



# Enterprise Agreement Handbook

## OS Production

As at 15 May 2023

Operations Services

### You spoke, we listened

Team

Thank you again for your participation in our recent Enterprise Agreement (EA) ballot. As you know, our EA was narrowly voted down.

It took time to get to this point, and on behalf of all our leaders I want to thank all of you for participating in the ballot and engaging in a meaningful conversation on this.

In recent weeks we have been seeking more feedback from you, including your communication preferences. This was extremely helpful feedback and highlights how we can improve our communication approach. We have also attended a meeting in the Fair Work Commission to continue bargaining.

Moving forward, we want to make it as simple as possible for you to continue to receive information and further understand our proposed EA and what it means for you. We want to openly answer your questions and ensure you have time to absorb the information.

That's why we've created this handbook, as your one-stop-shop. I ask that you now take the time to get yourself across it all and ask questions.

If you are not getting the answers you need, please escalate with your 2-up leader, Manager or contact me directly. We know everyone is busy, but please know this is a priority for us all!

Support Available: To submit a question or provide feedback please reach out to your Superintendent or Manager or the Employee Relations team through the inbox: [OSEA@bhp.com](mailto:OSEA@bhp.com).

All of the relevant information is available to download via the online Information Hub – [www.bhp.com/oseaproductionhub](http://www.bhp.com/oseaproductionhub)

Thank you

**Paul Oakeley, General Manager Production**

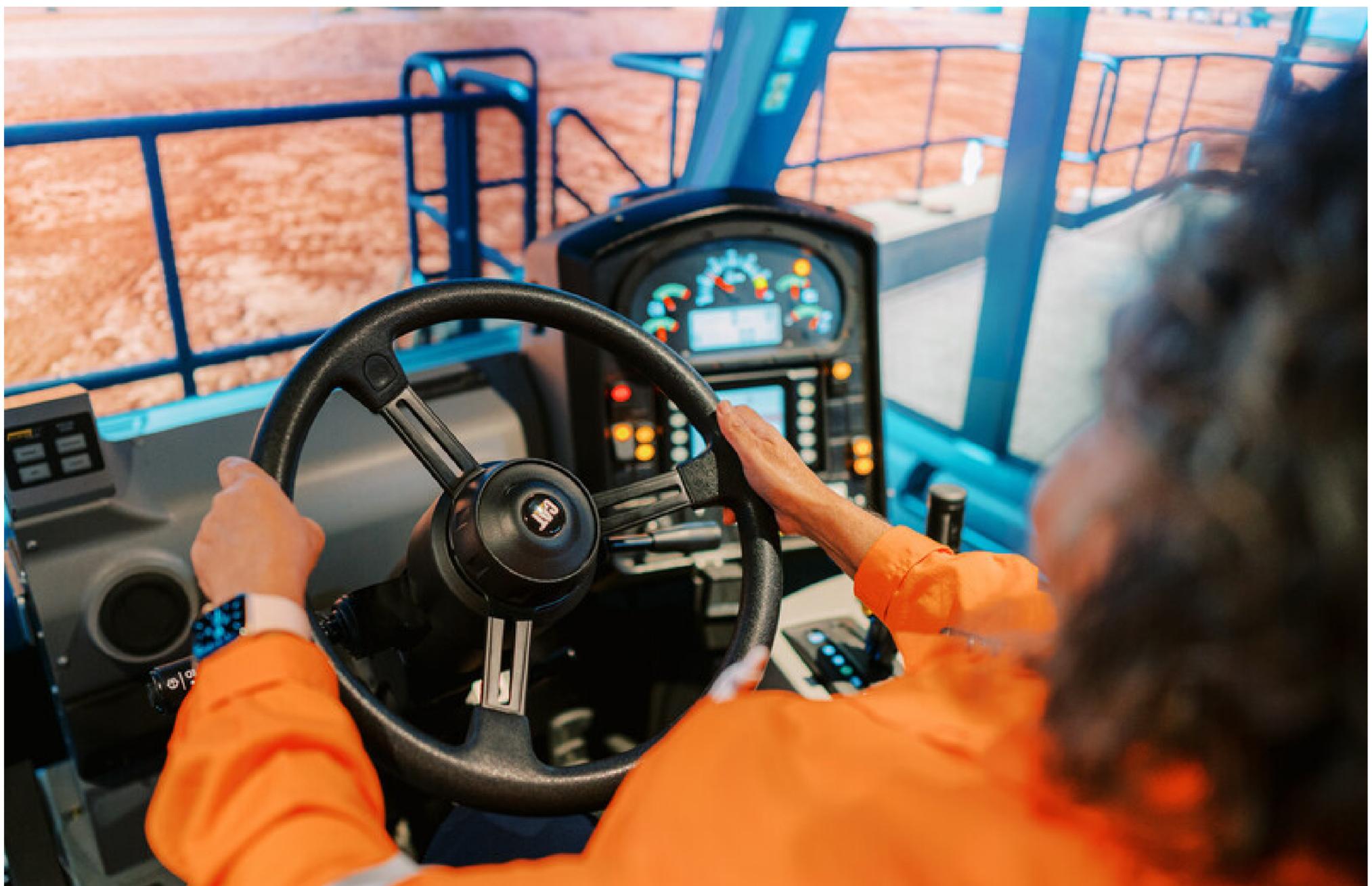
Access the EA  
hub here:



The Operations  
Services Way

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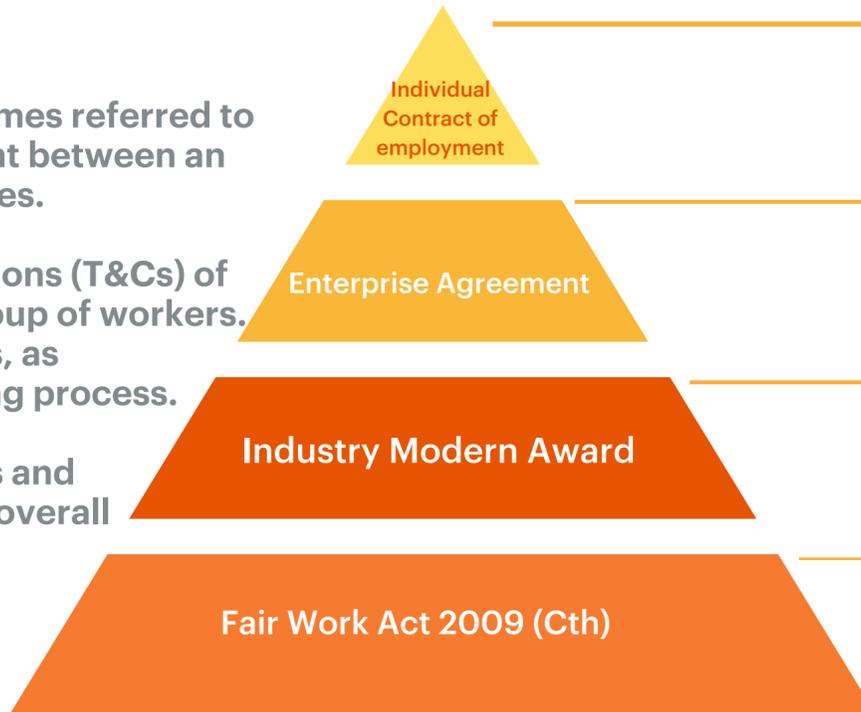
# What is an EA and why do we need one?

## Enterprise Agreement (EA)

An Enterprise Agreement (sometimes referred to as an 'EA' or 'EBA') is an agreement between an employer and a group of employees.

It sets minimum terms and conditions (T&Cs) of employment that apply to that group of workers. It also guarantees agreed benefits, as determined through the bargaining process.

In simple terms, through the T&Cs and benefits, EAs leave you better off overall than the conditions in relevant Modern Awards.



- ✓ Cannot provide less than National Employment Standards (NES) or applicable EA or Award
- ✓ Sets your individual salary and bonus

- ✓ Must be at least as good as the Award overall or NES
- ✓ Enables terms specific to OS and our people

- ✓ Must be at least as good as the NES
- ✓ Covers the entire industry

- ✓ National Employment Standards
- ✓ Minimum conditions set by law

### Why do we need an EA when we have an Award?

Our proposed EA, for our OS Production team, is tailored to meet our unique needs. Why? Because there are more than 100 industry or occupation Awards in Australia. Several of these cover our team, depending upon role or location, but none are specifically tailored to our operations.

### Why do we need an EA and an individual employment contract?

The co-existence of EAs and employment contracts is common across Australia. In our case, they can complement each other. Very simply, an EA applies collectively across our team.

Alongside this, your contract sets out your individual benefits, including rewarding you for high performance. Your contract does not change with or without the EA.

### What happens to my contract of employment with an EA?

Nothing - your individual employment contract remains unchanged.

### Do we have the same conditions as the assets? Why don't we go under the existing BHP site EAs?

No - We work across Minerals Australia and our proposed EA is aligned to this national model of work (rather than being site based).

This reflects how we are working now and into the future.

### Why are the EA's separate for Production and Maintenance?

OS Production and OS Maintenance are separate employers and have different ways of working, which is why they are separate.

While there are a lot of similarities between our proposed Production EA and the OS Maintenance EA, which a majority of their workforce voted in favour for, there are some things that only apply to one group - for example, types of work and classifications.

## History of your EA

Full Bench handed down decision to reject approval of the agreements and bargaining recommenced.

Latest EA narrowly voted down in employee ballot

OS first deployed in Coal

March 2019

Dec 2020

March 2023

April 2018

Dec 2019

2020-2022

Now

OS first deployed in WAIO

Original EA voted up and approved by FWC and then appealed due to concerns for casual and part time rates (since removed).

>20 Bargaining meetings

Reeducating and deep diving into EA



Over the past few years we have met with employee representatives - being employees who nominated themselves or who were nominated by others to represent you in bargaining - and Union representatives over 20 times to discuss the proposed EA.



If you did not nominate yourself or another employee to represent you, a Union that is entitled to represent your industrial interest was representing you in bargaining, by default. This is the main way bargaining works.



# Your Production EA

## Who is covered under this proposed EA?

The proposed EA covers our frontline OS Production team members. This includes Production Technicians and Trainee Production Technicians, who operate mobile equipment.

It also includes any team members currently on secondment, if their substantive role is covered by the Agreement.

Our Supervisors and other technical support roles are not covered by the proposed EA.

## Find a copy of the proposed EA [here](#).

If you prefer a hard copy of these documents, we are also mailing this to your home address. Please feel free to ask your Supervisor or Department Admin to make a copy for you.



Please note this document may change over the course of bargaining. We will continue to keep you updated of any changes that are made to the offer, and will ensure the most updated version is accessible to you via the website.

## EA offer headlines

Key parts of the current proposed EA are:

- Four year term (the expiry date is four years from approval by the Fair Work Commission, however it will continue to operate after the expiry date, until it is terminated or replaced by another Agreement)
- Salaries will not go backwards (only forwards for term of Agreement and minimum salary guarantee of 5% more than Award)
- Paid flights for FIFO
- \$5000 Travel allowance per year for workers who commute (DIDO/BIBO)
- \$6000 Local allowance per year for residential workers
- Unused personal (sick/carer's) leave paid on exit
- Access to BHP matched superannuation policy
- BHP redundancy policy
- BHP Parental Leave, Public Service Leave and Family & Domestic Violence Support Policy positions

**As an added bonus, should the EA get approved by the OS team and the Fair Work Commission, you will receive a \$5000 sign on bonus**

## And more...

- No transfers between hubs (e.g. East to West or West to East) without your agreement
- Salaries paid fortnightly, guaranteed
- Paid meal breaks, and travel time to/from the crib room is counted as time worked (not part of meal break)
- Confirmation of volunteer process for Christmas Day and Boxing Day, and that overtime rates will be paid where an Employee who is not rostered to work volunteers to work those days
- Providing additional notice periods for roster changes
- Outlining overtime or TOIL will be provided for training on non-rostered hours
- Capping probationary periods at 6 months
- Including an inclement weather clause
- Removal of casual employment
- Inclusion of the model consultation clause
- Inclusion of the model flexibility term
- Including a clause for leave without pay
- Employees stood aside for misconduct will be paid so long as they actively participate in the investigation process

# Let's dive deeper! - Pay & Bonuses

Your core individual compensation, including your salary and reward for high performance, is through your employment contract. This will not change under the EA. Instead, the EA increases your minimum safety-net, which ultimately provides you with further certainty.

## How you get paid - a refresher

- We compensate you competitively with annual salaries (and other elements of fixed pay and benefits) earned day-to-day.
- Your salary is reviewed annually during a global company-wide process called the Annual Reward Review.
- Through the BHP Short Term Incentive (STI) scheme, you can earn additional reward (a bonus).
- STIs are awarded based on your individual performance, as well as the performance of your OS deployment and BHP as a whole. This method of combining individual performance with company performance applies to every STI-eligible employee across the company globally.

## Annual Reward Review (ARR)

BHP's ARR may not be familiar for everyone, so here's an explainer:

- Your annual salary review ensures your salary remains market competitive.
- Your salary is reviewed individually. Factors considered, in addition to market competitiveness, include your own performance.
- This process allows us to reward strong performance, rather than giving everyone the same increase.
- Last year on average, our team received at least 5% salary increases, but not everyone gets the same.



### For Example:

In the table below a Production Supervisor is assessing allocation of salary adjustments between three employees. They've been allocated a budget of 4% of salary for their crew.....

Employee	John - Operator	Joe - Operator	Kate - Operator
<b>Performance</b>	Good performer. Developing new skills, some areas to improve on. Behaviours aligned to BHP Charter Values and OS Cultural traits.	Very good performer, strong skills and has broad and deep capability in role. Demonstrates good behaviours.	Good performer. Still some areas of improvements in performance and behaviours.
<b>Salary position to market</b>	Salary lower than market average for role	Salary aligned to market average for role	Salary aligned to market average for role
<b>Supervisor Assessment</b>	<b>4% increase on base salary.</b> Good performer and skills /capabilities growing. Increase to bring closer to market average.	<b>5% increase on base salary.</b> A very good performer with strong skills/capabilities compared to peers. Higher pay increase despite salary already being aligned to market.	<b>3% increase on base salary.</b> While good performer, already paid competitively and needs to demonstrate improvement.



# Let's dive deeper! - Remuneration

## Short Term Incentive (STI)

- In September each year you can earn additional reward (a bonus) through the BHP Short Term Incentive (STI) scheme.
- This is based on your individual performance, as well as the performance of your OS deployment and BHP as a whole.

Access more STI facts here:



### How much is it?

- You are eligible for a 10% target bonus, so \$10,000 of a \$100,000 salary - but it depends, its performance based! Sometimes you can get more or less depending on your individual performance, the performance of your OS deployment and the performance of BHP.

Employee	Simon - Technician Production	Sarah - Technician Production
Base Salary	\$100,000	\$100,000
STI Target	10% of base salary (\$10,000)	10% of base salary (\$10,000)
BHP Performance	85% (STI pool) – BHP did not meet KPIs in the BHP Scorecard & therefore allocated an 85% outcome (\$8,500)	85% (STI pool) – BHP did not meet KPIs in the BHP Scorecard & therefore allocated an 85% outcome (\$8,500)
OS Deployment Performance	110% - Simon's deployment exceed its targets on safety, culture, cost and productivity. The deployment was allocated 110% of the available STI pool for distribution within the team (\$9,350).	80% - Sarah's deployment had some issues during the year with safety and productivity and failed to meet their targets. The deployment was allocated 80% of STI for distribution within the team (\$6,800).
Individual Performance	100% - Simon performed strongly, achieving his KPIs and demonstrating behaviour aligned to BHP charter values and OS cultural traits (\$9,350).	125% - Sarah was an outstanding performer within the deployment. She met all her KPIs, stepped up when required and role modelled the BHP charter values and OS cultural traits (\$8,500).
Annual STI Payment	$100,000 \times 10\% = \$10,000$ $10,000 \times 85\% = \$8,500$ $8,500 \times 110\% = \$9,350$ $9,350 \times 100\% = \$9,350$ Simon receives \$9,350 or 93.5% of the target STI.	$100,000 \times 10\% = \$10,000$ $10,000 \times 85\% = \$8,500$ $8,500 \times 80\% = \$6,800$ $6,800 \times 125\% = \$8,500$ Sarah receives \$8,500 or 85% of the target STI.

## Okay awesome, but why isn't this in the EA?

Good question, there are two main reasons:

### Our objective is to enter a simple safety-net agreement for our national team

We want to keep it simple. We're a national team, and because we work a variety of rosters/hours, we haven't specifically included corresponding minimum salaries for each roster type. The EA doesn't replace your employment contract as the source of truth for how you get paid. It increases your current safety net and protects you further than the Award.

### Our model rewards strong performance

Some EAs have fixed increases of pay included in the agreement, meaning each year all employees get the same fixed increase. That's not our model at OS and it never has been. Remember, we reward strong performance through our Annual Reward Review process, and fixed increases would mean the same increase for everyone regardless of their performance.



**Remember, your employment contract is King!**

## What does the EA do for our pay then? .....



Right now, your minimum safety net is the Award, if we enter an EA it offers you further protection than the Award. This means the EA increases your minimum safety-net, which ultimately provides you with further certainty. It guarantees:

### Your salary won't go backwards

- Whilst we continue to reward and compensate you in line with your employment contract, the EA guarantees your salary will not go backwards (only forwards) during the term of the EA (except if you change rosters or classifications).

### You must be paid 5% more than award minimum (Above Award Guarantee)

- Whilst we continue to reward and compensate you in line with your employment contract, the EA ensures your salary is at least 5% more than the Award for your roster.
- Many of you are already paid well above the Award.
- In July each year, minimum Award rates are reviewed by the Fair Work Commission.
- If an Award increase occurred and it resulted in your salary falling below 105% of the Award, under the proposed EA you will get an increase.
- If you already get paid more than 105% of the Award then your salary would remain as is.
- Your Annual Review (ARR), explained above, will still occur every year regardless.

Compare your salary (see your payslip) to the AAG tables for your role classification on the website.

AAG Tables here



THANK YOU!

## Let's dive deeper! - Sign-on Bonus

We'd like to recognise your ongoing patience, support and commitment throughout this process. That's why, should this EA get approved by the OS team and the Fair Work Commission, you will also receive a \$5000 sign-on-bonus, outside of the EA.

### Is this a bribe?

- No. Moving to an EA is good for business, but it's mainly for your benefit.
- It is common for sign on bonuses to be attached to EAs, for example, BMA received a sign on bonus (\$2,000) with their EA, late last year.

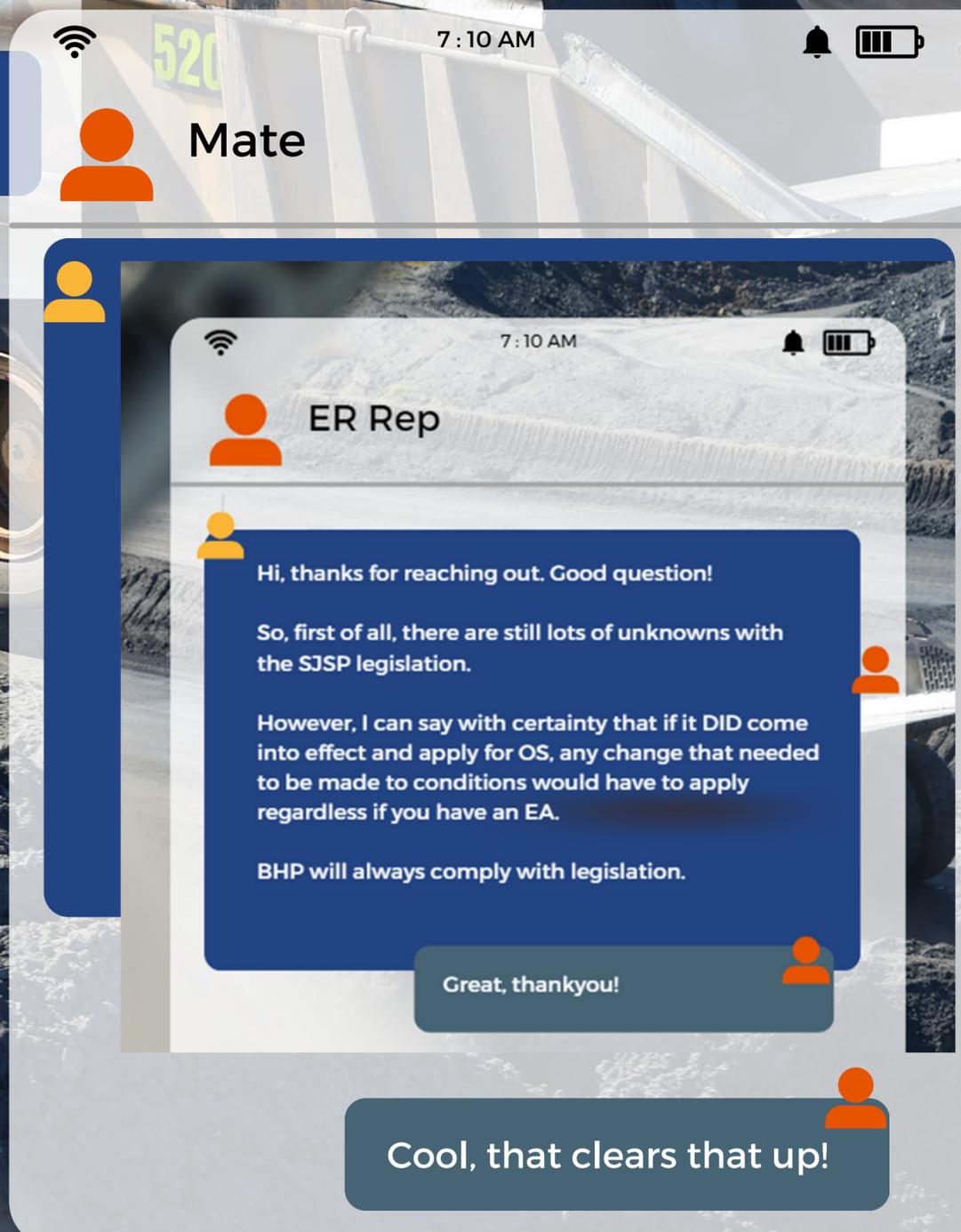
### Who will get it?

- OS Production employees who are eligible to vote for the EA, are employed by the OS Production on or before the close of the ballot, and remain employed by OS production on payment date, without having given or received notice terminating their employment.



# Let's dive deeper! - Same Job Same Pay

A production operator wants to understand how the Federal Government's proposed Same Job Same Pay policy could affect the EA... they decide to raise it with a colleague.



# Let's dive deeper! - Paid Flights and Allowances

No matter where you choose to live, we want to compensate you



## Paid flights for FIFO

If you don't live locally or cannot commute to work, you are classified as a non-local or FIFO employee. Over the 4-year term of the proposed EA, you will be provided with:

- Fully funded return flights to the local area from specific destinations at set times, in accordance with timetables to meet your roster.
- Village or other accommodation during the rostered swing of work and travel to and from site from the accommodation each day that you perform work as directed

**Will you still have to pay a booking fee?**

- No, under the proposed Agreement, we will provide fully funded return flights for non-local Employees between the departure point and the nominated provincial airport. There will not be a booking fee.

## Travel Allowance

If you live outside a daily driving radius but can drive/bus in and out of site for each swing, you are classified as a commute employee. The proposed EA will provide you with:

- A travel allowance of \$5000 per year paid in fortnightly instalments, Included in your regular pay, for all incidental costs incurred while travelling to and from your residence.
- Village or other accommodation during the rostered swing of work and transport to and from site and accommodation each day that you perform work as directed.

## Local Allowance

If you reside within a radius where you can drive to the site where you work, you are classified as a local employee. The proposed EA will provide you with:

- A local allowance of \$6000 per year (every year), paid in equal fortnightly instalments, included in your regular pay, for each fortnight you perform work or are on paid leave.
- Your travel to and from site each day is by your own means and at your own expense. However, where we require you to travel daily to and from site via designated means (i.e. Blackwater to Site via bus) then this transport will be at our cost, and will not affect payment of your allowance.
- If you have other housing arrangements with BHP (such as subsidised housing), the \$6000 local allowance will not apply.

**Why are the amounts different? Paid flights is more expensive than \$5000 or \$6000 annual allowances.**

The travel and accommodation entitlements outlined above (clause 20 of the proposed EA) seek to provide benefits to all OS Employees, given the differences in individual circumstances.

- FIFO - the proposed EA provides certainty that paid flights will be provided from designated locations, to support you getting to and from work.
- Commute - The travel allowance is intended to compensate for incidentals associated with commuting to and from your place of residence and your camp accommodation, such as fuel and the costs of running your car.
- Local - The local allowance is intended to compensate for the increased costs associated with living in local and remote communities. This allowance is consistent with proposals put forward by bargaining representatives throughout the bargaining process.



# Let's dive deeper! - Policies and Matched Super

Throughout the course of bargaining, we heard from bargaining representatives that you want certainty regarding OS policy positions. With this in mind, we agreed to lock in the following policies for the term of the Agreement:

- [BHP Redundancy Policy Schedule - Australia](#)
- [BHP Parental Leave Australia Policy](#)
- [BHP Public Service Leave - Australia Policy](#)
- [BHP Family and Domestic Violence Support Policy](#)

If policy entitlements increase, you will receive the increased benefit. At the same time, the current existing benefit cannot be reduced for the term of our EA.

Through the EA, you also have access to matched superannuation via the BHP Employee Matching Contribution Policy:

## Matched Superannuation

- The BHP Employee Matching Contribution Policy enables you to make additional superannuation contributions and to have these matched by BHP.
- This means if you make additional superannuation contributions to an eligible Australian Superannuation fund, BHP will make co-contributions, on top of what you receive as the minimum Superannuation Guarantee (currently 10.5%).
- Currently, BHP provides eligible employees with an increased employer contribution as follows:

Your contribution		BHP's contribution
After tax p.a.	Before tax p.a.	
0.00%	0.00%	10.50%
2.50%	2.94%	12.00%
3.50%	4.12%	14.00% (max.)

### For example, if you earn \$100,000:

- BHP contribute the normal 10.5% as your Superannuation Guarantee = \$10,500
- Then, you can contribute up to 3.5% after tax yourself, = \$3,500.
- BHP will then MATCH your contribution and also contribute another 3.5% (\$3,500) after tax.
- Your total superannuation = 10.5% + 3.5% (BHP) + 3.5% (your contribution) = 17.5% = \$17,500 p.a.
- That's an extra free \$3500 every year (more if you earn more than \$100,000 p.a.)

Carefully consider the contribution options available to you and seek financial advice from an appropriately qualified adviser to consider if superannuation contribution matching is suitable for you.



## What's happening with the divestment?

For our Blackwater and Daunia teams, you are aware BHP is reviewing options to divest its interests in both these sites as part of an ongoing focus on the highest quality metallurgical coals, essential for steelmaking.

In our latest update we let you know it is still early days in the process. For now, no decisions have been made and it is business as usual. We shared that you might start to see additional folk on site. This will be a mix of our internal teams working on the review as well as external companies who have been invited to see first-hand how the operations work.

Of course, we will continue to keep you updated as and when things progress.

## What does this mean for the EA?

They are very separate activities, although we know you will be thinking long term about what it means for this EA - being a four year term.

As part of the divestment process, the intention is to seek ongoing employment with any buyer for all existing employees directly supporting Blackwater and Daunia. Mines don't run themselves - they need people. And as long as there is demand, which there is, there will always be a need for a workforce to get the product to market.

There's no question these are great operations with very talented teams. And there is long-term demand for the products they produce, and this will be the case for decades to come under any operator.

With that in mind, its important to remember the EA is designed to provide you with further certainty around your conditions.

## Will the EA terms apply with a new buyer?

That is uncertain. Everything is up for negotiation in a sale and the buyer will have their own interests front of mind. What the EA will be is the starting point for negotiations, as opposed to without an EA - the Award conditions are the starting point.

In any case, you are better off with further protections than the Award.



# A few more things to note in the EA

## Sick leave paid on exit!

Your sick leave balance (accrued but untaken personal (sick) / carer's leave) will be paid out on termination of employment, unless:

- Your termination is a result of serious misconduct
- You're within probation;
- Your personal/carers leave transfers to a new employer (e.g. you transfer from OS to BHP WAIO).

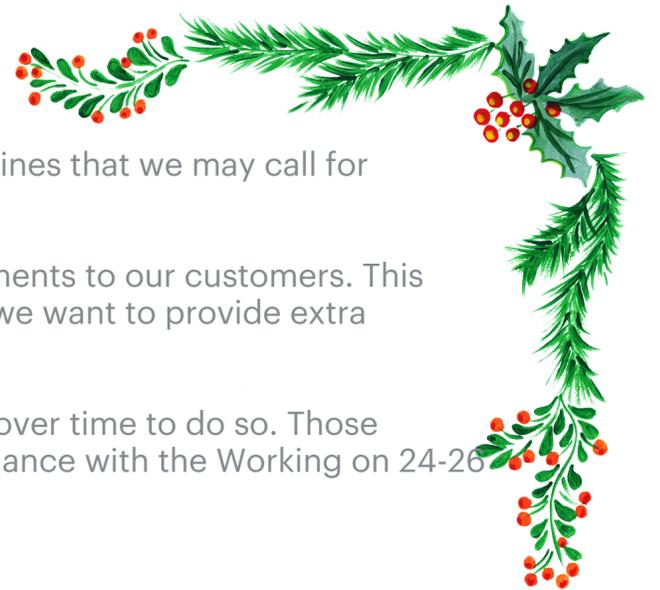


So unless you're within probation or transferring employment, your unused personal (sick) / carer's leave will be paid out on:

- Resignation
- Retirement
- Separation for death or ill health
- Redundancy
- Dismissal (except where the dismissal is for serious misconduct)

Examples of serious misconduct include: causing serious and imminent risk to the health and safety of another person or to the reputation or profits of BHP, theft, fraud, assault, sexual harassment or refusing to carry out a lawful and reasonable instruction that is part of the job.

## Christmas and Boxing Day



To enable some team members to take leave when rostered on, the proposed EA outlines that we may call for volunteers to work Christmas Day and Boxing Day.

Why is this necessary? As you know our business operated 24/7 to meet our commitments to our customers. This means we need rostered shifts to continue over Christmas Day and Boxing Day. But, we want to provide extra flexibility for you over this time of year and compensate you appropriately.

So, those rostered -off have the option to volunteer to work instead, and will be paid over time to do so. Those rostered on who do work, will continue to receive a \$700 per shift payment in accordance with the Working on 24-26 December Ex-Gratia Payment Policy outside of the Agreement.

## Rosters

We currently work on a range of different rosters, including part time and job share arrangements. To keep our proposed EA simple, we have not included references to specific rosters. It also means, when there are new deployments, we have the ability to set rosters aligned to pre-existing site requirements and arrangements.

### What about roster changes?

Clause 24 of the proposed EA sets out the consultation requirements if there is a proposal to introduce a change to a regular roster or ordinary hours of work. In simple terms, as per the clause, we cannot change your regular roster without first discussing with you all the relevant detail around what the change is, and the likely effect that the change will have on you. We will also take into consideration anything you raise around the impact of the change to you personally, including any impact to your family or caring responsibilities.

### And un-rostered overtime?

Clause 7.8 of the proposed EA sets out the rates for un-rostered overtime, which are:

Other than on public holidays, it's double the Above Award Guarantee hourly roster rate and on public holidays, triple the Above Award Guarantee hourly roster rate.

If an Employee is receiving a higher hourly roster rate for un-rostered overtime at the time the Agreement commences, they will continue to receive the higher rate.

## Hubs

### Will national EAs allow me to be transferred wherever the business wants?

No – your contract of employment sets out your individual point of hire and the proposed EA guarantees there will be no transfers between hubs (e.g. East to West or West to East) without your agreement.

### If I elect to transfer to an OS deployment in a different hub, will my salary transfer with me?

If you elect and are approved to transfer to an OS deployment within a different hub, you will be provided with an offer which will include the relevant roster pattern and corresponding salary for your consideration.

The Above Award Guarantee amount may vary depending on the position you hold and the roster pattern you are working on.



# Promise this handbook is nearly done...

## Annual Leave

The proposed EA will not change your existing annual leave entitlements or accruals.

Under the proposed EA, you are entitled to 5 or 6 weeks' annual leave per year (depending on the type of roster you work). For full time employees who are entitled to 6 weeks' annual leave per year:

- employees working a 2/1 roster will typically be entitled to be absent from work on annual leave for 28 shifts per year (or 2 full swings), as they would typically work 28 shifts in a 6-week roster cycle; and
- employees working a 7/7 roster will typically be entitled to be absent from work on annual leave for 21 shifts per year (or 3 full swings), as they would typically work will 21 shifts in a 6-week roster cycle.

Leave is accrued incrementally each day. Annual leave will not accrue when you're on unpaid leave, however it will accrue when you're on paid leave.

### Temporary Annual Leave Shutdown

A temporary annual leave shutdown occurs where we intend to shutdown all or part of an operation for a particular period, and you are enabled to take annual leave for this period. Any direction to take annual leave during a temporary shutdown must be reasonable.

Temporary annual leave shutdown clauses exist in the modern Awards we operate under today. Our proposed Clause 11.6 reflects this Award term.

## Accident Pay

Clause 7.17 of the proposed EA guarantees your accident pay will not be less than the entitlement in your relevant Award.

Outside of the EA, we have an accident pay policy, which will continue to apply to Employees. This policy can be accessed here: [OS Worker's Compensation Policy](#).

## Inclement Weather

Clause 19 of the proposed EA sets out that arrangements in the event of severe wet weather or a cyclone are dealt with in accordance with the relevant asset or site policy in place where we are deployed. This is no different to how we operate today. The clause also outlines, in the event you cannot get to work due to inclement weather, you will be enabled to utilise accrued annual leave.

## Stood aside or stand down

Clause 21 of the proposed EA sets out circumstances in which you may be stood aside or stood down. This clause sets out that if you are stood aside pending an investigation into alleged misconduct, you will be paid, so long as you are actively participating in the investigation process.

## Where to go for more support?

**To submit a question or provide feedback please reach out to your superintendent or manager or the Employee Relations team through the inbox. [OSEA@bhp.com](mailto:OSEA@bhp.com).**

**All of the relevant information is available to download via the online Information Hub – [www.bhp.com/oseaproductionhub](http://www.bhp.com/oseaproductionhub)**

