



## Western Australian Iron Ore Update

### Iron Ore Award

The decision on a new Industrial Award handed down by the Western Australian Industrial Commission decision on 2 November 2001, will provide further opportunities for BHP Billiton to increase productivity at its Pilbara iron ore mining and shipping operations.

The new Award removes many of the remaining prescriptive work practices and inflexibilities that have impeded business improvement.

Changes identified by the Commission include:

- Cancellation of the existing Award, and other agreements including all EBAs, the IR Agreement and all formal agreements (including Driver Only Agreement);
- No more paid union meetings (including shop stewards meetings);
- No limitation on the use of contractors;
- Employees only to be paid for hours worked;
- BHP Billiton may require employees to transfer to other operations or locations;
- Income maintenance no longer applies;
- BHP Billiton may require employees to be available to perform reasonable overtime;
- A 'status quo' agreement which previously allowed unions to veto BHP Billiton moves to make immediate changes to day-to-day work practices no longer applies;
- Dismissed employees will no longer receive payment pending determination of unfair dismissal claims.

The decision also proposes that Award employees receive a pay increase of 14 per cent, which is not retrospective. This pay increase covers the period since the last increase in 1998. The Commission also ruled that a further six per cent increase is to apply 12 months after the first increase, or six months earlier if appropriate flexibility, productivity and efficiencies can be demonstrated.

President Iron Ore and Boodarie Iron Graeme Hunt said it was significant that the work practices of the 470 'Award' employees would now be more aligned with those of the 550 employees who have signed individual contracts - similar to those applying to 600 traditional 'staff' employees.

"The introduction of individual contracts has had a significant impact on our business, as demonstrated by our greatly improved operating performance over the past two years," he said.

Last year BHP Billiton shipped a record 72 million wet metric tonnes, an increase of over five million tonnes on the previous year. Productivity in some areas has improved 20 per cent and costs are down by 18 per cent, compared with 1998 figures.