

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/299

TITLE: Barclay Mowlem (Rail NSW) and Australian Workers' Union
Northcoast Resleeping Project Enterprise Agreement 2002-2003

I.R.C. NO: IRC 02/4688

DATE APPROVED/COMMENCEMENT: 20 August 2002

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COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees of Barclay Mowlem Construction Limited Rail Group in NSW working on the North Coast resleeping project

PARTIES: Barclay Mowlem Rail Group -&- The Australian Workers' Union, New South Wales



BARCLAY MOWLEM

RAIL GROUP - NSW

And

THE AUSTRALIAN WORKERS' UNION

**NORTHCOAST RESLEEPING PROJECT
AGREEMENT 2002-2003**

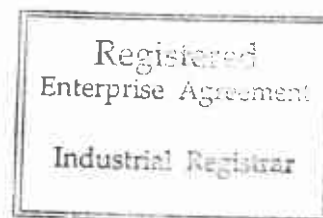
Registered
Enterprise Agreement
Industrial Registrar

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1. **TITLE**

This agreement shall be known as the Barclay Mowlem (Rail NSW) and Australian Workers Union Northcoast Resleeping Project Enterprise Agreement 2002-2003.

2. **PARTIES TO THE AGREEMENT**

The Parties to this Agreement are Barclay Mowlem Rail Group (NSW) Management, Barclay Mowlem Construction Limited Rail Group (NSW) Employees and the Australian Workers Union; and shall be referred to throughout this document as the 'Parties'.

3. **AIMS**

The aims of this Agreement are to:

- Further enhance Barclay Mowlem Rail Group's performance as a leading Railway Contractor; and
- To improve the remuneration and working conditions of all the company's employees through greater profitability and increased business.

4. **OBJECTIVES**

The key objectives of the Agreement are to;

- to continually improve quality, competitiveness and performance.
- to encourage employee participation, teamwork and co-operation.
- implement skill improvement programs for employees.
- to provide a safe and healthy workplace by the active involvement of all employees.
- to promote innovative methods and improved efficiencies to reduce project costs.
- to encourage open communication between parties and shared commitment to the project goals.
- to recognise and respond to the requirements of the Client.



5. **APPLICATION**

This Agreement will apply to all employees of Barclay Mowlem Construction Limited Rail Group in NSW working on the North coast resleeping project.

The Agreement shall commence operation from the 15th July 2002, following certification of the Agreement by the Industrial Relations Commission of NSW.

The Agreement will operate for one (1) year from the date of its certification.

If during the life of this Agreement either party wishes to terminate the Agreement, three (3) months written notice of their intention to terminate must be given to the other party.

The Industrial Relations Commission of NSW will be notified at the same time of the notice of intention to have the Agreement terminated.

This Agreement will continue to apply until a new Agreement is certified with the Industrial Relations Commission of NSW.

This Agreement shall be read and interpreted wholly and in conjunction with the General Construction and Maintenance Civil and Mechanical Engineering (State) Award, provided that this Agreement shall take precedence over the Parent Award in the case of any inconsistency.

Where this Agreement is silent on rates, conditions and other matters, the Parent Award shall prevail.

Three (3) months before the expiry date of this Agreement, the Parties will commence negotiations for a new agreement.

6. CONSULTATIVE COMMITTEES

This Agreement will be jointly implemented and monitored by the company's management and employee representatives and the AWU representative on the Enterprise Agreement Consultative Committee.

A Consultative Committee will be established to achieve the Aim and Objectives of the Agreement.

The Project Consultative Committee will in consultation with management determine the amount of the Productivity Payment to be paid as defined in Clause 7 of this Agreement.

Appendix 2 contains the contents of a model constitution which will guide the operation of the Project Consultative Committee. The Committee when it is established will adopt an appropriate version of this model constitution.

7. MEASURES TO ACHIEVE GAINS IN PRODUCTIVITY AND COST CONTROL

This Agreement aims to increase the company's productivity and quality performance through consultation, skill development and changes to pay structures.

Team work will be encouraged on all projects.



Project review meetings will take place to enable open exchanges among project management, quality assurance, engineering and supervisory personnel and employees on improvements to work methods and quality systems.

Team meetings will review labour, material and other costs to find ways of reducing construction costs to enhance the Group's status as a cost effective, quality contractor.

Productivity and quality enhancement and waste reduction targets will be set for each project and explained to all site personnel.

Performance payments will be structured to reward work teams for the achievement of targets.

PRODUCTIVITY BONUS SYSTEM

It is agreed that the company will pay a productivity bonus should key benchmarks be achieved.

The project consultative committee in consultation with management will determine if some or all of the benchmarks have been achieved and therefore whether a proportion or the entire bonus will be paid.

The benchmarks that will determine the productivity bonus will only be those that the employees have a direct responsibility for and are solely capable of affecting their outcome.

A breakdown of the bonus is as follows;

- a) A maximum of .50c per hour if the budgeted program target is met.
- b) A maximum of .30c per hour if agreed safety standards are met.
- c) A maximum of .10c per hour if no time is lost due to industrial action.
- d) A maximum of .10c per hour if no rework is necessary.

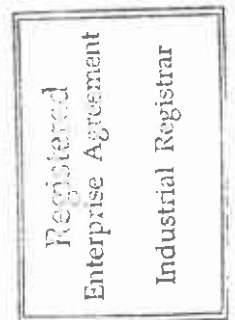
The committee will meet at the completion of each agreed stage or when practicable to determine the above payment.

These payments will be paid on hours worked on site only, and will not attract penalty rates. This payment will not apply to Workers Compensation, Sick Pay, Annual Leave, Public Holidays or time off site due to inclement weather.

8. SKILL DEVELOPMENT

This Agreement aims to encourage all employees to improve their skills through industry recognised training.

Employees will also undertake training in the use of the company's quality procedures.



The Project Consultative Committee will consider a skill development plan for each project, based on the training opportunities and facilities provided on the project.

Inclement weather time will be devoted to agreed structured training when it is feasible for training to be delivered.

Otherwise the procedures established in the Parent Award will prevail.

9. MEDICALS

All new employees will be required to pass a medical to ensure physical capability to carry out the work and compliance with the requirements of the Rail Safety Act (fitness, hearing, eyesight, colour vision). The medical will also involve drug and alcohol testing in accordance with the Company policy.

10. INDUCTIONS

Prior to the commencement of work on site, all employees of Barclay Mowlem shall be required to attend and undertake a project/company induction session. Officials of the AWU will be welcome to attend these sessions. Employees will have to demonstrate a clear understanding of the issues raised in the induction, prior to beginning actual work.

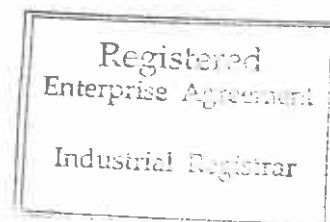
Other site personnel, including the employees of subcontractors on Barclay Mowlem projects, will also undertake an appropriate induction.

Inductions will include information and the provision of relevant documentation on the following:

- the scope, purpose and anticipated duration of the project
- the contents of this enterprise agreement and how it governs the contract of employment of each employee
- compliance requirements of legislative, employer, employees and site safety standards
- the cooperative objectives of this enterprise agreement
- the specific dispute resolution procedures of this enterprise agreement

11. EEO/AA

Barclay Mowlem is committed to a policy of equal employment (EEO) by ensuring that all employees and applicants for employment are considered on merit with the best person chosen for the position.

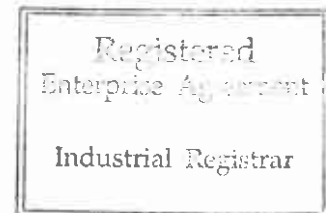


In accordance with our obligations under the Affirmative Action Act 1986, Barclay Mowlem is committed to an affirmative action policy to eliminate barriers to employment and promotion of women.

Managers and Supervisors will ensure that all employees are treated equitably and are not subjected to discrimination. Any reports of discrimination or harassment will be treated seriously and investigated promptly and confidentially.

12. FORM OF EMPLOYMENT

Clause 12 Form of Employment



Due to the conditions of contract and the problems associated with access to the project, employees will be employed on a full time or casual basis subject to the following conditions;

12.1 Full Time

12.1.1 A full time employee will be employed for a minimum of thirty two hours per week (32) to be worked between the hours of six (6) am and six (6) pm, Monday to Thursday. The maximum number of hours that can be worked by an employee before payment of overtime is thirty-eight hours per week.

12.1.2 By agreement between the company and a majority of employees, work of up to ten (10) hours per day may be worked at ordinary time rates.

12.1.3 A full time employee is required to give or to receive one (1) weeks' notice of termination of employment.

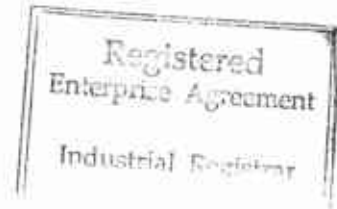
12.1.4 All hours worked outside of the span of hours in 12.1.1, or in excess of the daily hours agreed to in 12.1.2 or on a Friday, Saturday or Sunday shall be paid for at the overtime rates provided in 12.1.5.

12.1.5 Overtime worked by an employee shall be paid for at the rate of Time and one Half the ordinary rate for the first two hours and Double the ordinary rate of pay for all time thereafter;

Provided that, all time worked after noon on a Saturday and all time worked on Sunday shall be paid for at Double the ordinary rate of pay;

Provided further, that employees may elect to bank the overtime hours worked into their Paid Time Off bank in lieu of the payment of overtime.

12.1.6 Shift Work:



Definitions:

Afternoon Shift means any shift of ordinary hours finishing after 6pm and before midnight.

Night Shift means any shift of ordinary hours finishing subsequent to midnight and at or before 8am.

Morning Shift means any shift starting before 6am but not before 4am.

Rostered Shift means any shift of ordinary hours of which the employee has had at least 48 hours notice.

Afternoon Shift workers shall be paid at 15% over the ordinary rate, Night Shift workers shall be paid at 20% over the ordinary rate and Morning Shift workers will be paid 10% over the ordinary rate.

An employee who:

- (i) Remains on night shift for longer than four weeks, or
- (ii) Works on a night shift which does not rotate so as to give at least one third of their time off night shift in each cycle shall be paid 30% more than the ordinary rate.
- (iii) Overtime rates shall apply as for day worker provisions.
- (iv) Shift workers on afternoon or night shift which does not continue for at least 5 successive working shifts shall be paid at 50% more for all ordinary hours worked.

12.2 **Casual Employees**

12.2.1 A casual employee is one engaged and paid on an hourly basis terminable on an hour's notice by either side. Provided that the maximum period that a casual can be employed continuously is 4 weeks.

12.2.2 A casual shall be paid at the same rate of pay as a weekly full time employee plus a loading of 20%. The loaded hourly rate includes consideration for annual leave, sick leave, public holidays and insecurity of casual work.

12.2.3 Hours worked in excess of 8 hours a day and worked on Saturday or Sunday shall be paid at the normal penalty rates.

12.2.4 The minimum hours of payment for a casual once called to work shall be 4 hours.

12.2.5 The clothing issue applicable to weekly employees shall not apply to casuals, however a clothing allowance will apply as defined in Clause 14.

13. MEAL BREAKS

While meal breaks will generally be taken at normal hours, the Parties agree that due to specific Project requirements greater flexibility in meal breaks can be agreed to by the Consultative Committee to suit track possessions or continuous operations, without additional rates of pay.

Employees shall generally have a meal break at no more than 4 hour intervals, with the following exceptions:

- if working in a possession, employees are entitled to the same number of meal breaks but the timing may be arranged to suit available work requirements.
- If the afternoon crib is taken as a longer morning break then the afternoon shift may be up to 6 hour duration.
- Should the shift be returning to the Depot when a crib break is due they will be paid for that break plus any meal money allowed and then allowed to knock off when they arrive at the Depot.

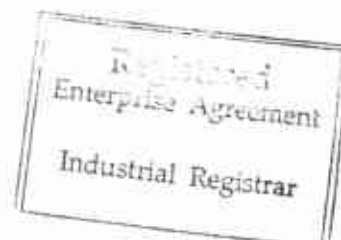
14. ROSTERED DAYS OFF

Rostered Days Off shall be provided consistent with the provisions of Clause 23, Paid Time Off (PTO).

15. PROTECTIVE CLOTHING

All weekly hire employees will be issued by the company - at no cost to employees - with;

- two pair of safety footwear and a safety helmet before commencing work on initial project. Footwear will be replaced on the basis of fair wear and tear.
- one bluey jacket per year, for any employee working between 1 May and 30 September each year, and with two weeks employment with the company.
- three (3) sets of long navy coloured trousers and navy or orange long sleeve shirt at the end of the first two weeks employment with the company.
- a further two (2) sets of long navy coloured trousers and navy or orange long sleeve shirts will be issued following six months of service.



Employees will be made aware of these clothing entitlements on commencement of employment with the company and the clothing will be made in Australia.

Clothing will be purchased with a Company logo or sew-on logos will be provided to employees.

Clothing will be issued on a bi-annual basis or more frequently on a fair wear and tear basis.

Casuals will be paid a Clothing Allowance in lieu of the provisions of this clause of \$0.12/hour for all purposes.

Should an employee leave the Company within 4 weeks of issue he/she will reimburse the employer the following proportion of purchase cost of the protective clothing;

Up to 2 weeks (after issue)	2/3rds of cost
2 - 4 weeks	1/3rd of cost

Due to the risks of working in the sun, employees will be issued with long sleeved shirts and long trousers. To ensure that a business-like image is maintained, all employees who are issued such clothing are required to wear Company issued clothing whilst at work and to ensure its proper care, maintenance and storage.

Employees will be provided with the following protective equipment as required:

- eye protection
- gloves
- hearing protection
- sun screen lotion
- safety harness
- leggings (welding)
- safety hard hat



Where an employee who has been issued with safety equipment is found not to be wearing them on the job, then such employee will be counselled in the presence of a representative of the Safety Committee.

Further infractions in relations to protective equipment will result in the warning procedures under clause 26 being invoked.

16. WORK ON OVERHEAD WIRING

16.1 Employees who work on overhead wiring shall be classified as assistant linesman, linesman or lead hand linesman and paid at the

appropriate rate as specified by the classifications of Labour in Appendix 1.

16.2 Payment of the Allowances and Fares as specified under this agreement will replace any other allowances normally applicable.

16.3 Form of Employment, Overtime and all other conditions specified in this agreement shall apply to these employees.

17. SPECIAL RATES & DISABILITIES ALLOWANCES

It is agreed that a site disabilities allowance of \$1.10 per hour will be paid on all projects established under this Agreement, in lieu of the following allowances in the Parent award.

Clause 4 (* Note)

Clause 5

* Note NB. Allowances 4(i) and (ii) are included elsewhere.



This payment will be payable as a flat rate for each hour worked on site or travelling. It is not payable on Annual Leave, Sick Leave, Workers Compensation or Wet Weather time off site, however, it is payable while employees are on site ready for work, training and at Consultative Meetings. Major projects as defined hereunder may have provision for a Project Productivity Payment to reward employees for the achievement of agreed productivity, quality, waste minimisation and safety targets.

Major projects for this clause will be defined as any project with a total duration of employment on site of 2 months or more where there will be identifiable benefits to the Company should certain targets be met.

The schedule of Project Productivity Payments will be determined within six (6) weeks of commencement of work on site.

Targets will be agreed to through discussion involving the Parties and the Project Consultative Committee. The Project Consultative Committee will monitor the achievements of these targets.

In the event of project completion times being extended through negotiation and/or agreement with clients, adjustments will be made to targets.

Project Productivity Payments will be agreed by the Consultative Committee to the mutual benefit of all parties.

These payments will be paid on hours worked on site only, and will not attract penalty rates. This payment will not apply to Workers Compensation, Sick Pay, Annual Leave, Public Holidays or time off site due to inclement weather.

18. RATES OF PAY SCHEDULE

The classifications are defined in Appendix 1

CLASSIFICATION	From 15/7/2002 \$
GRADE 1	15.12
GRADE 2	15.39
GRADE 3	16.41
GRADE 4	16.82
GRADE 5	17.39
GRADE 6	19.05

These rates represent a 4% increase from the 1st July 2001 rate of pay.

(i) Leading Hand *

CLASSIFICATION		From 15/7/2002
0 - 5 MEN		0.54
5 - 10 MEN		0.76

19. WORK OBLIGATIONS

It is a condition of employment that an employee;

- a) Performs allocated work to the best of their ability.
- b) Participates in training and be accredited in work skills and knowledge to become a flexible member of the work team.
- c) In the case of emergency or limited track possession work, continues work until completed or relieved by an incoming shift.
- d) Notifies the Company if unable to attend work within 2 hours of the normal time of commencement of duty and advise the reason for absence and anticipated duration of absence.
- e) Works reasonable overtime as required in the Construction and Maintenance Industry.
- f) Complies with appropriate Occupational Health and Safety Regulations, Codes of Practice and the Project Health and Safety Plan.
- g) Shall not consume alcohol or illegal drugs at work or attend work under the influence of these. All employees may be tested at random to ensure compliance. Under the Rail Safety Act, it is an offence to commence work with a prescribed concentration of alcohol of 0.02grams or more of alcohol per 100ml of blood. The Company Procedure for Alcohol and Drugs must be adhered to.
- h) Employed as a plant operator, will carry out daily maintenance checks and operate machinery responsibly and safely at all times.

- i) Will comply with Railway Safeworking regulations when working on or adjacent to an operating rail system.

20. SUPERANNUATION

The company will contribute an amount equalling 9% of an employees base rate from the 1st July 2001 and pay into the agreed Superannuation fund.

The agreed fund is C+BUS.

Employees can elect to have additional payments directed to their C+BUS accounts in lieu of receiving productivity performance payments as wages.

21. REDUNDANCY

Each employee will be entitled to receive a redundancy payment for each week of service of \$52.00 per periods of continuous service that are accrued after the certification of this Agreement.

This payment will be made in lieu of the schedule of entitlements provided in sub clause 13 (b) of the Parent Award.

Redundancy payments for continuous service prior to the certification of this Agreement will be determined in accordance with arrangements in place prior to this Agreement, or, in the absence of such arrangements, in accordance with the Parent Award provisions.

The agreed redundancy fund shall be ACIRT.

The employee may salary sacrifice their PTO bank, Overtime and productivity to their ACIRT accounts in lieu of receiving those payments as wages.

22. DISTANT WORK & FARES

A. Travel

Where an employee is required to travel in their own vehicle from their home to the depot the travel compensation allowance as per the Award will be paid.

The award provision for travel pattern loading has been incorporated into the all-purpose rate of pay.

Travel in a company supplied vehicle from the depot to the job and return will be at ordinary rate of pay. Where this travel extends into overtime the designated driver only will be paid penalty rates. If whilst travelling the employees have exceeded the time by which they would be entitled to a meal break then that break should be taken and the relevant meal allowance paid.

B. Living Away from Home

Due to the Fringe Benefit Tax burden placed on the company by exceeding the FBT threshold for allowances, the company will pay a Camping Allowance of \$200 per week. This allowance will only be paid to bona fide employees who are maintaining separate accommodation from that which they occupy for the North coast Rail Upgrade Project.

Employees who have demonstrated a commitment to the company will be paid a further \$200.00 per week to compensate them for the hardships and inconveniences inherent with this particular Project. These employees will be known as **Core employees**.

A Core employee will have:

- (a) Demonstrated that they are prepared to follow the job.
- (b) Have at least 12 months experience with Barclay Mowlem Rail Division.
- (c) Have demonstrated a commitment to improving their skill base.
- (d) Have demonstrated a commitment to the project's completion on time and on budget.

In recognition for this commitment the company will also give special consideration to the Core employee in the allocation of work. All things being equal Core employee status will dictate preference of employment.

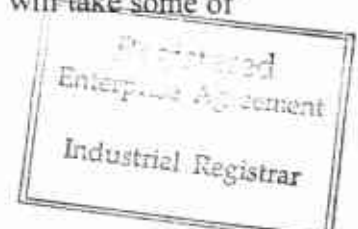
C. Distant Work

To be paid when an employee is transferred to a distant project.

- 1) Wages for travel to the location of the project for the journey time at the rate of up to 8 ordinary hours per day.
- 2) By agreement with the workers concerned reasonable board and lodging may be supplied by the company.
- 3) When Hotel or Motel accommodation is provided meals will be reimbursed on production of receipts to a maximum amount of \$10.00 for breakfast, \$15.00 for lunch and \$20.00 for dinner.
- 4) The provisions of this clause will apply to all employees transferred to this project, or to a person re-employed within 3 months of termination from a previous project of the company.

23. PAID TIME OFF SYSTEM

The PTO system as it will be called is designed to give flexibility to both the company and the employee in the management of leave. As the total leave effected by this system amounts to 13.7 weeks per year it is intended that employees will take some of this leave during contractual stand-downs.



As an employee earns Annual leave, Annual leave loading, Rostered Days Off, Public Holidays and Sick leave it will be credited into a bank. The status of this bank will appear on the weekly pay slip.

The calculation for this system is as follows:

30 days Annual Leave	=	228.0 hours
17.5% annual leave loading	=	26.6 hours
13 Rostered Days Off	=	98.8 hours
12 days Public Holidays	=	91.2 hours
10 Sick leave days	=	76.0 hours
Total	=	520.6 hours

520.6 hours divided 52 weeks = 10 hours per week of accrued PTO.

For every day taken off for the above purposes 8 hours will be deducted from the PTO Bank. The taking of all other leave will be as per the Award provisions.

The Bank can only be settled up (paid out) when there is an extended period of stand down due to an uncertainty of contract renewal (10 weeks), on termination of employment or in case of extreme hardship. It is preferable that a minimum of 2 weeks leave remains in the bank at any time after the first year of employment.

An employee has the option to also bank Overtime hours into the PTO bank instead of payment at the time of earning.

After the settling up period has elapsed the employee has the options of either cashing in the outstanding PTO bank, taking leave or salary sacrificing it into his nominated super fund or Redundancy Trust Fund.

The payment of the bank hours will be at the ordinary hourly rate as per the employee's classification. When an employee is in receipt of weekly payments from his/her PTO bank superannuation, long service leave and redundancy payments will continue. No further accrual for entitlements accumulated in the bank will occur while taking time off.

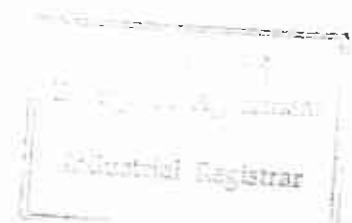
It must be noted that public holidays include the Union picnic day and the Kempsey Cup/Show day, which is a gazetted public holiday for that shire.

In lieu of working on public holidays a further 10 days annual leave has been allowed.

24. SICK LEAVE

Weekly employed employees under this Agreement shall be entitled to sick leave that will be accredited into the PTO bank as earned.

- a) An employee other than a daily employee as defined who is absent from work on account of personal illness or on account of injury by accident,



other than that covered by workers' compensation, shall be entitled to leave of absence, subject to the following conditions and limitations.

- (i) He shall within the ordinary hours of the first day of such absence inform the employer of his inability to attend for duty, and as far as practicable, state the nature of the injury or illness and the estimated duration of his absence.
 - (ii) As sick leave is earned it is credited to the PTO bank at the rate set out in clause 23
- (b) A medical certificate will be required for all absences exceeding one day, or where an employee has had two days sick leave in the previous year without provision of a medical certificate, or if requested by the supervisor.

25. DISPUTE PREVENTION PROCEDURES

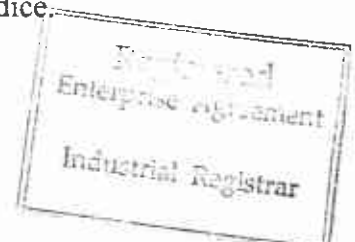
This Agreement is intended to achieve the highest level of involvement of Employees in the operations of the company on each of its projects.

Management is committed to improving its practices and methods in consultation with Employees.

The Parties agree to work to avoid the escalation of disputes and the following procedures are designed to achieve this objective. At any stage of the following procedures, Employees can elect to be represented by an appropriate official of the Union, or the accredited site delegate. The site delegate will automatically be a member of the Project Consultative Committee.

Work will continue whilst these procedures are being followed:

- a) In the event of an employee or site delegate wanting to pursue any matter with the company it can be raised with any member of the Project Consultative Committee or at a Project Consultative Committee meeting for resolution at project level.
- b) If not settled at that stage, the Committee will submit the matter to the Project Manager for resolution.
- c) If not settled at this stage, the Enterprise Agreement Consultative Committee will be required to meet to resolve the dispute.
- d) In the event of the Enterprise Agreement Consultative Committee not being able to find a solution by consensus, then the matter will be referred to the Industrial Relations Commission of NSW for a determination. The IRC of NSW's decision will be accepted by all Parties, subject to legal rights of appeal without prejudice.



- e) Payment for lost time due to industrial disputes will not be claimed by employees nor will be paid by the company except where the relevant Tribunal awards payment for lost time.

26. PROCEDURES FOR SETTLING DISAGREEMENTS OVER SAFETY

A Safety Management Team will be established for the Project. The Safety Management Team shall as a minimum include the designated Barclay Mowlem Safety Manager, an agreed number of other employee representatives and project management personnel.

The Safety Management Team shall meet as often as is necessary to monitor adherence to a safe working environment and to promote safety awareness among all site personnel.

Where a safety problem exists work shall cease in the affected area. Work shall continue elsewhere unless access to safe working areas is unsafe. However, any problem of access shall be immediately rectified and Employees will use any alternate safe access to such safe working areas while the usual access is being rectified.

In the event of major disputation on projects, the relevant Manager and The AWU will confer and coordinate to rectify the situation.

Should any dispute arise as to the rectification of any zone then the following procedures shall apply;

- a) Immediate inspection shall take place of the zones by members of the Safety Management Team.
- b) Barclay Mowlem will nominate, in consultation with the Safety Management Team, the order of priority the zones to be inspected by the Safety Management Team .
- c) The inspection shall identify the safety rectification work needed to take place in each zone.
- d) As zones are agreed for rectification, all Employees who can be gainfully employed shall immediately commence rectification works.
- e) Upon verification that such rectification has been completed, work will resume in those zones. Such resumption of work shall take place progressively as each zone has been verified as being safe.
- f) In the event of disputation continuing, the relevant Manager will immediately call an OH&S Inspector to determine the appropriate method of rectifying any safety concerns in accordance with the relevant OH&S legislation, regulations and Codes of Practice.



- g) There will not be payment for lost time if employees leave site without the approval of the Business Unit Manager Rail East.
- h) Employees may leave the site without loss of pay when the unsafe circumstances pose an immediate threat to their health and safety and only after the above process has been followed. In these situations the company management, the union and the Safety Management Team will confer and coordinate to rectify the safety problem (s) as soon as practicable.

27. COUNSELLING

Where a misdemeanour occurs, it shall be appropriate that the employee be counselled by management in the presence of an employee representative on the Project Consultative Committee, or a union delegate.

If after counselling the problem continues, the employee will be counselled and provided with a written first warning detailing the event or behaviour which needs to be improved or changed.

This first warning should be given in the presence of an employee representative on the Project Consultative Committee, or a union delegate. The employee has the right to respond to the warning in writing. A copy of both, the warning and the response shall be placed in the employee's employment history file.

If after the first warning to the employee no improvement occurs, the employee shall be provided with a written final warning in the presence of an Australian Workers Union official or an employee representative.

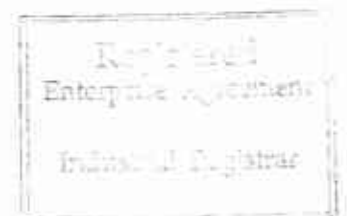
After receiving this final warning, if the employee repeats the event or behaviour within a period of three months, then the employee can be terminated.

If during the above three months period the employee does not repeat the behaviour which produced the need for the final warning, the final warning advice becomes null and void and cannot be considered grounds for termination.

The above procedure shall not be adopted in cases of deliberate and wilful misconduct.

28. SUBCONTRACTORS

Barclay Mowlem will encourage all of the subcontractors engaged on its projects to either have an enterprise agreement in place, or undertake to conclude an agreement with the AWU.



The parties agree that all enterprises in the industry should endeavour to develop enterprise agreements that meet their individual productivity and quality objectives. It is agreed that no attempts will be made to flow productivity payments or other benefits from one enterprise to another enterprise, or from one project to another project.

The employees and management of subcontractors will adhere to the safety requirements and management systems of each project and observe the dispute resolution procedures of this enterprise agreement.

In the event of a subcontractor being found to be in breach of an award or their enterprise agreement, Barclay Mowlem will be given time to ensure the breach is rectified by the subcontractor.

If The Australian Workers Union is in dispute with a subcontractor over issues not directly relating to Barclay Mowlem but concern the performance of work on a particular project, the Union will discuss the problem with the Project Manager and the Project Manager will undertake to assist in resolving the matter. Matters related to other projects will not be raised by the Union.

29. WORKERS COMPENSATION AND SICKNESS BENEFITS

The Company will provide a 24 hour insurance cover for accident and sickness benefits for all weekly employees to a value of \$800.00 per week. (Note that maximum receivable is equivalent average gross earnings). The insurance policy will be with Safety Net.

30. ALCOHOL & DRUGS POLICY

Barclay Mowlem Construction Ltd is committed to protecting the health, safety & welfare of all employees from injuries resulting from the use of alcohol or other drugs.

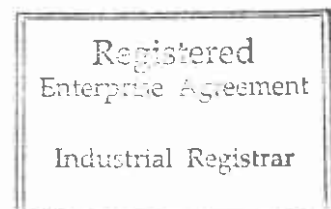
As such all employees are required to comply with the company Drugs & Alcohol Policy.

31. ANTI-DISCRIMINATION

It is the intention of the parties bound by this agreement to achieve the object of section 3(f) of the Industrial Relations Act 1996 (NSW), to prevent and eliminate discrimination in the workplace on the grounds of race, sex, marital status, disability, homosexuality, transgender identity and age.

Accordingly, in fulfilling their obligations under the dispute resolution procedure the parties must take all reasonable steps to ensure that neither the agreement provisions nor their operation are directly or indirectly discriminatory in their effects.

Under the Anti-Discrimination Act 1977 (NSW), it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.

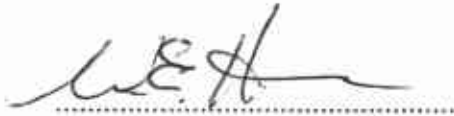


Nothing in this clause is to be taken to effect:

1. any conduct or act which is specifically exempted from anti-discrimination legislation,
2. offering or providing junior rates of pay to persons under 21 years of age,
3. any act or practice of body established to propagate religion which is exempted under section 56(d) of the Anti-Discrimination Act 1977 (NSW),
4. a party to this award from pursuing matters of unlawful discrimination in any state or federal jurisdiction.
5. This clause does not create legal rights or obligations in addition to those imposed upon by the parties by the legislation referred to in this clause.
6. Section 56(d) of the Anti-Discrimination Act 1977 Provides:
"Nothing in the Act affects ... any other act or practice of a body established to propagate religion that conforms to the doctrines of that religion or is necessary to avoid injury to the religious susceptibilities of the adherents of that religion."

32. SIGNATORIES

FOR BARCLAY MOWLEM RAIL GROUP



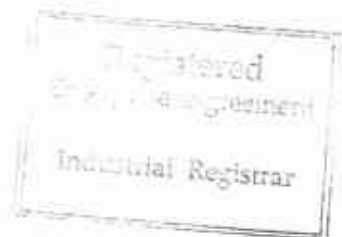
2nd SEPTEMBER 2002

Dated

FOR THE AUSTRALIA WORKERS UNION



28th August '02



APPENDIX 1

CLASSIFICATIONS OF LABOUR - SKILL LEVELS

Registered
Enterprise Agreement
Industrial Registrar

Grade 1

Skill Levels

- A. General Labourer - Basic Skills
- B. Railway Labourer - Holds PW1 Certificate
 - labouring
 - re-sleepering
 - ballasting
 - pipe labourer
 - trench labourer
 - fettler
 - cable pulling labourer
 - concrete labourer
 - labourer erecting stanchions for overhead wiring
- C. Civil Construction Worker - Grade 1 - Parent Award
- D. Overhead Trainee - Holds PW1 Certificate

Progression

Must progress to Grade 2 within 12 months

Grade 2

Skill Levels

- A. General experience at Grade 1
- B. Rail Construction & Maintenance Worker
 - use of general rail tools
 - welder's offsider
 - truck driver
 - use of rail saws, grinders, sleeper drill
 - forklift driver
 - use of oxy-acetylene equipment
- C. Civil Construction Worker - Grade 2 - Parent Award
- D. Overhead Line Worker
 - EWP operator
 - hardware installation
 - make electrical connections
- E. Safeworking
 - PW11



Grade 3

Skill Levels

A. Rail Construction & Maintenance

- rail welder
- tracklayer gantry operator
- backhoe operator
- pettibone operator
- assistant tamper operator
- ballast regulator operator
- experienced pipe layer or joiner
- concrete finisher
- dogman
- FEL operator
- Excavator Operator

B. Civil Construction Worker - Grade 3 - Parent Award

C. Overhead Line Worker

- as per grade 2
- install section insulator
- install helical fittings (wrap on terminations/splices)
- rigging of conductors

Grade 4

Skill Levels

A. Rail Construction & Maintenance

- operator ballast regulator

B. High Level Competency at Grade 3 level

- at least 3 years experience
- and competent at least 3 skills in Section A - Grade 3

C. Civil Construction Worker - Grade 4 - Parent Award

D. Overhead Line Worker

- As per grade 3
- work on live wire
- specific switching duties

E. Safeworking

- PW31



Grade 5

Skill Levels

A. Rail Construction & Maintenance

- tamper operator
- tracklayer operator
- ballast cleaner operator
- dynamic track stabiliser operator
- crane driver 10 - 20t

B. Overhead Line Worker - Senior

- As per grade 4
- switching and authority issue

Grade 6

Skill Levels

A. Rail Construction & Maintenance

Foreman position - supervision of;

- turnout construction
- track construction
- re-sleepering
- surfacing
- signalling equipment installation
- overhead stanchion installation
- overhead wiring installation

