

**REGISTER OF  
CONTRACT AGREEMENTS**

**CONTRACT AGREEMENT NO:** CA99/13

**TITLE:** CSR Limited T/A CSR Readymix Sydney Concrete Carriers Agreement

**I.R.C. NO:** 99/3058

**DATE APPROVED/COMMENCEMENT:** 24 June 1999

**TERM:** ..... 1 January 2000.

**NEW AGREEMENT OR  
VARIATION:** - Variation

**GAZETTAL REFERENCE:**

**DATE TERMINATED:**

**NUMBER OF PAGES:** 28

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** Varying contract agreement CA95/3, CSR Limited T/A CSR Readymix Sydney Concrete Carriers Agreement

**PARTIES:** CSR Limited T/as CSR Readymix -&- Transport Workers' Union of Australia, New South Wales Branch



**CSR LIMITED (ACN 000 001 276)  
Trading as CSR READYMIX**

**AND**



**TRANSPORT WORKERS UNION OF AUSTRALIA  
(NEW SOUTH WALES BRANCH)**

---

**SYDNEY CONCRETE CARRIERS VARIATION AGREEMENT**

---



THIS AGREEMENT is made the ..... day of .....1999

BETWEEN: **CSR Limited (ACN 000 001 276) trading as CSR Readymix of 90 – 92 Phillip Street Parramatta in the State of New South Wales (*the Contractor*)**

AND **The Transport Workers Union of Australia (New South Wales Branch) of Transport House, 388-390 Sussex Street Sydney in the State of New South Wales (*TWU*)**

WHEREAS:

- A. The parties have had various disagreements regarding cartage rates payable under the Agreement and other matters.
- B. The parties have settled the disagreements in consideration of payment to the Carriers to be made pursuant to the Deed of Release and variation of the Agreement in accordance with the Industrial Relations Act 1996, as set out below.

NOW THIS AGREEMENT WITNESSES

**1. Definitions**

1.1 The following definitions apply:

*Agreement* means the CSR Limited T/A CSR Readymix Sydney Concrete Carriers Agreement dated 16 January 1995 between the Contractor and the TWU.

*Deed of Release* means the document of that name to be executed by each Carrier in favour of the Contractor, a pro-forma of which is attached to this Variation Agreement, as annexure A.

*Variation Agreement* means this agreement.

1.2 Any other term used in this Variation Agreement has the meaning given to that term by the Agreement.

**2. Application**

This Agreement shall apply to all Carriers engaged by the Contractor in the Sydney Metropolitan area.

**3. Relationship to Agreement**

3.1 This Variation Agreement shall be read and construed in conjunction with the Agreement.

3.2 Where there is any inconsistency between the Agreement and this Variation Agreement, this Variation Agreement shall prevail to the extent of the inconsistency.

#### 4. Date and Period of Operation

4.1 Subject to clause 7, this Variation Agreement shall come into operation on the day the Industrial Relations Commission of New South Wales approves the Variation Agreement and shall remain in operation until the Agreement expires or is terminated.

4.2 It is agreed by the parties that the amendments set out in Schedule A will be deemed to have taken effect on 1 May 1998.

#### 5. No Extra Claims

5.1 Except for movements in accordance with Schedule A of the Agreement there will be no further claims:

- (a) relating to the calculation of cartage rates between 16 January 1995 and 1 May 1998; and
- (b) relating to changing the method of calculating cartage rates during the term of the Agreement.

5.2 Without in any way limiting clause 5.1, there will be no further claims for changes to the categorisation of the components set out in clause 6.7 of this Variation Agreement used to calculate cartage rates.

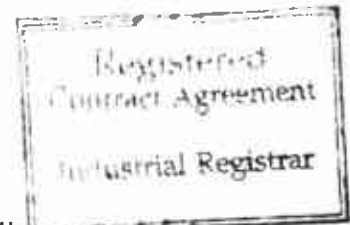
#### 6. Variation of Agreement

The Agreement is deemed to have been varied as follows:

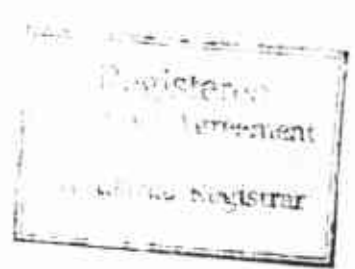
6.1 Clause 4.2 a) g) is amended by deleting the words, numerals and symbols "of 5%" and inserting in lieu thereof the words "prescribed by law."

6.2 Clause 9.2 c),d) and e) are deleted and the following inserted in lieu:

- "c) The Contractor may operate a fleet of vehicles driven either by its employees or by contract labour.
- d) The Contractor's vehicles shall not be preferentially loaded. The Carriers acknowledge and agree that the nomination of plants from which the Contractor's vehicles operate is entirely at the discretion of the Contractor and does not constitute preferential loading subject to there being consultation regarding the increase or decrease in the base number of Carrier's vehicles in a plant.



- e) The Contractor's vehicles shall participate in the cyclic roster as defined by clause 1.1(d), (e) and (f)."
- 6.3 Clause 22 of the Agreement is amended by numbering the existing clause as clause 22.1 and inserting the following new sub-clause:
- "22.2 Trucks owned by the Contractor may be driven by either employees of the Contractor or by contract labour, at the absolute discretion of the Contractor."
- 6.4 Clause 27 is amended by deleting the existing clause 27.1 and inserting the following in lieu thereof:
- "27.1 The Contractor shall operate rosters and allocate plant locations in such a way as to ensure that:
- (a) all Carrier's have the opportunity to cart metres as close as possible to the average fleet utilisation metreage for the whole Sydney cartage fleet (which includes vehicles owned and operated by the Contractor pursuant to clause 9.2(c)) during the relevant period; and
  - (b) the level of customer service set by the Contractor is achieved."
- 6.5 Clause 27 is further amended by the addition of a new sub-clause 27.3 (e) as follows:
- "(e) Night shift rosters."
- 6.6 Clause 27 is further amended by the insertion of a new sub-clause 27.4 as follows:
- "27.4 The rosters set out in clause 27.3 shall include trucks owned by Carriers and trucks owned by the Contractor."
- 6.7 Schedule A to the Agreement is amended as follows:
- (a) under the heading "Productivity" on page 1 of Schedule A, the letter "F" appearing alongside the item "Volume" shall be deleted and the letter "D" inserted.
  - (b) under the heading "Labour" on page 2 of Schedule A:
    - (i) the letter "A" appearing alongside the item "Superannuation" shall be deleted and the letter "B" inserted; and



- (ii) the words in the third column alongside the item "Superannuation" shall be deleted and the following words inserted:

"% of normal time wage according to statutory requirement applicable at the time of the rate calculation".

- (c) also under the heading "Labour" on page 2 of Schedule A:

- (i) the letter "A" appearing alongside the item "Workers comp insurance" shall be deleted and the letter "B" inserted; and
- (ii) the words in the third column alongside the item "Workers comp insurance" shall be deleted and the following words inserted:

"% of normal wages, casual labour, de-dagging labour and overtime according to statutory requirements applicable at the time of the rate calculation."

- (d) under the heading "Running Costs" on page 3 of Schedule A, the numeral "4" appearing alongside the item "Routine services per year" shall be deleted and the numeral "5" inserted.
- (e) under the heading "Running Costs on page 3 of Schedule A, the numeral "8" appearing alongside the item "No. of recaps-rear drive shall be deleted and the numeral "10" inserted
- (f) under the heading "Variation in Utilization Rates" in the notes forming part of Schedule A, the following shall be inserted in front of the existing paragraph:

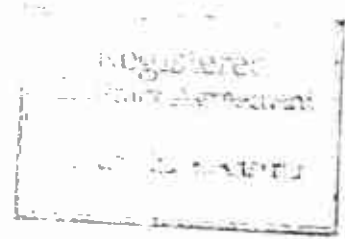
"The above table of utilisation rates is recalculated each half year. This review is conducted by inputting current figures for all items marked A, B and D in this Schedule".

- (g) under the heading "Variation in Utilization Rates" in the notes forming part of Schedule A in the paragraph beginning "Items of data marked 'D'" before the word "determined" insert the words and numerals "and actual volume (m<sup>3</sup>/truck/year) capped at 6,000m<sup>3</sup>/truck/year."

6.8 In order to reflect the changes set out in clause 6.7 Schedule A shall be deleted in its entirety and replaced with Schedule A of this Variation Agreement.

## 7. Deed of Release

7.1 The TWU will use its best endeavours to ensure that each Carrier enters into a Deed of Release.



**8. Continuity of Agreement**

**8.1 In all other respects, the Agreement shall remain in force in accordance with its terms.**



EXECUTED as an agreement

Signed for and on behalf of CSR Limited t/a CSR Readymix by a duly authorised officer in the presence of:

.....  
Signature of Witness

.....  
Name of Witness

Signed for and on behalf of the Transport Workers Union of Australia (New South Wales Branch) by a duly authorised officer in the presence of:

*R.P. Galvin J.P.*  
.....  
Signature of Witness

*Rosemary Elaine Galvin*  
**Justice of The Peace**  
.....  
Name of Witness

6  
CSR LIMITED (A.C.N. 000 001 276) by its Attorneys who state that at the date of the execution hereof they have had no notice of revocation of the Power of Attorney dated 31st day of October 1997 - Book 4186 No 412 under the authority of which they have executed this instrument.

SIGNED by CSR LIMITED (A.C.N. 000 001 276) by its Attorneys  
*btzswod*  
.....  
*Keduff-Tyler*  
.....  
who are personally known to me in my presence

*Margaret Doyle*  
.....  
Witness

)  
)  
)  
)  
)  
**BRIAN RICHARD HALCROW**  
**BUSINESS MANAGER, COUNTRY SOUTH**

Signature of authorised officer

**KENNETH CECIL DUFF-TYTLER**  
**CREDIT MANAGER, NEW SOUTH WALES**

.....  
Name of authorised officer

)  
)  
)  
)  
)  
*A.V. Sheldon*  
.....  
Signature of authorised officer

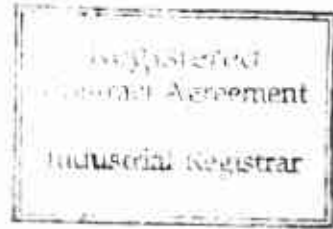
*A.V. Sheldon, Secretary Treasurer*  
.....  
Name of authorised officer



**SCHEDULE A - CALCULATION OF UTILIZATION CARTAGE RATES FOR SYDNEY METRO CONCRETE**

				Sydney Consumer Price Index (All Groups Index) March Quarter 1998
<b>CPI INDICES</b>				
Base Index - June Quarter 1994		110.0	F	
Index at review		120.2	B	
<b>PRODUCTIVITY</b>				productivity for rate calculation
Volume (m <sup>3</sup> /truck/year)		5400	D	Current average
Average load (m <sup>3</sup> )		4.60	D	Current average
Average lead (km)		8.60	D	
Working days/year		253	F	
Average loads/day		4.64	X	
Trips/year		1174	X	
Paid km/year		10096	X	
Paid km / total km ratio		47%	F	
Total km/year		21480	X	Kms allowed for all transfers = 1289
<b>LABOUR</b>				
Weekly rate (\$)		\$433.40	A	TWU Award rate for driver for 40 hours/week. (Overtime calculated on 38 hours)
Weeks/year		52	F	
Normal time wages (\$)		\$22,537	X	
Casual labour, 2 weeks leave (\$)		\$1,080	A (X)	Includes 15% plus 1/12 loading
Casual labour, 3 RDOs (\$)		\$324	A (X)	Includes 15% plus 1/12 loading
Total casual labour (\$)		\$1,404	X	
De-dagging time (hrs/year)		24	F	Estimated time spent per year on de-dagging barrel - premium for driver to do or payment for casual labour to do de-dagging
Hourly payment (\$/hour)		\$13.50	A (X)	Rate paid = casual normal time hourly rate
Returned cartage (hrs/year)		20	F	Allowance for additional time spent on return cartage of 0.8 to 3.0 m <sup>3</sup> including pump blowbacks
Hourly payment (\$/hour)		\$13.50	A (X)	Rate paid = casual normal time hourly rate
Detention time (\$)		\$198	C (X)	Allowance for time truck may be detained for ETA re-inspection due to agitator fault
Total extra time payments (\$)		\$792	X	
No of weeks overtime worked		30	F	Estimated overtime including overtime worked by casual labour
Equip normal time hours / week		11.25	F	1.5 hours/week day @ time & half
Equip normal time hours / Sat		12.00	F	2 hours @ time & half plus 4.5 hours @ double time per Saturday
Overtime cost (\$)		\$7,955	X	

<p><b>LABOUR (continued)</b> Superannuation (\$) \$1,352 Long service leave (\$) \$433 Leave loading (\$) \$433 Workers comp insurance (\$) \$2,868 Total labour oncosts (\$) \$5,087</p>	<p>B (X) A (X) A (X) B (X) X</p>	<p>6% % of normal time wage according to statutory requirements applicable at the time of the rate calculation 1 week 25% of 4 weeks normal time wage = 1 week 8.9% % of normal wages, casual labour, de-dragging labour and overtime according to statutory requirements applicable at the time of the rate calculation</p>
<p><b>TOTAL LABOUR COST (\$)</b></p>	<p>X</p>	<p>\$37,775</p>
<p>Split of overtime labour % charged to running cost 25% % charged to fixed labour cost 75%</p>	<p>F F</p>	<p></p>
<p>Total overtime cost (\$) 7955 Total workers comp insurance (\$) 453</p>	<p>X X</p>	<p></p>
<p>"Running cost" labour (\$) \$2,102</p>	<p>X</p>	<p>= 5.7% of overtime cost</p>
<p><b>"FIXED COST" LABOUR (\$)</b></p>	<p>X</p>	<p>\$35,673</p>
<p><b>OWNERSHIP &amp; OVERHEAD COSTS</b> Depreciation (\$) \$8,000 Startup duty on truck purchase (\$) \$200 Reg'n, CTP insur &amp; permit (\$) \$2,157 Insurance excl workers comp (\$) \$1,492 Administration costs (\$) \$1,515 Incorporation fee (\$) \$105 Profit on investment (\$) \$10,000</p>	<p>F F B (X) B (X) C (X) F F X</p>	<p>\$80,000 truck depreciated over 10 years straight line \$2000 amortized over 10 years Truck registration * \$978 CTP Ins. * 1179 Extra load permit \$0.00 Truck \$1392, Public Liability \$100, Agitator Damage Extension \$0, Wrong Delivery Extension \$0, as per Minet Accountants fee \$800, filing fee \$175, postage/telephone &amp; miscellaneous \$400 \$1050 amortized over 10 years *Truck registration based on Mitsubishi FV458 * CTP from AMP Mary 745-0359</p>
<p><b>TOTAL O &amp; O COSTS (\$)</b></p>	<p>X</p>	<p>\$23,469</p>
<p><b>RUNNING COSTS</b> Fuel - based on km travelled Fuel Cost (\$/litre) \$0.75 Total km travelled 21480 Fuel consumption (litres/100km) 66 Truck fuel cost (\$) \$10,701</p>	<p>B X F X</p>	<p>Ampol wholesale price for distillate 66 cents/litre rounded to nearest cent 02 250 5000 = 1.52 km/litre</p>



<b>RUNNING COSTS (continued)</b>			
Repairs & servicing - all time based			
Routine services per year	5	F	
Hours per routine service	4	F	
Workshop cost (\$/hour)	\$55.00	B	Bruce Hale 771-5500
Materials for routine service (\$)	\$1,653	C	Sitiwell's truck workshop rate
Routine service cost per year (\$)	\$2,753	X	Allow \$300 per routine service
Minor R & M (hours/week)	2	F	
Truck working weeks/year	50	F	
Mechanic cost (\$/hour)	\$25.00	B	
Minor R & M cost per year	\$2,500	X	
Provision for major R & M (\$)	\$3,306	C	
Total servicing, R & M cost (\$)	\$8,559	X	
Tyres - based on km travelled			
No. of new tyres - radial steer	2	F	Conservative estimate for 4500 m <sup>3</sup> /year = 27400 km/year. Expected life of 50,000 km
Cost of new tyre (\$ each)	\$655	B	Beaurepaire SP370 11R22.5 contact Mike O'Brien 648-3311 - Beaurepaire Silverwater
Cost of new tyres (\$)	\$1,310	X	
No. of recaps - rear drive	10	F	Conservative estimate for 4500 m <sup>3</sup> /year = 27400 km/year. Expected life of 40,000 km
Cost of recaps (\$ each)	\$150.00	B	
Cost of recaps (\$)	\$1,500	X	
Expected no. of punctures	12	F	Allow 1 puncture per month
Cost of puncture repair (\$ each)	\$33	C	Typical cost
Cost of punctures (\$)	\$397	X	
Total tyre cost (\$)	\$3,207	X	
"Running cost" labour (\$)	\$2,102	X	
<b>TOTAL RUNNING COSTS (\$)</b>	<b>\$24,569</b>	<b>X</b>	
Total running cost (\$/m <sup>3</sup> /paid km)	\$0.53	X	
% margin allowed on running cost	10%	F	
<b>PAID RATE (\$/m<sup>3</sup>/paid km)</b>	<b>\$0.58</b>	<b>X</b>	<b>Rounded to nearest whole cent</b>

1 May 1998

	PRODUCTIVITY (m <sup>3</sup> /truck/year)										
	3000	3100	3200	3300	3400	3500	3600	3700	3800	3900	4000
"Fixed Cost" Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$) @ \$/m <sup>3</sup> /km rate	14,964	15,463	15,962	16,460	16,959	17,458	17,957	18,456	18,954	19,453	19,952
LOD OPERATING COST (\$)	\$74,106	\$74,605	\$75,103	\$75,602	\$76,101	\$76,600	\$77,099	\$77,597	\$78,096	\$78,595	\$79,094
LOD OPERATING COST (\$/m <sup>3</sup> )	\$24.70	\$24.07	\$23.47	\$22.91	\$22.38	\$21.89	\$21.42	\$20.97	\$20.55	\$20.15	\$19.77
VOLUME INCENTIVE (\$/m <sup>3</sup> )	(\$1.90)	(\$1.73)	(\$1.56)	(\$1.39)	(\$1.22)	(\$1.05)	(\$0.94)	(\$0.83)	(\$0.72)	(\$0.61)	(\$0.50)
PAID CARTAGE @ AV LEAD (\$/m <sup>3</sup> )	\$22.80	\$22.34	\$21.91	\$21.52	\$21.16	\$20.84	\$20.48	\$20.14	\$19.83	\$19.54	\$19.27
Gross income @ paid cartage (\$)	\$68,400	\$69,254	\$70,112	\$71,016	\$71,944	\$72,940	\$73,728	\$74,518	\$75,354	\$76,206	\$77,080
less running cost	14,964	15,463	15,962	16,460	16,959	17,458	17,957	18,456	18,954	19,453	19,952
Load fee component (\$)	\$53,436	\$53,791	\$54,150	\$54,556	\$54,985	\$55,482	\$55,771	\$56,062	\$56,400	\$56,753	\$57,128
LOAD FEE (\$/m <sup>3</sup> )	\$17.81	\$17.35	\$16.92	\$16.53	\$16.17	\$15.85	\$15.49	\$15.15	\$14.84	\$14.55	\$14.28

Registered  
Contract Agreement  
Industrial Registrar



	PRODUCTIVITY (m3/truck/year)										
	4100	4200	4300	4400	4500	4600	4700	4800	4900	5000	5100
*Fixed Cost* Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$ @ \$/m3/km rate)	20,451	20,950	21,448	21,947	22,446	22,945	23,444	23,942	24,441	24,940	25,439
LOD OPERATING COST (\$)	\$79,593	\$80,091	\$80,590	\$81,089	\$81,588	\$82,087	\$82,585	\$83,084	\$83,583	\$84,082	\$84,581
LOD OPERATING COST (\$/m3)	\$19.41	\$19.07	\$18.74	\$18.43	\$18.13	\$17.84	\$17.57	\$17.31	\$17.06	\$16.82	\$16.58
VOLUME INCENTIVE (\$/m3)	(\$0.40)	(\$0.30)	(\$0.20)	(\$0.10)	(\$0.00)	\$0.10	\$0.20	\$0.31	\$0.42	\$0.53	\$0.67
PAID CARTAGE @ AV LEAD (\$/m3)	\$19.01	\$18.77	\$18.54	\$18.33	\$18.13	\$17.94	\$17.77	\$17.62	\$17.48	\$17.35	\$17.25
Gross income @ paid cartage (\$)	\$77,941	\$78,834	\$79,722	\$80,652	\$81,585	\$82,524	\$83,519	\$84,576	\$85,652	\$86,750	\$87,975
less running cost	20,451	20,950	21,448	21,947	22,446	22,945	23,444	23,942	24,441	24,940	25,439
net cost fee component (\$)	\$57,490	\$57,884	\$58,274	\$58,705	\$59,139	\$59,579	\$60,075	\$60,634	\$61,211	\$61,810	\$62,536
LOAD FEE (\$/m3)	\$14.02	\$13.78	\$13.55	\$13.34	\$13.14	\$12.95	\$12.78	\$12.63	\$12.49	\$12.36	\$12.26



	PRODUCTIVITY (m <sup>3</sup> /truck/year)									
	5200	5300	5400	5500	5600	5700	5800	5900	6000	
"Fixed Cost" Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$) @ \$/m <sup>3</sup> /km rate \$0.58	25,938	26,436	26,935	27,434	27,933	28,432	28,930	29,429	29,928	30,427
LOD OPERATING COST (\$)	\$85,079	\$85,578	\$86,077	\$86,576	\$87,075	\$87,573	\$88,072	\$88,571	\$89,070	\$89,569
LOD OPERATING COST (\$/m <sup>3</sup> )	\$16.36	\$16.15	\$15.94	\$15.74	\$15.55	\$15.36	\$15.18	\$15.01	\$14.84	\$14.67
VOLUME INCENTIVE (\$/m <sup>3</sup> ) F	\$0.81	\$0.95	\$1.09	\$1.23	\$1.33	\$1.43	\$1.52	\$1.61	\$1.70	\$1.79
FAID CARTAGE @ AV LEAD (\$/m <sup>3</sup> )	\$17.17	\$17.10	\$17.03	\$16.97	\$16.88	\$16.79	\$16.70	\$16.62	\$16.54	\$16.46
Gross income @ paid cartage (\$)	\$89,284	\$90,630	\$91,962	\$93,335	\$94,728	\$96,103	\$97,469	\$98,828	\$100,180	\$101,527
less running cost	25,938	26,436	26,935	27,434	27,933	28,432	28,930	29,429	29,928	30,427
Load fee component (\$)	\$63,346	\$64,194	\$65,027	\$65,901	\$66,795	\$67,671	\$68,540	\$69,409	\$70,278	\$71,147
LOAD FEE (\$/m <sup>3</sup> )	\$12.18	\$12.11	\$12.04	\$11.98	\$11.89	\$11.80	\$11.71	\$11.63	\$11.55	\$11.47

## NOTES FORMING PART OF CONTRACT SCHEDULE A

### APPLICATION OF UTILIZATION RATES

The table of utilization rates calculated above are the mid points of 100 m<sup>3</sup>/truck/year productivity steps, e.g. the 4500 m<sup>3</sup>/truck/year rate applies for productivity between 4451 and 4550 m<sup>3</sup>/truck/year.

The appropriate utilization rate to be paid shall be based on quarterly reviews of truck productivity as provided for in clause 4.1(e) of the Contract of Carriage. Average annual truck productivity shall be calculated in accordance with clauses 4.1(c) and 4.1(d) of the Contract of Carriage on a moving annual total basis except for the first 3 quarters, for which the productivity will be as follows:

- Quarter 1 = 4500 m<sup>3</sup>/truck/year
- Quarter 2 = (quarter 1 productivity + quarter 2 productivity) x 2 m<sup>3</sup>/truck/year
- Quarter 3 = (quarter 1 productivity + quarter 2 productivity + quarter 3 productivity) / 3 x 4 m<sup>3</sup>/truck/year

Utilization rates for all average truck productivities of less than 3051 m<sup>3</sup>/truck/year will be paid at the rate for 3000 m<sup>3</sup>/truck/year.

Utilization rates for all average truck productivities greater than 5950 m<sup>3</sup>/truck/year will be paid at the rate for 6000 m<sup>3</sup>/truck/year.

### VARIATION IN UTILIZATION RATES

The above table of utilization rates is recalculated each half year. This review is conducted by inputting current figures for all items marked A, B and D in this schedule. Where a recalculation of the above table of utilization rates, at a half-yearly review, varies the 4500 m<sup>3</sup>/truck/year rate (at the 11.5 km average lead and 4.1 m<sup>3</sup> average load size) by an amount equal to or greater than 3%, then the recalculated table of utilization rates will apply until the next until the next half-yearly rate review. If the variation in the recalculated rate is less than 3% then the existing rate will continue to apply until the next half-yearly rate review.

Example: The utilization rate for 4500 m<sup>3</sup>/truck/year in the table above is \$19.24. A rate review calculates the new rate to be \$19.78. As the increase is only 2.8%, the existing rate of \$19.24 continues to be paid.

For the purposes of the recalculation of the table of utilization rates:

- Items of data marked "A" to be varied by any change in the Transport Industry Mixed Enterprises (State) Award grade 4 driver.
- Items of data marked "B" to be varied by actual change in cost.
- Items of data marked "C" to be varied by the % change in the Sydney Consumer Price Index (All Groups Index Number) for the quarter immediately preceding the rate review. Base CPI for percentage change to be June 1994 quarter = 110.0
- Items of data marked "D" to be the actual average load size (m<sup>3</sup>) and average lead (km) and actual volume (m<sup>3</sup>/truck/year) capped at 6,000m<sup>3</sup>/truck/year determined on a moving annual total basis. Quarters 1, 2 & 3 to be determined in a similar manner to truck productivity for those quarters:
  - Quarter 1 → 4.1 m<sup>3</sup> average load size and 11.5 km average lead.
  - Quarter 2 = 6 month averages for quarters 1 and 2
  - Quarter 3 = 9 month averages for quarters 1, 2 and 3
- Items of data marked "F" are fixed for the term of the Contract of Carriage unless both parties agree that circumstances are sufficiently changed to warrant alteration.
- Items marked "X" are calculated from the items of data "A", "B", "C", "D" and "F".

NOTES FORMING PART OF CONTRACT SCHEDULE A (continued)

CALCULATION OF WORKING DAYS

The 253 working days per annum which the Carrier will have his truck available for work is made up as follows:

52 weeks x 5 week days	- 260 days
less Annual Leave	- 20
less Public Holidays	- 10
less Rostered Days Off	- 12
less Sick Leave	- 8
plus casual labour payment for Annual leave	- 10
plus casual labour payment for 3 RDOs	- 3
plus Saturdays paid as overtime	- 30
<b>TOTAL WORKING DAYS</b>	<b>- 253 days</b>

EARNINGS SAFETY NET

The earnings safety net and guaranteed minimum earnings per year as provided for in clause 5.1 of the Contract of Carriage shall be the sum of the "Fixed" Cost Labour plus the Ownership and Overhead Cost.

When at half-yearly review, a recalculation of the above table of utilization rates results in a change in the utilization rates to be paid, the earnings safety net and guaranteed minimum earnings per year shall be varied according to the recalculated "Fixed" Cost Labour and Overhead Cost.

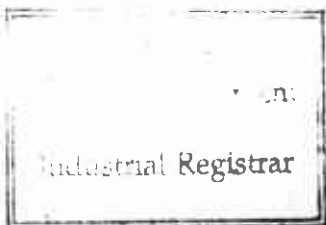
At the commencement of the Contract of Carriage the earnings safety net and guaranteed minimum earnings per year will be \$34398-00 + \$25286-00 = \$59684-00.











<b>RUNNING COSTS (continued)</b>			
Repairs & servicing - all time based			
Hours services per year	5		
Hours per routine service	4		
Workshop cost (\$/hour)	\$55.00		
Materials for routine service (\$)	\$1,653		
Routine service cost per year (\$)	\$2,753		
Minor R & M (hours/week)	2		
Truck working weeks/year	50		
Mechanic cost (\$/hour)	\$25.00		
Minor R & M cost per year	\$2,500		
Provision for major R & M (\$)	\$3,306		
Total servicing, R & M cost (\$)	\$8,559		
<b>Tyres - based on km travelled</b>			
No. of new tyres - radial steer	2		
Cost of new tyre (\$ each)	\$655		
Cost of new tyres (\$)	\$1,310		
No. of recaps - rear drive	10		
Cost of recaps (\$ each)	\$150.00		
Cost of recaps (\$)	\$1,500		
Expected no. of punctures	12		
Cost of puncture repair (\$ each)	\$33		
Cost of punctures (\$)	\$397		
Total tyre cost (\$)	\$3,207		
"Running cost" labour (\$)	\$2,102		
<b>TOTAL RUNNING COSTS (\$)</b>	<b>\$24,569</b>		
Total running cost (\$/m3/paid km)	\$0.53		
% margin allowed on running cost	10%		
<b>PAID RATE (\$/m3/paid km)</b>	<b>\$0.58</b>		

Stilwell's truck workshop rate  
Allow \$300 per routine service  
Bruce Hale 771-5500

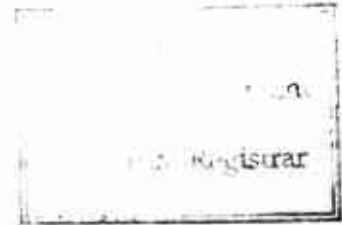
Conservative estimate for 4500 m3/year - 27400 km/year. Expected life of 50,000 km  
Beaurepaire SP370 11R22.5 contact Mike O'Brien 648-3311 - Beaurepaire Silverwater

Conservative estimate for 4500 m3/year - 27400 km/year. Expected life of 40,000 km

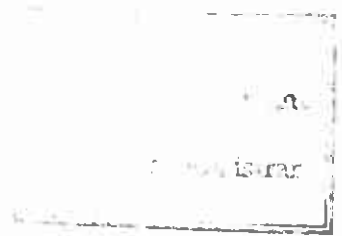
Allow 1 puncture per month  
Typical cost

Rounded to nearest whole cent

	PRODUCTIVITY (m <sup>3</sup> /truck/year)										
	3000	3100	3200	3300	3400	3500	3600	3700	3800	3900	4000
"Fixed Cost" Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$) @ \$/m <sup>3</sup> /km rate \$0.58	14,964	15,463	15,962	16,460	16,959	17,458	17,957	18,456	18,954	19,453	19,952
LOD OPERATING COST (\$)	\$74,106	\$74,605	\$75,103	\$75,602	\$76,101	\$76,600	\$77,099	\$77,597	\$78,096	\$78,595	\$79,094
LOD OPERATING COST (\$/m <sup>3</sup> )	\$24.70	\$24.07	\$23.47	\$22.91	\$22.38	\$21.89	\$21.42	\$20.97	\$20.55	\$20.15	\$19.77
VOLUME INCENTIVE (\$/m <sup>3</sup> ) F	(\$1.90)	(\$1.73)	(\$1.56)	(\$1.39)	(\$1.22)	(\$1.05)	(\$0.94)	(\$0.83)	(\$0.72)	(\$0.61)	(\$0.50)
PAID CARTAGE @ AV LEAD (\$/m <sup>3</sup> )	\$22.80	\$22.34	\$21.91	\$21.52	\$21.16	\$20.84	\$20.48	\$20.14	\$19.83	\$19.54	\$19.27
Gross income @ paid cartage (\$)	\$68,400	\$69,254	\$70,112	\$71,016	\$71,944	\$72,940	\$73,728	\$74,518	\$75,354	\$76,206	\$77,080
less running cost	14,964	15,463	15,962	16,460	16,959	17,458	17,957	18,456	18,954	19,453	19,952
Load fee component (\$)	\$53,436	\$53,791	\$54,150	\$54,556	\$54,985	\$55,482	\$55,771	\$56,062	\$56,400	\$56,753	\$57,128
LOAD FEE (\$/m <sup>3</sup> )	\$17.81	\$17.35	\$16.92	\$16.53	\$16.17	\$15.85	\$15.49	\$15.15	\$14.84	\$14.55	\$14.28



	PRODUCTIVITY (m3/truck/year)										
	4100	4200	4300	4400	4500	4600	4700	4800	4900	5000	5100
"Fixed Cost" Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$) @ \$/m3/km rate \$0.58	20,451	20,950	21,448	21,947	22,446	22,945	23,444	23,942	24,441	24,940	25,439
LOE OPERATING COST (\$)	\$79,593	\$80,091	\$80,590	\$81,089	\$81,588	\$82,087	\$82,585	\$83,084	\$83,583	\$84,082	\$84,581
LOD OPERATING COST (\$/m3)	\$19.41	\$19.07	\$18.74	\$18.43	\$18.13	\$17.84	\$17.57	\$17.31	\$17.06	\$16.82	\$16.58
VOLUME INCENTIVE (\$/m3) F	(\$0.40)	(\$0.30)	(\$0.20)	(\$0.10)	(\$0.00)	\$0.10	\$0.20	\$0.31	\$0.42	\$0.53	\$0.67
PAID CARTAGE @ AV LEAD (\$/m3)	\$19.01	\$18.77	\$18.54	\$18.33	\$18.13	\$17.94	\$17.77	\$17.62	\$17.48	\$17.35	\$17.25
Gross income @ paid cartage (\$)	\$77,941	\$78,834	\$79,722	\$80,652	\$81,585	\$82,524	\$83,519	\$84,576	\$85,652	\$86,750	\$87,975
less running cost	20,451	20,950	21,448	21,947	22,446	22,945	23,444	23,942	24,441	24,940	25,439
Load fee component (\$)	\$57,490	\$57,884	\$58,274	\$58,705	\$59,139	\$59,579	\$60,075	\$60,634	\$61,211	\$61,810	\$62,536
LOAD FEE (\$/m3)	\$14.02	\$13.78	\$13.55	\$13.34	\$13.14	\$12.95	\$12.78	\$12.63	\$12.49	\$12.36	\$12.26





	PRODUCTIVITY (m <sup>3</sup> /truck/year)									
	5200	5300	5400	5500	5600	5700	5800	5900	6000	
*Fixed Cost* Labour (\$)	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673	\$35,673
Ownership & Overhead Cost (\$)	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469	23,469
Running cost (\$) @ \$/m <sup>3</sup> /km rate	25,938	26,436	26,935	27,434	27,933	28,432	28,930	29,429	29,928	
LOD OPERATING COST (\$)	\$85,079	\$85,578	\$86,077	\$86,576	\$87,075	\$87,573	\$88,072	\$88,571	\$89,070	
LOD OPERATING COST (\$/m <sup>3</sup> )	\$16.36	\$16.15	\$15.94	\$15.74	\$15.55	\$15.36	\$15.18	\$15.01	\$14.84	
VOLUME INCENTIVE (\$/m <sup>3</sup> )	\$0.81	\$0.95	\$1.09	\$1.23	\$1.33	\$1.43	\$1.52	\$1.61	\$1.70	
P.AID CARTAGE @ AV LEAD (\$/m <sup>3</sup> )	\$17.17	\$17.10	\$17.03	\$16.97	\$16.88	\$16.79	\$16.70	\$16.62	\$16.54	
Gross income @ paid cartage (\$)	\$89,284	\$90,630	\$91,962	\$93,335	\$94,528	\$95,703	\$96,860	\$98,058	\$99,240	
less running cost	25,938	26,436	26,935	27,434	27,933	28,432	28,930	29,429	29,928	
Load fee component (\$)	\$63,346	\$64,194	\$65,027	\$65,901	\$66,595	\$67,271	\$67,930	\$68,629	\$69,312	
LOAD FEE (\$/m <sup>3</sup> )	\$12.18	\$12.11	\$12.04	\$11.98	\$11.89	\$11.80	\$11.71	\$11.63	\$11.55	

## NOTES FORMING PART OF CONTRACT SCHEDULE A

### APPLICATION OF UTILIZATION RATES

The table of utilization rates calculated above are the mid points of 100 m<sup>3</sup>/truck/year productivity steps, e.g. the 4500 m<sup>3</sup>/truck/year rate applies for productivity between 4451 and 4550 m<sup>3</sup>/truck/year.

The appropriate utilization rate to be paid shall be based on quarterly reviews of truck productivity as provided for in clause 4.1(e) of the Contract of Carriage. Average annual truck productivity shall be calculated in accordance with clauses 4.1(c) and 4.1(d) of the Contract of Carriage on a moving annual total basis except for the first 3 quarters, for which the productivity will be as follows:

Quarter 1 = 4500 m<sup>3</sup>/truck/year

Quarter 2 = (quarter 1 productivity + quarter 2 productivity) x 2 m<sup>3</sup>/truck/year

Quarter 3 = (quarter 1 productivity + quarter 2 productivity + quarter 3 productivity) / 3 x 4 m<sup>3</sup>/truck/year

Utilization rates for all average truck productivities of less than 3051 m<sup>3</sup>/truck/year will be paid at the rate for 3000 m<sup>3</sup>/truck/year.

Utilization rates for all average truck productivities greater than 3950 m<sup>3</sup>/truck/year will be paid at the rate for 6000 m<sup>3</sup>/truck/year.

### VARIATION IN UTILIZATION RATES

The above table of utilization rates is recalculated each half year. This review is conducted by inputting current figures for all items marked A, B and D in this schedule. Where a recalculation of the above table of utilization rates, at a half-yearly review, varies the 4500 m<sup>3</sup>/truck/year rate (at the 11.5 km average lead and 4.1 m<sup>3</sup> average load size) by an amount equal to or greater than 3%, then the recalculated table of utilization rates will apply until the next until the next half-yearly rate review. If the variation in the recalculated rate is less than 3% then the existing rate will continue to apply until the next half-yearly rate review.

Example: The utilization rate for 4500 m<sup>3</sup>/truck/year in the table above is \$19.24. A rate review calculates the new rate to be \$19.78. As the increase is only 2.8%, the existing rate of \$19.24 continues to be paid.

For the purposes of the recalculation of the table of utilization rates:

- Items of data marked "A" to be varied by any change in the Transport Industry Mixed Enterprises (State) Award grade 4 driver.
- Items of data marked "B" to be varied by actual change in cost.
- Items of data marked "C" to be varied by the % change in the Sydney Consumer Price Index (All Groups Index Number) for the quarter immediately preceding the rate review. Base CPI for percentage change to be June 1994 quarter = 110.0
- Items of data marked "D" to be the actual average load size (m<sup>3</sup>) and average lead (km) and actual volume (m<sup>3</sup>/truck/year) capped at 6,000m<sup>3</sup>/truck/year determined on a moving annual total basis. Quarters 1, 2 & 3 to be determined in a similar manner to truck productivity for those quarters:
  - Quarter 1 = 4.1 m<sup>3</sup> average load size and 11.5 km average lead.
  - Quarter 2 = 6 month averages for quarters 1 and 2
  - Quarter 3 = 9 month averages for quarters 1, 2 and 3
- Items of data marked "E" are fixed for the term of the Contract of Carriage unless both parties agree that circumstances are sufficiently changed to warrant alteration.
- Items marked "X" are calculated from the items of data "A", "B", "C", "D" and "F".



**NOTES FORMING PART OF CONTRACT SCHEDULE A (continued)**

**CALCULATION OF WORKING DAYS**

The 253 working days per annum which the Carrier will have his truck available for work is made up as follows:

52 weeks x 5 week days	- 260 days
less Annual Leave	- 20
less Public Holidays	- 10
less Rostered Days Off	- 12
less Sick Leave	- 8
plus casual labour payment for Annual leave	- 10
plus casual labour payment for 3 RDOs	- 3
plus Saturdays paid as overtime	- 30
<b>TOTAL WORKING DAYS</b>	<b>- 253 days</b>

**EARNINGS SAFETY NET**

The earnings safety net and guaranteed minimum earnings per year as provided for in clause 5.1 of the Contract of Carriage shall be the sum of the "Fixed" Cost Labour plus the Ownership and Overhead Cost.

When at half-yearly review, a recalculation of the above table of utilization rates results in a change in the utilization rates to be paid, the earnings safety net and guaranteed minimum earnings per year shall be varied according to the recalculated "Fixed" Cost Labour and Overhead Cost.

At the commencement of the Contract of Carriage the earnings safety net and guaranteed minimum earnings per year will be \$34398-00 + \$25286-00 = \$59684-00.



"A"



( )

( )

AND

**CSR LIMITED TRADING AS CSR READYMIX  
(ACN 000 001 276)**

---

**DEED OF RELEASE**

---



*Payment* means the sum of two hundred and fifty thousand dollars (\$250,000.00).

*Variation Agreement* means the agreement of that name between the Contractor and the TWU, a copy of which is annexed to this deed.

## 2. Payment by the Contractor

### 2.1 Subject to:

- (a) receipt by the Contractor of this deed duly executed by the Carrier and each of the other Carriers; and
- (b) the granting of the approval of the Industrial Relations Commission of New South Wales to the Variation Agreement,

the Contractor will make the Payment to the Committee.

## 3. Full and Final Satisfaction

3.1 The Carrier acknowledges and agrees that the Payment is in full and final satisfaction of any and all claims the Carrier or the TWU may have or have had relating to the calculation of cartage rates from 16 January 1995 until 1 May 1998.

3.2 Without in any way limiting clause 3.1, there will be no further claims for changes to the categorisation of the components set out in clause 6.7 of the Variation Agreement used to calculate cartage rates.

## 4. Division and Distribution of Payment

### 4.1 The Carrier acknowledges and agrees that:

- (a) making the Payment to the Committee completely discharges the obligations of the Contractor in respect of the Payment; and
- (b) the Committee is solely responsible to divide and distribute the Payment between the Carriers.

## 5. Release

5.1 In consideration for the Payment to the Committee by the Contractor the Carrier hereby releases and discharges the Contractor, its directors and employees from all causes of action, actions, suits, arbitrations, claims, demands, costs, debts, damages, expenses and legal proceedings whatsoever arising out of or in any way connected with:

- (a) the method of calculating cartage rates under the Agreement from 16 January 1995 until 1 May 1998; and
- (b) the TWU Proceedings

or any of these which the Carrier now has or had the right to bring against the Contractor, its directors or employees or which the Carrier would have had or had the right to bring against the Contractor or its directors or employees at any time hereafter but for the execution of this deed.

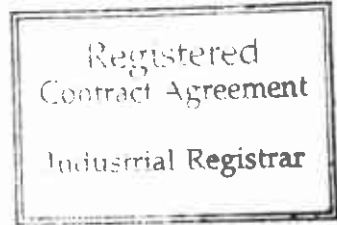
5.2 In consideration for entering into this deed the Contractor hereby releases and discharges the Carrier from all causes of action, actions, suits, arbitrations, claims, demands, costs, debts, damages, expenses and legal proceedings whatsoever arising out of or in any way connected with:

- (a) the method of calculating cartage rates under the Agreement from 16 January 1995 until 1 May 1998; and
- (b) the Contractors Proceedings

or any of these which the Contractor now has or had the right to bring against the Carrier or which the Contractor would have had or had the right to bring against the Carrier at any time hereafter but for the execution of this deed.

## 6. Miscellaneous

- 6.1 No addition or variation to this Deed shall be of any force or affect unless and until agreed to by all parties hereto in writing.
- 6.2 This deed contains the entire agreement between the parties with respect to its subject matter. It supersedes all prior agreements and understandings between the parties.
- 6.3 The covenants herein contained are made for the benefit of, and so as to bind, the parties hereto and their respective heirs, executors, administrators, successors and assignors.



EXECUTED as a deed.

The Common Seal of )  
Pty Limited )  
Was duly affixed in the presence of: )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

SIGNED for and on behalf of **CSR Limited**)  
**Trading as CSR Readymix** by a duly )  
authorised officer in the presence of: )

\_\_\_\_\_

\_\_\_\_\_  
Witness