.1 the Schedule D Contract Carrier, at any time during the term of the contract assigns the contract to a third party;

6.4.2 Readymix and the Schedule D Contract Carrier agree to renew the Carriers contract at the expiration of the contract.

6.5 Where the Schedule D Contract Carrier assigns the contract to a third party then the right to the fee under the conditions detailed in this clause will pass to the third party.

7. ASSIGNMENT OF CONTRACTS

7.1 Clause 7, Assignment of contracts, shall only apply to contracts between Readymix and the Contract Carriers listed in Schedule D to this Agreement. No Contract Carrier, other than those listed in Schedule D, will have a right to assign their contract.

7.2 A Schedule D Contract Carrier shall be free to assign the balance of the term of the contract to a third party subject to the provisions of this clause.

7.3 Where a Schedule D Contract Carrier wishes to sell the balance of the term of the contract then the Carrier must first notify Readymix in writing of intention to sell and must offer Readymix the first right to purchase the balance of the contract at a price calculated in accordance with Clause 5 hereof.



- 7.4 Upon being so notified by a Schedule D Carrier Readymix must advise the Carrier in writing within twenty eight (28) days as to whether Readymix wishes to purchase the balance of the contract.
- 7.5 If Readymix does wish to purchase the contract then upon advising the Schedule D Carrier to that effect in writing it shall also give to the Carrier a cheque for an amount calculated in accordance with the formula contained in Clause 5.2 of this Agreement plus the Transfer Fee referred to in Clause 6. When the Carrier receives the cheque the contract becomes the property of Readymix and the contractual relationship between the Carrier and Readymix is terminated.
- 7.6 Readymix shall be under no obligation to purchase the vehicle of the Carrier however may do so at its discretion at a price mutually agreed between the parties.
- 7.7 Where Readymix advises a Schedule D Contract Carrier within the twenty eight (28) day period that it does not wish to purchase the contract then the Carrier is free to sell on the open market.
- 7.8 Readymix must first approve the purchaser of the balance of any contract but the approval of Readymix will not be unreasonably withheld.
- 7.9 It is a condition of this Agreement that the Schedule D Contract Carrier and any other purchaser approved by Readymix must execute a binding Deed of Release in the form contained in Schedule C to this Agreement which Deed releases Readymix from any liability in respect of any premium or "goodwill" amount which the purchaser may have paid or which the Contract Carrier might seek to claim. Readymix will not allow the purchaser to enter the fleet until the Deed of Release has been properly executed.

8. WAITING TIME

- 8.1 Readymix is not liable for the payment of waiting time to any Contract Carrier during the term of this Agreement except on special jobs or in special circumstances where Readymix is able to recover waiting time payment from the customer concerned by way of contractual arrangement up front.

9. STATUTORY REQUIREMENTS AND INSURANCE

- 9.1 At the expense of the Contract Carrier, the Contract Carrier has the obligation to hold and maintain as valid all licences, registration and other requirements of State and Federal legislation.
- 9.2 At the expense of the Contract Carrier, the Contract Carrier shall keep and maintain as valid all relevant insurances including Third Party Comprehensive,

Workers Compensation (extending to both the permanent driver and any relief driver) and Public Liability (to a level of \$5 Million).

- 9.3 All Contract Carriers must be incorporated and registered with the Australian Securities Commission at all time during the term of this Agreement.
- 9.4 Readymix has the right to view all statutory documentation and to request photocopies of such documentation in order to be satisfied that a Contract Carrier is complying with provisions of this clause.

The Carrier shall provide all requested documentation within (7) days of the request being made.



10. SAFETY NET

- 10.1 Readymix will administer a Safety Net system on an annual basis but at the end of each year the Safety Net calculation shall commence from a zero base i.e. there shall be no carry over from the end of one year to the start of another. For the purposes of calculating whether a Carrier is entitled to a Safety Net payment all cartage income will be taken into account including cartage of sandstone and other materials, back loads, and earnings generated with other principal contracts where a Carrier has been allowed to leave the site under the provisions of Clause 11.2.
- 10.2 Readymix will make a Safety Net payment where any rigid Carrier does not achieve a gross income of \$13,500.00 in any one quarter or where any trailer Carrier does not achieve a gross income of \$14,500.00 in any one quarter. The Safety Net payment will be the difference between the gross earnings of the Contract Carrier for that quarter and the amount of \$13,500.00 for rigids or \$14,500.00 for trailers. The Safety Net will be CPI adjusted by using the CPI increase (Consumer Price Index – all group weighted average of eight capital cities as published by the ABS document publication (publication number 60401.1) between the date of commencement of this Agreement and the date of annual adjustment being the first day of April each year.
- 10.3 Where a Contract Carrier receives a Safety Net payment in one quarter and his earnings exceed the Safety Net amount in the next quarter the amount of the Safety Net payment made in the previous quarter will be refunded to Readymix by way of a direct debit from the Carriers payment with an account reconciliation provided.

11. AVAILABILITY

- 11.1 Each Contract Carrier must be available Monday to Friday and on Saturday as required by Readymix and at other times as determined by mutual agreement between the parties.

- 11.2 Each Carrier must be on call until 10.00am. If no work has been allocated to the Carrier by 10.00am then the Carrier may request permission to leave the yard and seek other work provided that Readymix must agree before the Carrier is entitled to leave.

12. ROSTERING

- 12.1 In this clause "company vehicle" means any vehicle which is labelled as a Readymix or CSR vehicle.

- 12.2 Readymix will maintain a regular cyclic roster to ensure that all Contract Carriers obtain a fair opportunity to cart material which is available to the Contract Carrier fleet.

- 12.3 Readymix will provide the following order of preference in loading:

1. In respect of trailer work:

- 1.1 Company vehicles.
- 1.2 Contract Carriers who operate trailers.
- 1.3 Contract Carriers who operate rigids.
- 1.4 Casual and fleet operators.

2. In respect of rigid work:

- 2.1 Contract Carriers who operate rigids.
- 2.2 Casual and fleet operators.
- 2.3 Where Readymix adds company owned rigid vehicles to the fleet those vehicles will not have preference to Contract Carriers but will work in a cyclic roster with the Contract Carriers.

- 12.4 If vehicles from the asphalt business cart materials for use in asphalt manufacture then those vehicles will be given preference for that work. Where the asphalt vehicles are used to cart quarried materials to other customers then they will work in a cyclic roster with the Contract Carriers.

13. LOCATION

Readymix shall at its discretion direct a Contract Carrier as to where the Carrier shall commence on any day.

14. CARRIER PAYMENTS

Readymix will make two (2) payments each month for cartage to the Contract Carriers in accordance with current practices.



15. RADIO

Readymix will supply a 2-way radio at its own cost. It shall be the responsibility of each Contract Carrier to take reasonable steps to ensure that the radio is not stolen or damaged.

16. LOADING PAYMENT

All Contract Carriers will be paid in accordance with the rates contained in Schedule A on the basis of a 12 tonne minimum for all loads i.e. no load will be paid at less than the 12 tonne rate.

17. COVERING LOADS

Where either Readymix or any customer so requires a Contract Carrier shall cover the load in his vehicle to comply with the requirement.

18. DISPUTES PROCEDURE

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

18.2 When there is a disagreement, the Carrier shall attempt to resolve the matter by negotiating with Readymix or its representative on site.

18.3 Where the matter is not resolved, the Yard Carrier Delegate shall attempt to resolve the matter by negotiation with Readymix or its representative on site.

18.4 If the matter remains unresolved, the representative together with the Secretary, Assistant Secretary or the representative of the Union may be party to continued discussions, negotiations with the relevant representatives of Readymix.

18.5 If the matter is unresolved the matter will be notified to the Industrial Relations Commission of New South Wales by the Union or Readymix pursuant to Section 332 of the *Industrial Relations Act 1996*.

19. TERM

This Agreement shall commence operation on the date of approval by the New South Wales Industrial Relations Commission and shall remain in force for a period of three (3) years. Thereafter the agreement shall continue unless varied by consent of the parties.



20. GOODS AND SERVICES TAX

20.1 Definitions

20.1.1 For the purposes of this clause the following terms will have the following meanings:

Agreement means this Contract Agreement.

Carrier means a carrier undertaking a contract of carriage, as defined in section 309 of the *Industrial Relations Act 1996* as amended.

Commission means the Industrial Relations Commission of New South Wales.

Contract Agreement means an agreement between a principal contractor and either a representative of carriers or a group of carriers, approved by the Commission, in accordance with the *Industrial Relations Act 1996* as amended.

GST means the Goods and Services Tax as contained in the GST Legislation.

GST Legislation means the *A New Tax System (Goods and Services) Act 1999 (Cth)* and all associated legislation, as amended.

RCTI means a recipient created tax invoice.

20.1.2 All definitions contained in the GST Legislation are imported into this agreement as if they were replicated here and all definitions shall apply to this agreement other than where the context does not allow.

20.1.3 Words importing the singular shall import the plural and vice versa.

20.1.4 Words importing gender shall be considered to import all genders.

20.1.5 A reference to a person will include a reference to a corporation and vice versa.

20.2 Application

20.2.1 This clause sets out the arrangements for the imposition of the GST which commences on 1 July 2000. The purpose of this agreement is to ensure that the transition in applying the GST is smooth for both Readymix and the Carriers with which Readymix deals.

20.2.2 It is the intention of all parties and the purpose of this clause is to ensure that Readymix is able to remain competitive without adversely affecting the interests of its Carriers.

20.2.3 Government policy in relation to the GST states that all net cost savings achieved due to the introduction of the GST must be passed on to consumers in the form of



lower prices. This clause aims to pass on any savings that result from the application of the GST to the contracts between Readymix and its Carriers.

20.2.4 The purpose of this clause is to define all arrangements with respect to the implementation of the GST Legislation for Readymix and its Carriers. The terms of this clause wholly exclude the terms of the *Transport Industry (GST Facilitation) Contract Determination*, as amended, or any other contract determination or agreement made with the purpose of dealing with the GST Legislation.

20.3 Current Cartage Rates

20.3.1 Rates of remuneration payable to the Carriers pursuant to this Agreement are exclusive of GST. Readymix will add GST to the current rates.

20.4 Impact of GST on Cost Components

20.4.1 Calculation of the rates of remuneration in this Agreement in accordance with the rise and fall formula will incorporate the impact of the GST Legislation as follows:

20.4.1.1 Subject to clause 20.8.2, the first date set in this Agreement for a review of the rate of remuneration following 1 July 2000 will be 30 September 2000. All other review dates in this Agreement will remain unchanged.

20.4.1.2 Subject to clauses 4B.2 and 20.4.1.4, the rate review referred to in clause 20.4.1.1 will include all changes in price on all factors considered in the rise and fall formula including any fall in price due to the abolition or reduction in taxes other than the GST following the implementation of the GST Legislation but shall exclude the addition of the GST.

20.4.1.3 The labour and capital components contained in the rise and fall formula, if applicable, will be adjusted in accordance with the principles and timing currently contained in this Agreement.

20.4.1.4 The parties will agree on a fixed cost to account for the increased administrative costs borne by the Carriers in complying with the GST Legislation, if any. In considering any increase the parties will have regard to, amongst other things, amendments to the industry standard administrative charge and specific changes to the administrative costs of the Carriers.

20.5 Tax Invoice Procedure

20.5.1 All Carriers will notify Readymix of their ABN as soon as possible after the number is issued. If a Carrier does not notify Readymix of its ABN, Readymix may withhold 48.5% of their remuneration.

Registered
Enterprise Agreement

20.5.2 The Carriers agree that Readymix will generate invoices in relation to each Carrier's GST liability. The Carriers acknowledge that it is the responsibility of each Carrier to ensure that all GST invoices are correct in their calculations of GST liability and that the correct amount of GST has been remitted by the Carrier.

20.5.3 The Carriers agree that Readymix may, at its option, prepare RCTIs in accordance with ATO Ruling GSTR 2000/10 or any subsequent ATO Ruling that applies to Readymix and the Carriers.

20.6 Penalties

20.6.1 Nothing in this Contract Agreement requires Readymix to pay any amount on account of a fine, penalty, interest or other amount for which a Carrier is liable, to the extent that the liability arises as a consequence of a default of the Carrier, a Carrier's employees, agents or any other persons acting for the Carrier.

20.7 GST Training

20.7.1 Readymix will provide instructional materials to its Carriers explaining the contents of this clause within 14 days of the approval of this Agreement by the Commission.

20.7.2 Readymix will include training with regard to the contents of this agreement and the impact of the GST as part of its induction process which is undertaken by all new Carriers retained by Readymix.

20.7.3 The parties acknowledge that, prior to the date of this agreement, Readymix has offered its Carriers training with regard to the GST and its expected impact on the Agreements.

20.8 Diesel and Alternative Fuel Grant Scheme and Fuel Price Reduction

20.8.1 All Carriers will apply for the Diesel and Alternative Fuel Grant or similar scheme introduced as part of the GST Legislation, as amended.

20.8.2 The rise and fall formula in this Agreement will be amended, effective 1 July 2000, to include the Diesel and Alternative Fuel Grant Scheme receipt and fuel price reduction which will be applied and incorporated into the formula.

20.8.3 The following procedure will be used in calculating the price change due to the Diesel and Alternative Fuel Grant:

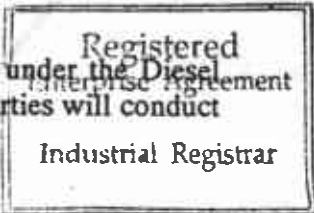
20.8.3.1 The benchmark price for fuel will be reassessed effective 1 July 2000 or as soon as possible after that date. This process will occur in accordance with the requirements contained in this Agreement.

20.8.3.2 The amount determined under clause 20.8.3.1 will be reduced by an amount representing the GST, which is currently one eleventh of that price, to determine a GST free price.

20.8.3.3 The amount calculated in clause 20.8.3.2 will be further reduced by the amount of the Diesel and Alternative Fuel Grant.

20.8.3.4 The amount calculated pursuant to clause 20.8.3.2 will be the price for fuel incorporated into the rise and fall formula referred to in clause 20.8.2.

20.8.4 Should the rate of the rebate (currently 17.798 cents per litre) and Alternative Fuel Grant Scheme be varied or abolished the parties will conduct an immediate rate review through the rise and fall formula.



Dated the 28 day of JUNE 2001.

SIGNED for and on behalf of THE TRANSPORT WORKERS UNION OF AUSTRALIA NEW SOUTH WALES BRANCH in the presence of:

PATRICK MURRAY P. Murray

SIGNED for an on behalf of CSR Ltd t/as THE READYMIX GROUP in the presence of:

ROD WAGHORN