

Enterprise Agreement Handbook

OS Production

As at 5 July 2023

Operations Services

GM Update

Team,

Recently we shared the following updates to our Production Enterprise Agreement (EA) package:

- Increased the Local Allowance amount to \$8,000 per year
- Changed East Coast hub to be a Queensland only hub – giving our QLD team confidence we won't transfer them outside of QLD without their agreement
- Removing any doubt that fares for travel arranged and provided by OS Production will be paid for by OS Production
- For max hours of work per shift, removed reference to 12.75 hours and replaced it with 12.5 hours

Whilst these changes have been received positively, we understand a key issue is certainty around your salary guarantees under the annual reward review process each year.

In considering this, as well as our objective to continue to reward strong performance across our teams, we're pleased to announce we're including in our offer a minimum salary increase in the annual reward review. This means that under the EA, every team member will receive not less than a 4% increase to their contract Annual Salary each year at 30 June (and usually paid in September), over the four-year term of the agreement.

Importantly, our model still allows us to reward strong performance – as is the OS way – by compensating individuals over and above this minimum in your annual reward review or the STI process.

Moving forward with certainty

We believe this will provide greater certainty for you, whilst maintaining our reward for performance model, to ensure we can keep OS working – for you, for our team and for BHP. So, with this new change, we have decided to put our proposed Operations Services (OS) Production Enterprise Agreement (EA) to you for a ballot.

All OS employees who will be covered by the proposed EA will be able to vote between Monday 17th and Friday 21st July. Attached is a fact sheet reminder of the key benefits you'll secure with this offer, including the new 4% minimum increase guarantee. I'm also pleased to confirm that for this ballot, we have been able to retain the \$5000 sign-on bonus, should this EA get approved by the majority of the OS team and endorsed by the Fair Work Commission in a final decision.

There are now a number of steps we need to take in the lead up to the ballot opening on Monday 17th and Friday 21st July.

Thanks once again to everyone for your contribution to the EA process and for your ongoing commitment to a better, stronger future for OS. For further information I encourage everyone to visit the [OS EA information hub](#).

Thank you

David Oliver

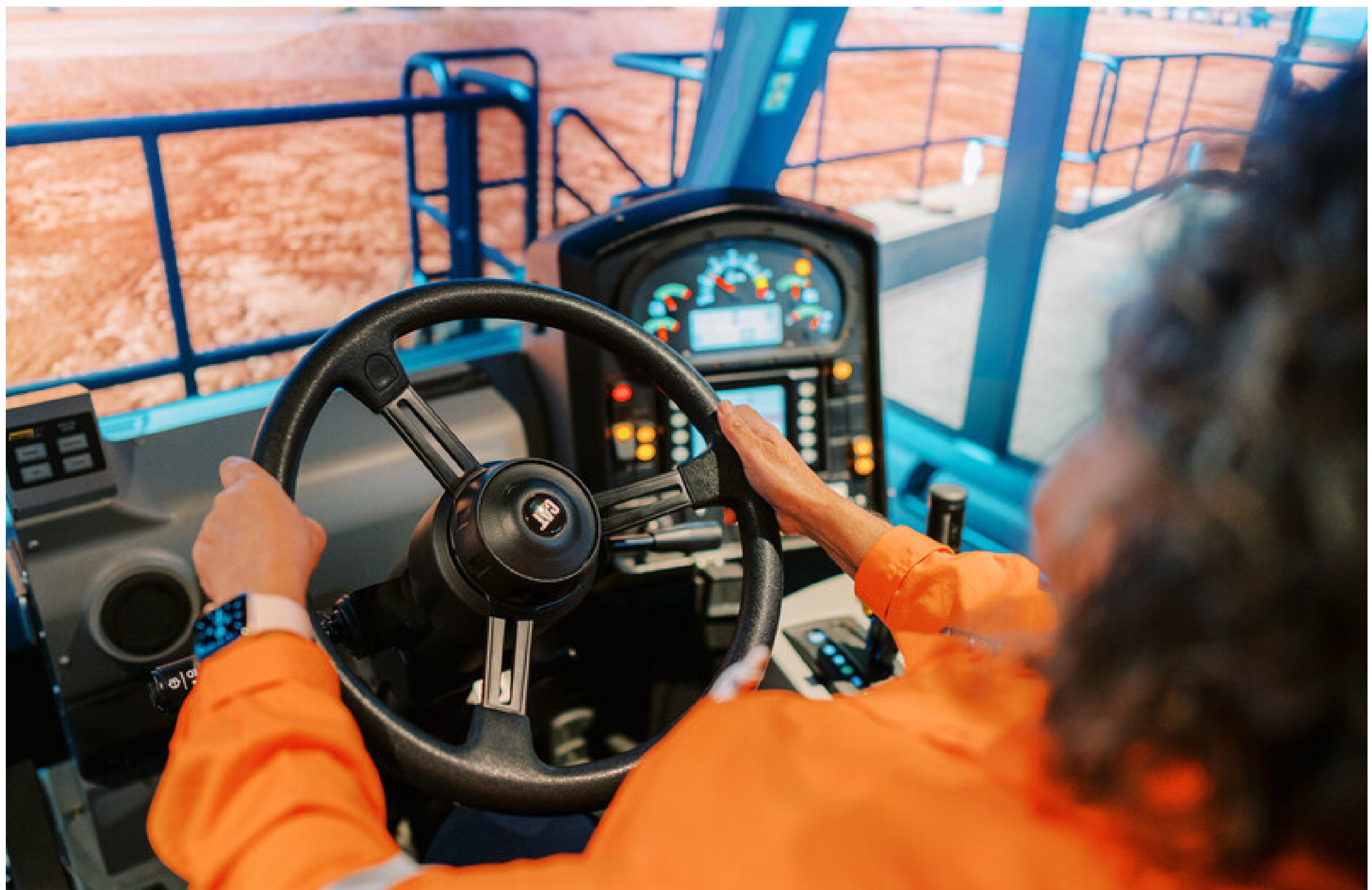
Access the EA
hub here:



The Operations
Services Way

What's in this handbook?

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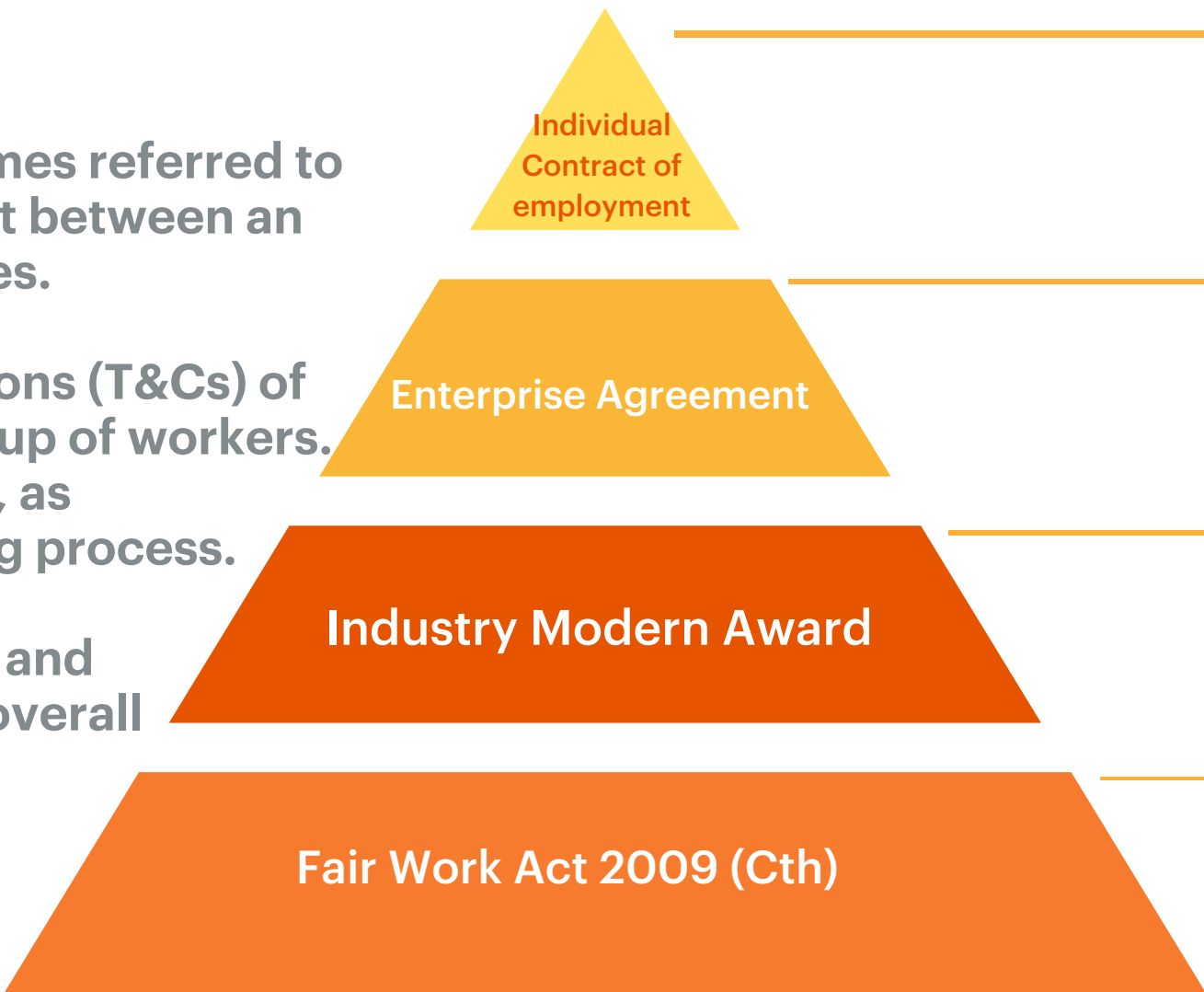
What is an EA and why do we need one?

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 any 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 continues with or without the EA.

What happens to my contract of employment with an EA?

Nothing in your individual employment contract changes subject to the NES and the EA.

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).

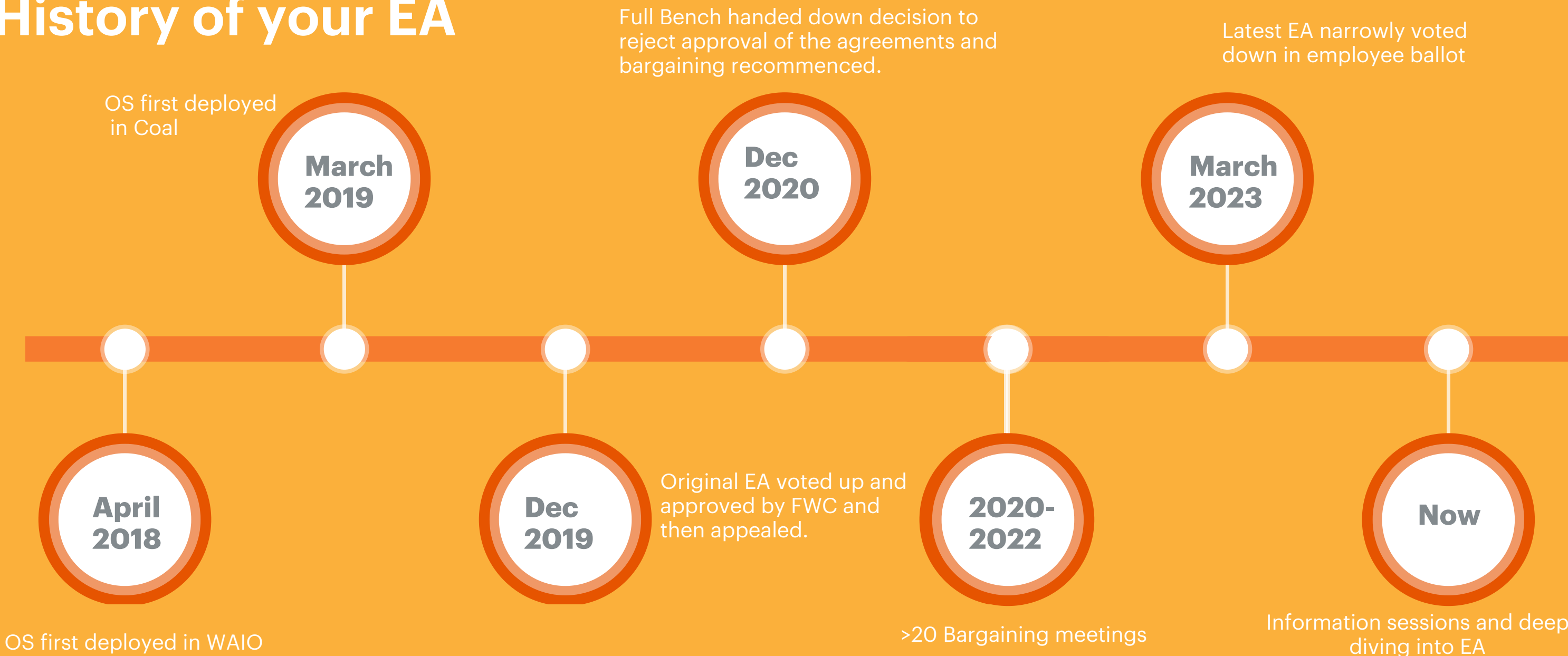
This reflects how we are working now and into the future.

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



- ✓ 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.
- ✓ All employees have a right to appoint themselves, or another employee, to represent them in bargaining. If you are a member of a union that is entitled to represent your industrial interests, then the union is your default bargaining representative for the Agreement unless you appoint another person as your representative or you revoke the union’s status as your representative.



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.

EA offer headlines

Key parts of the 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)
- ✓ Minimum salary increase to contract salaries no less than 4% each year, over the four-year term of the 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 for the term of the EA
- ✓ \$5000 Travel allowance per year for workers who commute (DIDO/BIBO) for the term of the EA
- ✓ \$8000 Local allowance per year for residential workers for the term of the EA
- ✓ Unused personal (sick/carer's) leave paid on exit
- ✓ Access to BHP matched superannuation policy for the term of the EA
- ✓ BHP redundancy policy for the term of the EA
- ✓ BHP Parental Leave, Public Service Leave and Family & Domestic Violence Support Policy positions for the term of the EA

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



If you prefer a hard copy of these documents, please feel free to ask your Supervisor or Department Admin to make a copy for you.

As an added bonus, should the EA get approved by the OS team and finally approved by the Fair Work Commission, you will receive a \$5,000 sign on bonus.

And more...

- No transfers between hubs (e.g. Queensland to West or West to Queensland) without your agreement
- a Guarantee that salaries paid fortnightly
- 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 non-rostered employees on Christmas Day and Boxing Day, and that treble time 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 if approved by OS
- 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 provides for increases to your minimum safety-net AAG and your contract salary, 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 4% salary increases, but not everyone gets the same. For example, some increases were as high as 7.5%.



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 4.5% of salary for their crew.....

Employee	John - Operator	Joe - Operator	Kate - Operator
Performance	Good performer. Developing new skills, some areas to improve on. Behaviours aligned to BHP Charter Values and OS Culture.	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.
Salary position to market	Salary lower than market average for role	Salary aligned to market average for role	Salary aligned to market average for role
Supervisor Assessment	4.5% increase on base salary. Good performer and skills /capabilities growing. Increase to bring closer to market average.	5% increase on base salary. A very good performer with strong skills/capabilities compared to peers. Higher pay increase despite salary already being aligned to market.	4% increase on base salary. 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.

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.

Access more
STI facts here:



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	<div>100,000 x 10% = \$10,000</div> <div>10,000 x 85% = \$8,500</div> <div>8,500 x 110% = \$9,350</div> <div>9,350 x 100% = \$9,350</div> <div>Simon receives \$9,350 or 93.5% of the target STI.</div>	<div>100,000 x 10% = \$10,000</div> <div>10,000 x 85% = \$8,500</div> <div>8,500 x 80% = \$6,800</div> <div>6,800 x 125% = \$8,500</div> <div>Sarah receives \$8,500 or 85% of the target STI.</div>

A refresher on our objectives:

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 primary source 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.

That said, we know that certainty around your salary protections is important to you, and that's why we're introducing a minimum salary increase of 4% every year of the agreement...



Minimum salary increase of 4% each year

- In this proposal we can address a key issue and provide more certainty around your salary protections each year.
- In considering this, as well as our objective to continue to reward strong performance across our teams, we’re including a minimum salary increase in our offer. This means that under the EA, every team member will receive at least a 4% increase to your contract salary each year, over the four-year agreement either through the AAG or the Annual Reward Review.
- Importantly, our model still allows us to reward strong performance – as is the OS way – by compensating individuals over and above this minimum through your annual review or the STI process.
- We believe this is the right step to provide you certainty where it matters most, whilst ensuring we can keep OS working – for you, for our team and for BHP.

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 indicative AAG tables for your role classification on the website.

AAG Tables here



Let's dive deeper! - Sign-on Bonus

THANK YOU!

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 finally approved by 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 OS Production before the ballot, and remain employed by OS Production on payment date, without having given or received notice terminating their employment.



Let's dive deeper! - Paid Flights and Allowances



No matter where you choose to live, we want to include assistance in your total package



Paid flights for FIFO

If you don't live locally or cannot commute to work daily, 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 \$8000 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 \$8000 local allowance will not apply.

Why are the amounts different? Paid flights is more expensive than \$5000 or \$8000 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 and costs of providing their own travel to site.



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 11%).
- 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%	11.00%
2.00%	2.35%	12.00%
3.00%	3.53%	14.00% (max.)

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

- BHP contribute the normal 11.0% as your Superannuation Guarantee = \$11,000.
- Then, you can contribute up to 3% after tax yourself, = \$3,000.
- BHP will then MATCH your contribution and also contribute another 3% (\$3,000).
- Your total superannuation = 11% +3% (BHP) + 3% (your contribution) = 17% = \$17,000 p.a.
- That's an extra free \$3000 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.



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:



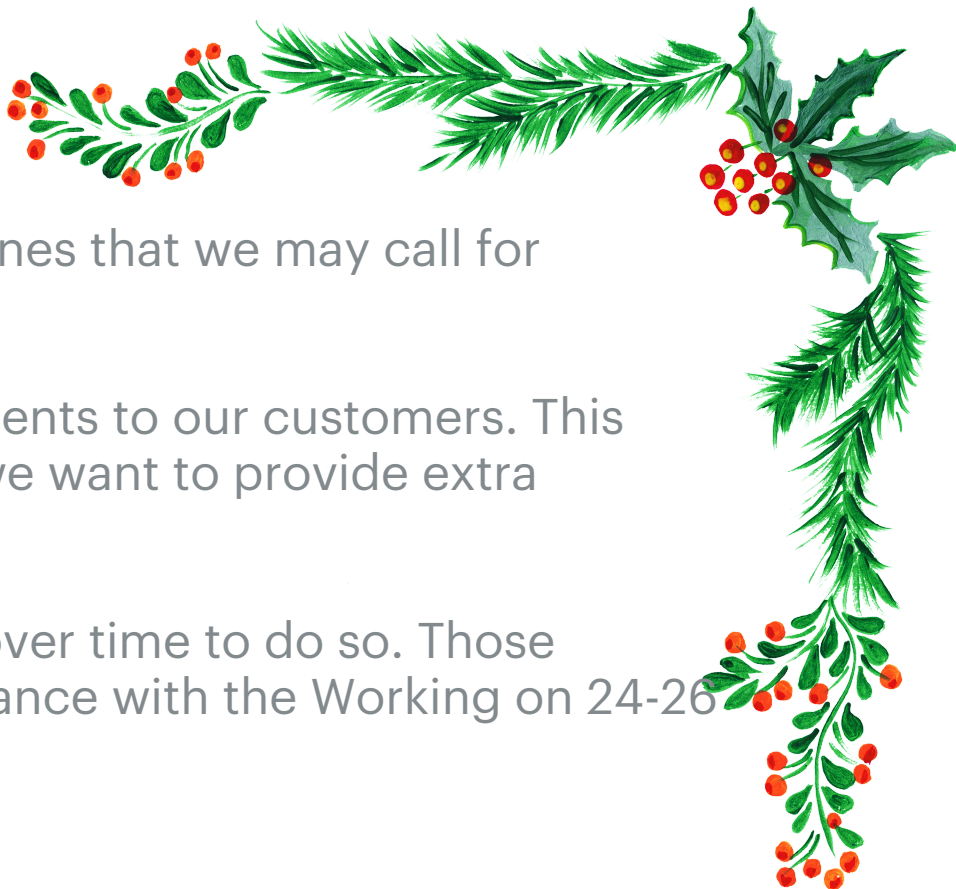
- Your termination is a result of serious misconduct
- You're within probation;
- Your personal/carers leave transfers to a new employer (e.g. you transfer from OS to BHP WAIO).

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 7.10 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. QLD to West or West to QLD) without your agreement.

- **NOTE: We've changed East Coast hub to be a Queensland only hub – giving you confidence we won't transfer you outside of QLD without your agreement (clause 6.3).**

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.

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.

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 please reach out to your superintendent or manager or the Employee Relations team through the inbox.
OSEA@bhp.com.

All of the relevant information is available to download via the online Information Hub – www.bhp.com/oseaproductionhub

