

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/79

TITLE: Integrated Steel Mill Services Pty Ltd Site Enterprise Agreement

I.R.C. NO: 2001/4981

DATE APPROVED/COMMENCEMENT: 28 August 2001

TERM: 1 January 2003

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 5 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 30

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees covered by the Steel Stone (Rooty Hill) Pty Limited Site Award and located at Masters Rd, Mount St Thomas NSW 2500

PARTIES: Integrated Steel Mill Services Pty Limited -&- The Australian Workers' Union, New South Wales



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INTEGRATED STEEL MILL SERVICES PTY LTD.

SITE ENTERPRISE AGREEMENT

1. TITLE

This Agreement shall be known as the *Integrated Steel Mill Services Pty Ltd Enterprise Agreement 2001*.

2. ARRANGEMENT

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3. PARTIES TO THE AWARD

This Agreement is binding on the following ("the parties"):

- (a) Integrated Steel Mill Services Pty Ltd ("the Company"); and
- (b) The Australian Workers Union ("the AWU").

4. MEMORANDUM OF UNDERSTANDING

The purpose of this Agreement is to demonstrate from the outset the Company's:

- Commitment to ensuring the success of the Business Enterprise
- Commitment to the people who make up the Business Enterprise and the Australian Workers Union who represent the employees
- Commitment to the business relationship with the OneSteel Sydney Steel Mill, and its impact on the community and the environment

The objective of this Agreement is to:

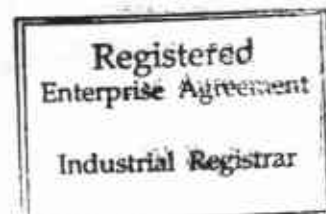
1. Define the terms and conditions under which all Parties are to work and operate.
2. Clarify and ensure that all the Parties involved have a clear understanding of the terms and conditions from the outset.
3. Gain the commitment, agreement and signed approval to the terms and conditions as per the Operating Agreement.
4. Provide employment for the duration of the Contracts between N.S.W. OneSteel Ltd and Integrated Steel Mill Services trading as Steelstone - Sydney Pty Ltd.

The Parties to this Agreement recognise and accept that Steelstone - Sydney Pty Ltd is a "Greenfields Site" and shall work as a multiskilled operation.

Multiskilled

Employees should be trained to be multiskilled. All employees will be required to perform a diverse range of tasks and to flexibly change jobs- not only to meet the requirements of the Company, but also to provide more satisfying and meaningful jobs to its employees.

Multiskilling shall be a condition of employment.



5. NO EXTRA CLAIMS

It is a term of this Agreement that the union undertake, for the duration of the principles determined by that decision, not to pursue any extra claims, awards or overawards, except when consistent with those principles.

The Company, under the Structural Efficiency Principle is required to implement measures which will:

- Improve efficiency
- Provide employees with:
 - More varied
 - More fulfilling
 - Better paid jobs

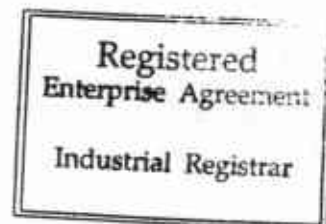
The Company may implement changes to work practices, procedures and systems as a result of technological developments or innovative ideas that will improve efficiency, productivity, profitability and safety. In such circumstances, the Company shall discuss with and keep employees informed of proposed changes.

The Company is committed to training employees to safely and responsibly implement changes to work practices, procedures and changes that have been approved, selected and adopted by the Company.

Steelstone - Sydney reserves the right to design and redesign the structure and the functions of the jobs in consultation with its employees, as the needs of the Company change.

Employees will be paid for the skills relevant to the job that they possess, or acquire through training.

Notwithstanding the skills an employee possesses, the Company reserves the right to determine how to deploy its employees to perform tasks allocated by the Company.



6. WAGES

6.1 Rates of Pay

Employees will be paid at one of the following rates on and from the first pay period commencing on or after the 1st January 2000.

Classification	Rate per Hour
Operator Level 1	\$17.335818
Operator Level 2	\$18.536205
Operator Level 3	\$19.387283
Operations Co-ordinator	\$21.908229

These rates will apply until new rates of an additional three and one half (3.5) percent take effect from the first pay period commencing on or after the 1st January 2001 and a further two (2.0) percent to take effect from the first pay period commencing on or after the 1st January 2002 and a further two (2.0) percent to take effect from the first pay period commencing on or after the 1st July 2002.

PERIOD	LEVEL ONE	LEVEL TWO	LEVEL THREE
BASE RATE – PRE 2000	16.8211836	17.986607	18.798865
01-01-2000 TO 31-12-2000	17.335818	18.536205	19.387283
01-01-2001 TO 31-12-2001	17.914559	19.155736	20.040791
01-01-2002 TO 30-06-2002	18.250983	19.515468	20.416768
01-07-2002 TO 31-12-2002	18.587407	19.8752	20.792745
BASE RATE – POST 2002	18.587407	19.8752	20.792745

6.2 Categories Definitions

Operator Level 1

An operator performing multiskilled operations including but not limited to:-

- General hand, landscaping, operator in training for bobcat work, metal cutting, Cold Area loading and excavating and skip lugger operations.

Operator Level 2

An operator performing multiskilled operations but not limited to:-

- Competent in all Level 1 operations, BBHD encapsulation, Operator in training for Hot Area operations.

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To qualify for the Level 2 rate, an operator must hold a minimum of 3 NSW Workcover tickets/permits from the list following.

Operator Level 3

An operator performing multiskilled operations but not limited to:-

- Competent in all Level 1 & 2 Operations, Hot Area duties. Two years experience in the above tasks. The Company may waiver this requirement if it deems fit.

To qualify for the Level 3 rate, an operator must hold a minimum of 4 Workcover tickets/permits from the following list.

The Level 3 rate will also apply to a qualified plant serviceman.

The Level 3 rate is paid at a level to include leading hand responsibility and a confined space allowance on the part of operators so paid.

Operations Co-ordinator

- Daily updating of computer data eg Timesheets, weighbridge docket, daily tonnages, purchase orders.
- Liaison with OneSteel on all operational matters on a daily basis.
- Delegation of daily tasks to employees and maintain shift rosters.
- Must be qualified to Level 3 operator and operate machinery as required on a daily basis.
- Liaison with external contractors hired by Steelstone Operations and supplying OneSteel with the necessary service.
- On call service to deal with operational issues as they arise.
- Liaise with maintenance personnel on providing machines for necessary servicing and repairs.
- Organise rosters to suit training needs.
- The position of Operations Co-ordinator is subject to the needs of the Company and may be left vacant at the discretion of Management.

6.3 NSW Workcover Tickets

Operators will be required to obtain Workcover tickets for machinery used in the site. This machinery, and ticketing requirements will change with the nature of the work. For the purposes of operator level qualifications, the following list specifies the most useful tickets at the date of this award. The list will be amended as required to reflect changes in machinery

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and work. Such changes will be notified to the employees representative, and posted on the company notice board. An operator will not suffer a reduction in the level of pay as a result of a change to the list of Workcover tickets.

Ticket Description	Number
Excavator	16
Loader	18
Any Forklift Truck	19
Multi Purpose Crane	25
Dogman	Class 2
Truck Licence	3b

6.4 Allowance For Rain And Dust

An hourly allowance for working in the rain, heat and/or dust of \$0.35 per hour is included in the hourly rate and payable for all purposes of the award.

6.5 Payment of Wages

All employees will be paid fortnightly by means of electronic transfer into a bank account nominated by the employee.

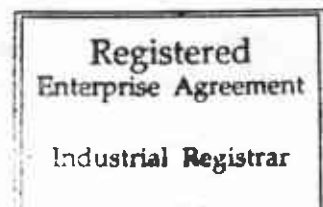
7. BONUS SYSTEM

Employees may earn up to an additional 6% of wages to be paid twice yearly in June and December in accordance with the following schedule:

- 2.60 % for productivity
- 1.00 % for absenteeism
- 1.00 % for lost time injury
- 1.40 % for equipment damage

and in accordance with the Bonus scheme matrix. (Appendix 1)

The payment for the first six months of 2000 will be determined by calculating the bonus on the old and new scheme, with the payment being the greater amount for each individual.



8. CONTRACT OF EMPLOYMENT

8.1 Weekly employment

Employment shall be terminated by a week's notice on either side given at any time during the week or by the payment or forfeiture of a week's wages as the case may be.

Where an employee has given or been given notice of termination, the employee shall continue in employment until the date of the expiration of such notice. Any employee who has given or been given notice as aforesaid, without reasonable cause (proof of which shall lie on him/her) absents himself/herself from work during such period shall be deemed to have abandoned his/her employment and shall not be entitled to payment for work done by him/her within that period: Provided that where an employer has given notice as aforesaid, an employee on request, shall be granted leave of absence pay for one day on order to look for alternative employment. Leave of absence so granted shall not constitute abandonment of employment for the purpose of this subclause.

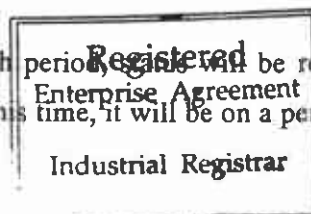
This shall not affect the right of the employer to dismiss any employee without notice for malingering, inefficiency, neglect of duty or misconduct and in such cases the wages shall be paid up to the time of dismissal only or to deduct payment for any day the employee cannot be usefully employed because of any strike or through any breakdown in machinery, or any stoppage of work by any cause for which the employer cannot reasonably be held responsible.

8.2 Casual Labour

Casual employees will receive a 20% loading in addition to their normal rate. The 20% loading comprises casual loading and leave loading which incorporates - Annual Leave, Sick Leave, Flexi Leave, Public Holiday Allowances (Including the Union Picnic Day). In the hiring of casual labour management will consider the totality of the work involved when deciding whether weekly employees should be worked overtime or casuals engaged. Once management has decided they will consult with the site delegate.

Employment status will be reviewed after three months with the intention of making the casual employee a permanent full time employee.

If casual employment continues for a second three month period, it will be reviewed again at 6 months. If employment is to continue beyond this time, it will be on a permanent full time basis.



8.3 Part-time Labour

Part-time employees shall be an employee who works a day/s or part of a day/s not less than three days per week and whose ordinary hours shall not be less than 20 hours per week.

Part-time employees will be paid at an hourly rate equal to the ordinary rate for the category of work performed. Part-time employees shall be entitled to a proportionate amount of annual leave, sick leave, and long service leave.

8.4 Fixed Term Employment

The company reserves the right to employ people for a Fixed Term to meet short-term production fluctuations. Employees will be consulted when such circumstances arise.

8.5 Contractors

When the company requires Contractors to carry out work at the Company's facilities to perform the tasks of existing employees it will consult with employees before such contractors are engaged. At all other times contractors may be utilised as necessary.

8.6 Multiskilled

- (i) The employer may direct an employee to carry out such duties as are within the limits of the employee's skill, competence and training consistent with the classification structure of this Agreement.
- (ii) The employer may direct an employee to carry out such duties and use tools and equipment as may be required provided that the employee has been trained in the use of such tools and equipment.
- (iii) Any direction issued by the employer pursuant to paragraphs (a) and (b) of this subclause shall be consistent with the employer's responsibilities to provide a safe working environment.

8.7 Letter of Appointment and Probationary Period

Prior to joining the Company, each successful applicant will receive a letter of appointment setting out the Conditions of Employment and a job description outlining the multi-skilling of the job.



Once signed, the incumbent will be appointed subject to the completion of a probationary period of three (3) months continuous service. Notice will be determined on an hourly basis during such probationary period.

A new Letter of Appointment is to be issued if the conditions of employment undergo significant variations.

8.8 Pre-Employment Medical Examination

The parties to this Agreement recognise and accept that a Pre-employment Medical Examination by a Doctor nominated by the Company is a pre-requisite to the employment process. Costs of this medical examination will be borne by the Company.

The applicant must be prepared to answer questions about their medical and work history, and authorise the examining Doctor to report to the Company details of any medical matter having a bearing on the applicant's suitability for the position.

8.9 Medical Examinations

The parties to this Agreement agree that all employees are required to submit for an annual medical examination at the request of the Company in the Company time and at the Company's expense.

9. HOURS OF WORK

(a) Normal five-day week workers –Day and Shift

- (i) The ordinary hours of work shall be an average of 38 per week and may be worked on any day or all of the days of the week, Monday to Friday between the hours of 5.00am and 5.00pm. The ordinary hours of work prescribed herein shall be worked continuously from 7.00 am till 3.30.pm, except for meal breaks. Provided that the spread of hours may be altered by mutual agreement between the employer and the majority of employees in the plant or section or sections concerned.

- (ii) Definitions for the purpose of this clause-

“Day shift” means any shift starting after 4.00 am and before 12.00 noon.

“Afternoon shift” means any shift starting after 12,00 noon and before 8.00 pm.

“Night shift” means any shift starting after 8.00 pm and before 4.00am.



- (iii) Ordinary working hours are to allow for a 30 minute unpaid break within five hours of commencement of work. The time of taking meal breaks, whether during ordinary or overtime hours, shall be flexible so as to permit the conduct of continuous operations.

- (iv) Employees will be required to work shift work on a Rotating Shift or on a Permanent Shift System:
 - Day Shift - 8.00am to 4.00pm
 - Afternoon Shift- 4.00pm to 12.00 midnight
 - Night Shift - 12.00 midnight to 8.00am

- (v) A Shift Allowance of 15% of the ordinary rate shall be paid to employees whilst working normal time hours on rotating afternoon and night shifts. Shift allowance is not paid for any overtime.

9.2 Rostered day off

- (i) All employees on permanent day shift will be entitled to a rostered day off (R.D.O.) of one day per four weeks.
- (ii) R.D.O.'s may be accumulated to a maximum of five R.D.O's which may be taken together following the giving of two weeks notice and subject to the Company's requirements.
- (iii) Single R.D.O.'s may be taken following the giving of three working days notice and subject to the Company's requirements.

9.3 Continuous 12-hour shift workers

This subclause shall apply to shift workers working a twelve-hour rostered shift on a continuous basis from 7.00am to 7.00pm or from 7.00pm to 7.00am.

(i) **Payment for rostered shifts**

For rostered shifts on:

Monday to Friday -	Ordinary time for 12 hours
Saturday -	Time and one half for 12 hours
Sunday -	Double time for 12 hours
Public Holidays -	Double time and one half for 12 hours



(ii) **Shift allowance**

For full 12-hour rostered night shifts on any day of the week, and allowance equivalent to 20% of normal time rate for the 12-hour shift will be paid. This allowance will not extend into overtime, but will be paid for ordinary time worked during a Public Holiday.

(iii) **Consultation**

Employees shall not be removed from their respective shift work until after consultation with Management has taken place.

(iv) **Crib Breaks**

Employees working a 12-hour shift system are entitled to two twenty-minute crib breaks to be taken approximately four hours apart. Each crib break will be taken in a staggered system within the shift crew to cover the needs of the operation and will be counted as time worked.

10. OVERTIME/PUBLIC HOLIDAYS ENTITLEMENTS

(i) In computing overtime each day's work shall stand-alone and the rate of pay shall be based on the ordinary time rate of pay excluding shift allowances.

(ii) **Monday to Friday**

For all work done outside ordinary hours the rates of pay shall be time and one half for the first two hours and double time thereafter, such double time to continue until the completion of the overtime work.

(iii) **Saturday**

Time-and-one-half for the first two hours and double time thereafter for all hours worked.

(iv) **Sunday**

Double time for all hours worked

(v) **Public Holidays**

Double time-and-one-half for all hours worked and in addition:-

- For Normal 5 Day Week Workers-Day & Shift

8 hours normal time for Monday to Friday Public Holidays not worked, No entitlement for Saturday and Sunday Public Holidays.



For continuous 12 Hour Shift workers

12 hours normal time for any Public Holidays not worked, including Saturday and Sunday Public Holidays

(vi) Continuous shift workers shall be paid at the rate of double time for all overtime worked on a Saturday and Sunday.

(vii) **Minimum Payment**

The minimum payment to an employee who is recalled from their home to work overtime, shall be for four hours worked at the appropriate rate of pay from the receipt of call with a maximum of 30 minutes payment as from time of call out. Call out shall only apply when the employee is required to start overtime immediately.

(viii) **Meal Allowance**

When an employee is required to continue to work on overtime for more than one and a half hours after the employee's ordinary ceasing time without having been notified before leaving work the previous day or equivalent time of the requirement to work overtime shall be paid \$ 7.50 for each meal. An additional overtime meal allowance will be paid if a full 8 hours overtime is worked.

(ix) **Reasonable Overtime**

An employer may require any employee to work reasonable overtime before or after normal hours at overtime rates and such employee shall work overtime in accordance with such requirement. The assignment of overtime by an employer to an employee shall be based on specific work requirements.

For 12-hour continuous roster workers, "reasonable" overtime shall be taken to include but not limited to scheduled overtime additional to normal rostered shifts necessary for continuous operation of the roster

11. SICK LEAVE

(i) Employees are required to complete a qualifying period of three months continuous service with the Company, in order to be entitled to claim payment of wages at the rate of ordinary time lost for personal illness or incapacity not due to ones own serious or wilful misconduct.



- (ii) Paid leave of absence will be provided to cover only genuine illness or injury by accident and will be paid for the period of time the employee is unable to attend for duty, subject to satisfactory proof of illness or injury.
- (iii) In the case of an employee's inability to continue to work due to total or permanent incapacity due to circumstances other than those arising from a Workers Compensation claim, the Company shall pay all outstanding entitlements and will ensure that the employee's rights under the superannuation scheme are protected.
- (iv) Employees are required to provide a Doctors Certificate for all sick leave extending 12 hours absence from duty.
- (v) The Company reserves the right to review each individual case and to suspend payment whilst on Sick Leave or take disciplinary action in accordance with this Award, if the nature of such illness or injury by accident can be shown not to be genuine.
- (vi) To qualify for sick pay benefits, employees must notify the Company of:
 - Their inability to present for duty at least one hour prior to the commencement of their absence from duty.
 - The length of time the employee anticipates absence from duty.
 - The nature of the illness.
 - Their intention to return to work eight hours prior to the commencement of their shift.

Notification of intention to be absent from duty, can be made either by telephoning personally or by a relative or friend.

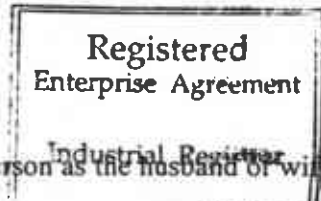
To obtain sick pay, employees must complete the Company's Sick Pay Claim Form and attach any Medical Certification.



12. PERSONAL/CARER'S LEAVE

12.1 Use of Sick Leave

- (a) An employee, other than a casual employee, with responsibilities in relation to a class of person set out in cl.11.1(c)(2) who needs the employee's care and support shall be entitled to use, in accordance with this subclause, any current or accrued sick leave entitlement provided for at cl.10, Sick Leave, for absences to provide care and support for such persons when they are ill. Such leave may be taken for part of a single day.
- (b) The employee shall, if required, establish, by production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person. In normal circumstances, an employee must not take carer's leave under this subclause where another person has taken leave to care for the same person.
- (c) The entitlement to use sick leave in accordance with this subclause is subject to:
- (1) the employee being responsible for the care and support of the person concerned; and
 - (2) the person concerned being:
 - (i) a spouse of the employee; or
 - (ii) A de facto spouse who lives with the person as the husband or wife of that person on a bona fide domestic basis although not legally married to that person; or
 - (iii) a child or an adult child (including an adopted child, a step child, a foster child or an ex-nuptial child), parent (including a foster parent and legal guardian), grandparent, grandchild or sibling of the employee or spouse or de facto spouse of the employee; or
 - (iv) a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis; or
 - (v) a relative of the employee who is a member of the same household where, for the purposes of this paragraph:
 - "relative" means a person related by blood, marriage or affinity;
 - "affinity" means a relationship that one spouse because of marriage has to blood relatives of the other; and
 - "household" means a family group living in the same domestic dwelling.
- (d) An employee shall, wherever practicable, give the employer notice, prior to the absence, of the intention to take leave, the name of the person requiring care and



their relationship to the employee, the reasons for taking such leave and the estimated length of absence. If it is not practicable for the employee to give prior notice of absence, the employee shall notify the employer by telephone of such absence at the first opportunity on the day of absence.

12.2 Unpaid Leave

An employee may elect, with the consent of the employer, to take unpaid leave for the purpose of providing care and support to a member of a class of person set out in 11.1(c)(2) above who is ill.

12.3 Annual Leave

- (a) An employee may elect with the consent of the employee, subject to the *Annual Holidays Act 1994*, to take annual leave not exceeding five days in single day periods or part thereof, in any calendar year at a time or times agreed by the parties.
- (b) Access to annual leave, as prescribed in cl.12(a) above, shall be exclusive of any shutdown period provided for elsewhere under this Agreement.
- (c) An employee and employer may agree to defer payment of the annual leave loading in respect of single day absences, until at least five consecutive annual leave days are taken.

12.4 Time Off in Lieu of Payment for Overtime

- (a) An employee may elect, with the consent of the employer, to take time off in lieu of payment for overtime at a time or times agreed with the employer within twelve (12) months of the said election.
- (b) Overtime taken as time off during ordinary time hours shall be taken at the ordinary time rate, that is an hour for each hour worked.
- (c) If, having elected to take time as leave in accordance with paragraph (a) above, the leave is not taken for whatever reason, payment for time accrued at overtime rates shall be made at the expiry of the twelve (12) months period or on termination.
- (d) Where no election is made in accordance with paragraph (a), the employee shall be paid overtime rates in accordance with the award.



12.5 Make-up Time

- (a) An employee may elect, with the consent of the employer, to work "make-up time", under which the employee takes time off during ordinary hours and works those hours at a later time, during the spread of ordinary hours provided in the award, at the ordinary rate of pay.
- (b) An employee on shift work may elect, with the consent of the employer, to work "make-up time" (under which the employee takes time off ordinary hours and works those hours at a later time) at the shift work rate which would have been applicable to the hours taken off.

12.6 Rostered Days Off

An employee may elect, with the consent of the employer, to take a rostered day off ('RDO') in whole or in part day amounts.

13. COMPASSIONATE LEAVE.

- 13.1 An employee, other than a casual employee, shall be entitled to up to two (2) working days compassionate leave without deduction of pay on each occasion of the death in Australia of a person prescribed in clause 12.3. Where the death of a person as prescribed by cl.12.3 occurs outside Australia the employee shall be entitled to two (2) working days compassionate leave where such employee travels outside Australia to attend the funeral.
- 13.2 The employee must notify the employer as soon as practicable of the intention to take compassionate leave and will provide, to the satisfaction of the employer, proof of death.
- 13.3 Compassionate leave shall be available to the employee in respect to the death of a person prescribed for the purposes of personal/carer's leave as set out in clause 11.1(c)(2), provided that for the purpose of compassionate leave, the employee need not have been responsible for the care of the person concerned.
- 13.4 An employee shall not be entitled to compassionate leave under this clause during any period in respect of which the employee has been granted other leave.
- 13.5 Compassionate leave may be taken in conjunction with other leave available under cl.11.2-6 inclusive. In determining such a request the employer will give consideration to the circumstances of the employee and the reasonable operational requirements of the business.

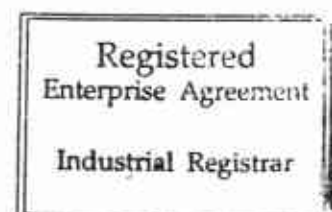


14. ANNUAL LEAVE

- 14.1 See *Annual Holidays Act 1944* (NSW).
- 14.2 All employees are entitled to four weeks leave in respect of each year of continuous service with the Company.
- 14.3 Employees who work on a Seven-day continuous Shift Roster are entitled to an additional weeks leave each year of continuous service with the Company.
- 14.4 Employees are required to take accrued annual leave following each continuous year of service. Such leave shall be taken within twelve months of their entitlement and may be taken in more than one allotment by allocation and approved in writing by management.
- 14.5 The timing for taking of accrued annual leave shall be arranged between the Company and the employee.
- 14.6 Employees are entitled to a maximum of three single days of annual leave per annum following the giving of three working days notice and subject to the Company's requirements.
- 14.7 An annual close down in accordance with the needs of the Company's client (OneSteel) will be implemented as arranged between the Company and its employees.
- 14.8 Other than in cl.13.6 and 7 annual leave may only be taken in blocks of one week minimum, which for seven day continuous shift workers shall be paid based on the average weekly earnings over the full twelve week cycle of the roster. This consists of 51 hours pay per week block or 10.2 hours per single day taken.

15. ANNUAL LEAVE LOADING

- (i) Before an employee is given and takes a period of annual leave, or where by agreement between the employer and employee the annual holiday is given and taken in more than one separate period, then before each of such separate periods, the employer shall pay an employee a loading determined in accordance with this clause.
- (ii) The loading is payable in addition to the pay for the period of holiday given and taken and due to the employee under the Act and this award.
- (iii) The loading is to be calculated in relation to any period of annual holiday to which the employee becomes entitled under the Act and this award, or, where such a holiday is given and taken in separate periods, then in relation to each such separate period.



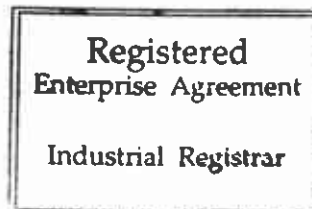
- (iv) The loading is the amount payable for the period, or the separate period, as the case may be, at the rate per week of 20% of the appropriate ordinary normal time rate of pay prescribed by this Agreement for the classification in which the employee was employed immediately before commencing the annual holiday, but shall not include Saturday, Sunday or public holiday loading for continuous 12 hour roster workers, or for any other allowances, penalty rates, shift allowances, or any other payments prescribed by this award.
- (v) (a) Where the employment of an employee is terminated by the employer, for a clause other than misconduct and at the time of the termination the employee has not been given and has not taken the whole of an annual holiday to which the employee became entitled, the employee shall be paid a loading calculated in accordance with subclause (iv) for the period not taken.
- (b) Except as provided by paragraph (a) of this subclause, no loading is payable on the termination of an employees employment.

16. LONG SERVICE LEAVE

- (a) See NSW Long Service Leave Act, 1955.
- (b) Employees will accumulate long service leave at the rate of 4.33 days per continuous year of service for the duration of the Contract.
- (c) Employees whose service is terminated due to a serious and wilful misconduct, are not entitled to proportional payment on dismissal.

17. PUBLIC HOLIDAYS

- (a) New Year's Day, Australia Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, Queen's Birthday, Eight Hour Day, Christmas Day, Boxing Day and an additional days holiday (known as the Union's Picnic Day) to be observed pursuant to subclause (b) of this clause and any other day gazetted as a public holiday for the State shall be holidays for the purpose of this award.
- (b) As noted above, an employee shall be entitled to one additional day as a holiday in each calendar year known as the Unions Picnic Day. This additional holiday shall be observed on the day mutually agreed between the employer and employees. The additional holiday is not cumulative and must be taken within each calendar year.



- (c) No deductions shall be made from the wages of weekly employees for the week in which any of the holidays, referred to in subclause (a) of this clause, fall.
- (d) Where an employee is absent from employment on the working day before or the working day after a public holiday without reasonable excuse or without the consent of the employer the employee shall not be entitled to payment for such holiday.
- (e) For public holidays falling during a period of annual or long service leave, the following payments will apply.

(i) Normal 5 day week workers- day and shift.

For a public holiday falling on Monday to Friday, payment for 8 hours at normal time without leave loading, and with no deductions from accumulated leave entitlement.

For a public holiday falling on a Saturday or Sunday, there will be no payment or deduction from leave entitlement.

(ii) Continuous 12 hour shift workers

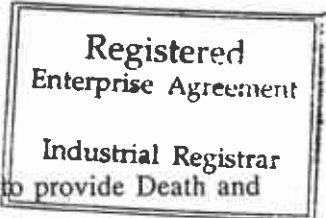
For any public holiday falling on a day on which the employee would have been rostered to work if not on leave, payment for 12 hours at normal time without leave loading, and with no deduction from accumulated leave entitlement.

For any public holiday falling on a day which the employee would have been rostered off if not on leave, payment for 12 hours at normal time with no leave loading, and with no deduction from accumulated leave entitlement.

18. SUPERANNUATION

A superannuation policy has been established with the AMP Society to provide Death and Disablement cover as well as Retirement Benefits for permanent employees. The fund is an Accumulation Fund which offers each employee a choice of investment.

The Fund complies with the legislative requirements of the Superannuation Guarantee Levy. The payment will be based on "ordinary time earnings" meaning the actual ordinary rate of pay the employee receives for ordinary hours of work including allowances where applicable.



Rollover facilities are included to allow Employees' entitlements from previous employment to be transferred to Fund, should they wish to do so.

The AMP Society provides Funds which perform consistently whilst providing security for the investment.

The Company will contribute as per the Superannuation Guarantee Levy from the commencement of employment.

Permanent Employees may contribute a minimum of \$15.00 per week and may make additional contributions at their discretion.

Employees may vary their contribution effective from January each year.

On leaving the Company's employment, the employee is to receive his or her contribution plus accumulated interest plus the Company's contribution.

The employee's benefit on retirement, is to comprise his or her contributions plus the Company's contribution plus funds rolled-over from previous Superannuation plans plus accumulated interest.

A Death and Disablement provision is also included for permanent employees

19. WORK APPRAISAL

- (a) The Company Policy is to treat each employee in a fair and just manner.
- (b) All employees are expected to meet satisfactory standards of work performance, punctuality, personal conduct and follow the Policies, Procedures and Agreements of the Company.
- (c) The Company shall pay employees in direct proportion to Skill competency levels relevant to the job.
- (d) Management shall counsel employees who fail to perform their duties to the satisfaction of the Company.



20. DISCIPLINARY PROCEDURE

Whilst this agreement provides the right of the Company to dismiss the employees without notice for misconduct, in many circumstances, dismissal is too severe a penalty for some breaches of conduct. Accordingly, the parties agree that disciplinary action by way of a warning or suspension can be imposed where misconduct did not warrant dismissal, in these circumstances it is agreed that the following procedures will apply:

(i) Warning For Minor Breaches of Discipline

A breach of discipline not necessarily warranting dismissal includes the following:

- Unsatisfactory timekeeping or unjust absenteeism
- Work performance
- Failure to properly carry out legitimate instructions
- Smoking in a prohibited area
- Discriminatory behaviour
- Leave of absence from the Job Site without authorised permission

For any breach of discipline of this type the following action will be taken:

First Warning

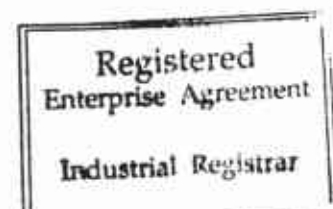
The Company Manager, in the presence of the employee concerned will discuss the alleged breach and if substantiated a "first warning" will be recorded in writing on the employee's personnel record. The Union Delegate from the appropriate section will be present during the discussions. The employee will receive counselling and be advised of the possible consequences of any further breach.

Second Warning

The Company Manager in the presence of the employee concerned will discuss the second breach and if substantiated a "second warning" will be recorded in writing on the employee's personnel record. The Union Delegate will be present during the discussions. The employee will be advised of the possible consequences of any future breach. A copy of the warning will be given to the employee concerned.

Final Warning/Dismissal

The employee will be given the opportunity to explain his/her behaviour in the presence of the Union Delegate from the appropriate section. Any explanation offered shall be taken into account before deciding if dismissal is the appropriate action to take.



If the Company accepts the explanation and decides that dismissal is not warranted, a final warning may be given to the employee. A copy of the warning will be given to the employee and a copy placed on the employee's personnel file.

If the Company considers that dismissal is warranted and the Disciplinary Procedure has been previously exhausted, then the employee concerned and the Union Delegate will be advised immediately of the decision.

Duration of Warnings

The period of time prior to a cancellation of the warning will be twelve months.

Personal Records

Employees shall be entitled to view their personal records by request to the Company at a pre-arranged time. Personal records cannot be removed from the office and will be treated as confidential by the employer.

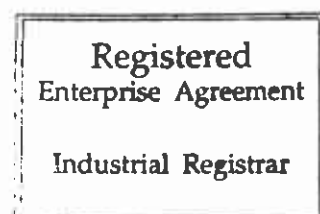
Dismissal- Misconduct

Notwithstanding other provisions of this clause the Company has the right to dismiss any employee without notice for misconduct where it has been clearly demonstrated that the employee's behaviour amounts to conduct that justifies instant dismissal.

To protect the interest of all employees and the Company, employment may be terminated without notice if an employee is found guilty of conduct that justifies instant dismissal.

Misconduct includes but is not limited to:

- Reporting to work under the influence of alcohol/drugs
- Wilful disregard of safety regulations that endanger plant or the lives of other persons
- Malingering
- Being asleep on duty
- Theft
- Falsifying Company records
- Fighting
- Serious negligence
- Wilful refusal of duty



In the event of the dismissal of an employee by the Company, any aggrieved employee have the right to consult management; providing employees continue working. Any disruptive action taken by employees will ensure that all matters relating to the dismissal and consequential action taken shall be referred to the Commission.

The Company may, after consultation with the appropriate union representative, offer alternatives to dismissal. These may include, but not be limited to suspension without pay for a period, or reduction in operator level of payment for a fixed term or indefinitely.

The Operations Co-ordinator shall possess the authority to suspend an employee for the duration of a shift, the matter shall then be presented to Management for determination.

21. DISPUTE SETTLEMENT PROCEDURES

The parties to this Agreement accept and agree to process and resolve claims, issues of dispute, areas of disagreement including grievances, conflicts and complaints, or any matter that arises between the Union and the Company according to the following procedures:

21.1 The parties undertake that when any such matter arises, the basic intention shall be to resolve such matters as quickly as possible by direct consultation and negotiation.

21.2 Work shall continue as normal and without interruption. No party shall be prejudiced as to final settlement by the continuance of work in accordance with this subclause.

21.3 The Employees, and/or Employee Representative shall place the matter before the immediate Operations Co-ordinator. The immediate Operations Co-ordinator is to ensure that the matter is correctly interpreted, registered, and managed according to the following procedure:

- Listen and objectively record the following details:
 - Date/ Time/ Shift
 - Person(s) presenting the matter
 - Establish the facts and collect details. Define the "real" cause of the problem
 - Check with the person(s) that the details are correctly understood.

- The Operations Co-ordinator will prepare:
 - The Plan of Action to be taken
 - Timeframe



- The Operations Co-ordinator shall take all reasonable steps to resolve the matter on the spot or as soon as possible.

21.4 In the event that the matter exceeds the level of authority of the Operations Co-ordinator, or Employee and/or Employees` Representative is not satisfied with the decision, or progress, or wishes to appeal against the decision; the matter is to be placed before the Manager.

The Manager shall fully familiarise himself with the matter and take all reasonable steps within the Manager's authority to resolve the matter to the satisfaction of both Parties.

21.5 Should the matter remain unsolved, the appropriate AWU official shall be invited to assist in the resolution of the matter.

21.6 In the event that the matter is not resolved, it is to be placed before the Executive Management of the Company for determination.

21.7 On order to expedite amicable settlement, the Company reserves the right to appoint an independent "facilitator" or "conciliator" to advise on a "fair and reasonable" resolution to satisfy both of the Parties concerned.

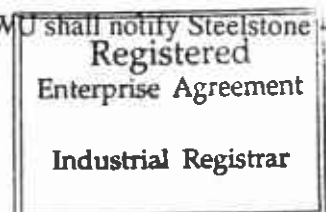
21.8 In the event that the matter cannot be resolved to the satisfaction of both Parties, the matter shall be referred to the NSW Industrial Relations Commission. The decision of the Commission shall be binding for all the Parties concerned.

21.9 Matters raised in relation to bona fide safety issues are to be investigated and corrected as quickly as possible in accordance with the Occupational Health and Safety Act.

22. NOTIFICATION OF STOPPAGES

In the event that a dispute has not been settled to the satisfaction of both Parties, and the Union has determined to call a stoppage; it is required that the AWU shall notify Steelstone Sydney in writing:

- Its intention to call a stoppage.
- The cause of the stoppage.
- Three days notice prior to the commencement of the stoppage as a cooling off period
- Request to meet with Management during and immediately prior to the commencement of the stoppage.



During the course of this cooling off period, all parties are to take all available action to resolve the matter and avert the stoppage.

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Registered
Enterprise Agreement
Industrial Registrar

23. ESSENTIAL SERVICES DISPENSATION

The cornerstone of the Agreement is to ensure continued and uninterrupted operation of OneSteel's Sydney Steel Mill at Rooty Hill and the parties agree to confer and to resolve any issues between them without resort to industrial action.

The employees and the Company agree to provide, at all times, a minimum of 1 man per shift and if any stoppage lasts longer than two days then the company may bring in an additional operator if the continuity of the furnace operation is jeopardised.

The essential services should include but not be limited to:

- Operating equipment to maintain production at the:
 - Melt Shop
 - Cast Shop
 - Rolling Mill.
- Clearing Skips from all (areas) plant and dumping at processing area.
- Keeping processing area clear for acceptance of by product materials.
- BBHD Encapsulation.

24. TERMINATION OF EMPLOYMENT

In the event that Company deems it necessary to terminate an employee, the following conditions and procedures are to apply:

1. The manager is to advise the Employee and the Employee Representative of the decision and the reasons for it.
2. If the Manager is satisfied that the circumstances justify instant dismissal, it shall operate from the moment of notice.
3. If the Employee or delegate contests the dismissal, the Manager shall advise the Employee that summary dismissal shall be effective in 7 days time; and that until then, the Employee is to be suspended without pay.
4. During the course of the 7 days, the matter is to be pursued in accordance with the "Dispute Settlement Procedures", presented in Section 17.



25. RETRENCHMENT

25.1 The Company retrenchment provisions to Employees whose dismissal takes effect prior to the expiration/termination of Contracts and the dismissal is due to circumstances affecting the Company's viability or resulting from structural efficiency changes.

25.2 In addition to other pay and entitlements the an Employee has accrued, the Employee shall receive:

- Four weeks pay
- No other payment if the Employee has less than twelve months service with the Company.
- If the Employee has more than twelve months of continuous service with the Company; the Employee is entitled to:

(i) If an employee is under 45 years of age, the employer shall pay in accordance with the following scale:

<u>Years of Service</u>	<u>Under 45 Years of Age Entitlement</u>
1 year and less than 2 years	4 weeks
2 years and less than 3 years	7 weeks
3 years and less than 4 years	10 weeks
4 years and less than 5 years	12 weeks
5 years and less than 6 years	14 weeks
6 years and over	16 weeks

(ii) Where and employee is 45 years old or over, the entitlement shall be in accordance with the following scale:

<u>Years of Service</u>	<u>Over 45 Years of Age Entitlement</u>
1 year and less than 2 years	5 weeks
2 years and less than 3 years	8.75 weeks
3 years and less than 4 years	12.5 weeks
4 years and less than 5 years	15 weeks
5 years and less than 6 years	17.5 weeks
6 years and over	20 weeks.



26. TERMINATION OF CONTRACTS

- (a) If Steelstone - Sydney is the successful re-tenderer, existing employees will be given continuity of employment providing appropriate job opportunities are available under the contract.
- (b) If Steelstone - Sydney is unsuccessful in renewing the Contract with OneSteel. for Rooty Hill Steelworks, the following conditions apply:
- Payment of Superannuation Benefits accrued
 - Payment of accrued Long Service Leave
 - Payment of any Annual Leave entitlements
 - Employees will be eligible for the Retrenchment provisions.

27. WORK CLOTHING

- (a) The Company will supply four shirts and two pair of work pants on the commencement of permanent employment.
- (b) An annual issue of work clothing will be provided for up to the value of \$170.00 per year.

28. SITE REPRESENTATIVE

Employees will be encouraged to appoint one person to represent Steelstone-Sydney employees.

On each of the remaining shifts, one additional working person shall be authorised to provide a communications role between shift employees, the Employee Representative, and the Company.

29. QUALITY ASSURANCE

Steelstone-Sydney is committed to quality control and assurance. This commitment is a requirement on all management and employees.

The Company recognise the value of developing, implementing and gaining the commitment to a fully-integrated tailor-made quality control assurance program to the:

- (a) **Customer:**

Assured of a superior quality and service at a more competitive price.



(b) Employee:

Obtains greater job satisfaction due to:

- Reduced frustration
- Reduced errors, defects or rejects, failures, disruptions, damage, rework and re-handling
- Elimination of non-value adding activities
- Improved and meaningful decision making and problem solving on factors affecting work efficiency and effectiveness
- Greater "ownership" in the production process

(c) Company:

Achieves a more commercially-viable business enterprise through increased quality production at reduced costs.

30. TRAINING

The Company is committed to training employees to perform the tasks required in an efficient, effective, safe and responsible way.

Employees will be required to undergo and complete to the satisfaction of the Company, training and/or re-training programs to perform the range of functions required by the Company. When it is necessary to attend for training outside working hours at the request of Management, employees will be paid at the single time rate of pay for the duration of the course, plus reasonable travelling and meal expenses.

All employees will undergo a full induction, operational training, and safety training program to ensure a smooth transition to accommodate changes in technology and procedures.

31. NON-SMOKING AREAS

To assist in the safety of all employees smoking is prohibited in confined areas such as crib and locker rooms, plant cabins and all areas that have air conditioning.

32. NEW AWARD

Negotiation to renew and replace this Agreement will commence no later than 1 October 2002.



32. AREA, INCIDENCE AND DURATION

This Agreement relates to all activities conducted by Integrated Steel Mill Services Pty Ltd ACN 052 354 104 at the Company's operations at OneSteel's Sydney Steel Mill, 22 Kellogg Road, Rooty Hill, and shall supersede all other awards that may apply to the operations at that site.

This Agreement shall have effect from the date it is registered and will remain in force until the first day of January 2003.

Signed for on behalf of:

INTEGRATED STEEL MILL SERVICES PTY LTD

Signatories

Date

Michael Aubin

20th July 2001

MICHAEL AUBIN

[Signature]

in the presence of

PAUL NEWMAN

Witness

Signed for and on behalf of:

AUSTRALIAN WORKERS UNION



Signatories

Date

R. K. Collison

17th July 2001

Russ Collison

R. Floukas

in the presence of

Rachel Floukas

Witness