

Uranium Projects

Olympic Dam Human Resources Management Plan

Month 2011

CSG: Uranium
Asset: Olympic Dam
Location: South Australia
Document Number: XXXXX
Version: Draft Version 0
Published: 25 October 2010

CONTRIBUTORS

Prepared By: David Sproule
Reviewed By: Name– Title – Insert Date
Approved By: Name– Title – Insert Date

DOCUMENT DISTRIBUTION

The following people have a stated interest in this document and should be informed of any significant changes to content:

Revision	Date
Adelaide, OD	Paul Flanagan, Manager External Affairs, External Affairs
Adelaide, OD	Glenn Hunt, Manager Supply
Adelaide, OD	Eugene Modystach, Sourcing and Contracts Superintendent
Adelaide, OD	Dave Sproule, Manager Employee Relations
Adelaide, OD	Jason Schell, Head of Projects

This document is uncontrolled when printed. Date printed: 1 July 2011.

COPYRIGHT

Copyright © BHP Billiton Limited, 2011

All Rights Reserved in respect to copyright materials of BHP Billiton Limited

This manual and any related documentation are protected by copyright and may only be copied and distributed with the prior written consent of the lawful copyright proprietor.

This manual may also contain copyright materials licensed to BHP Billiton by their proprietors for use within the BHP Billiton group of companies. Use, copying and distribution of this manual or parts thereof by persons other than BHP Billiton should not proceed without the prior written consent to such use by the relevant copyright proprietor.

This publication is provided "as is" without warranty of any kind, express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose or non-infringement.

DOCUMENT AMENDMENT RECORD

Revision	Date	Author	Description

CONTENTS

1	Scope, Purpose and Role	6
1.1	Scope	6
1.2	Purpose	6
1.3	Role of the Company.....	6
1.4	The Contractor's Role.....	6
1.5	The Contractor Human Resources Management Plan	7
2	Human Resources and Industrial Relations Strategy	8
2.1	Intent	8
2.2	Human Resources and Industrial Relations Objectives.....	8
2.3	Key Risk Areas	8
2.4	Industrial Regulation.....	9
2.5	Right of Entry.....	9
2.5.1	General	9
2.5.2	Specific Legislative Rights and Obligations	9
2.5.3	Protocols and Principles	10
2.5.4	Workforce meetings	10
2.6	Performance Management and Grievance Resolution	10
2.6.1	Example Issue Resolution Procedure	10
2.7	Elected Occupational Health and Safety Representative	11
2.8	Safety	11
2.9	Offsite Fabrication	12
2.10	Supply Chain	12
2.11	Offshore Fabrication and/or Modularisation.....	12
3	Prescribed Standards	13
3.1	Prescribed Standards	13
3.2	Notice of Industrial Relations Issues or Disputes	13
3.3	Conduct of Industrial Relations Issues or Disputes	13
3.4	Site Issues or Disputes.....	13
3.5	Payments during Periods of Industrial Action	13
3.5.1	Unprotected Industrial Action	13
3.5.2	Protected Industrial Action	14
3.5.3	Reporting Process for Industrial Stoppages	14
3.6	Management of Subcontractors	14
3.7	Management of Behaviour in the Village	14
3.8	Audit	15
4	Information.....	16
4.1	Verification of Competency.....	16
4.2	Workforce Communication	16
4.3	Fitness for Work	16
4.4	Equal Employment Opportunity.....	16
4.5	Indigenous Employment and Heritage	16

4.6	Employee Assistance Provider.....	16
5	Reporting.....	17
6	Appendix 1 – Employee Relations Forms.....	18

Definitions

Company means BHP Billiton Olympic Dam Corporation Pty Ltd.

Contractor Personnel means any and all personnel engaged by the Contractor, including its directors, officers, employees, agents, labour hire workers and Subcontractors and any directors, officers, employees, agents, labour hire workers of the Subcontractor.

Contractor HRMP means the Contractors HRMP referred to in section 1.5 of this HRMP as approved by the Company.

A Human resources or industrial relations matter means all the matters that are the subject of this HRMP and/or the Contractor HRMP.

Industrial Action includes:

the performance of work by an employee in a manner different from that in which it is customarily performed, or the adoption of a practice in relation to work by an employee, the result of which is a restriction or limitation on, or a delay in the performance of work;

a ban, limitation or restriction on the performance of work by an employee or on the acceptance of or offering for work by an employee;

a failure or refusal by employees to attend for work or a failure or refusal to perform work by employees who attend for work; or

protected industrial action.

Industrial Instrument means an award, Australian Workplace Agreement, transitional instrument, Enterprise Agreement that is binding on an individual, group of individuals, and/or one or more unions (on the one part) and a Contractor, Subcontractor whether alone or in conjunction with other employers (on the other part) which applies in accordance with applicable law.

Industrial relations issue or dispute means industrial action (potential or actual) or any claim by an employee for wages and conditions that fall outside of the Contractors HRMP.

Industrial regulation strategy means the Contractors preference to perform work under an industrial instrument or otherwise.

Industrial relations legislation means the *Fair Work Act 2009* (Cth), the *Fair Work Act (1994)* (SA) and other applicable State or Federal legislations as amended, supplemented or replaced from time to time.

Site means Olympic Dam.

Scope of Work means all work activities that are defined in the contract or the purchase order.

1 SCOPE, PURPOSE AND ROLE

1.1 Scope

This Human Resources Management Plan (HRMP) applies to Contractors who are performing work at Olympic Dam that is directly related or incidental to the mining, milling, smelting and refining of ore. This includes but is not necessarily limited to mining, production, maintenance, labour and engineering services. This HRMP will apply to project works over AUD \$10 million dollars and up to AUD \$250 million dollars.

1.2 Purpose

This HRMP sets the terms of reference for Contractors to prepare a specific Contractor Human Resources Management Plan.

The Contractors HRMP will support the overriding intent of this HRMP which is to:

- Facilitate best practice management of human resources and industrial relations to support the safe, productive and efficient performance of work on the site;
- Ensure that human resources and industrial relations is managed in a consistent and coordinated fashion on site; and
- Ensure that the Contractors human resources matters and industrial relations matters do not set precedents that will impact the safe, productive and efficient operations of the Company.

1.3 Role of the Company

The Company is responsible for establishing the specific terms of reference and for reviewing and amending them from time to time. Specifically the Company will:

- Provide an approved version of this HRMP to the Contractor during the tender period;
- Review and approve the Contractors HRMP prior to the Contractor commencing work on site;
- Monitor and audit compliance by the Contractor during the execution of work on site;
- Consider and respond to all requests for written approval of a subcontractor;
- Consider and respond to all written requests by the Contractor for the resolution of human resources matters; and
- Consider and respond to all written requests by the Contractor for the resolution of industrial relations matters.

1.4 The Contractor's Role

The Contractor is solely and entirely responsible for all human resources and industrial relations matters in respect of the Contractors Personnel.

The Company is not responsible for the Contractors personnel or for any human resources or industrial relations matters whatsoever. The requirements of this HRMP do not, in any way, make the Company responsible for Contractors personnel or for the Contractors human resources or industrial relations matters.

1.5 The Contractor Human Resources Management Plan

The Contractor will prepare its Human Resources Management Plan (Contractor HRMP) for review and approval by the Company. The Contractor will not be permitted to mobilise its Contractor Personnel to site without an approved HRMP.

The Contractor HRMP shall:

- Specifically address each of the strategic components contained in Section 2 – Human Resources and Industrial Relations Strategy;
- Specifically acknowledge and agree to comply with each of the standards contained in Section 3 – Prescribed Standards;
- Specifically address each information component contained in Section 4 – Information; and
- Specifically acknowledge and agree to comply with the reporting requirements contained in Section 5 – Reporting.

The Contractor agrees to comply with, and is bound to abide by, the Contractor HRMP, as amended from time to time.

The Contractor will not amend the Contractor HRMP without the prior written approval of the Company.

2 HUMAN RESOURCES AND INDUSTRIAL RELATIONS STRATEGY

2.1 Intent

The Contractor shall outline its strategies for managing human resources and/or industrial relations matters. In doing so the Contractor must address each of the objectives in Clause 2.2 and specify how it will meet these objectives.

In addition the Contractor must identify all other human resources and/or industrial relations risks that are relevant to the scope of work. The Contractor must identify how it will prevent the risk occurring or mitigate the impact should it occur.

2.2 Human Resources and Industrial Relations Objectives

The human resources and industrial relations objectives for the site are:

- To attract and retain a skilled and competent workforce;
- To prevent protected industrial action;
- To eliminate lost time due to unprotected industrial action by delivering a fair and equitable environment that includes mechanisms for responding and resolving an employees questions, difficulties or concerns;
- Ensure compliance with relevant industrial relations legislation, awards and agreements and where relevant codes of practice;
- Ensure employee relations issues are managed justly, and in a coordinated and consistent manner on site; and
- Prevent any human resources and industrial relations issues impacting BHP Billiton or other Contractors that are on site.

2.3 Key Risk Areas

Risk is a function of a number of factors including but not necessarily limited to the value of the work, the duration of the work, the geographical location, the employee classifications, legislative context and the industrial relations environment that exists at the time.

At a minimum the Contractor must:

- Enclose an organisation structure which outlines the composition of its site management team. At a minimum this must include:
 - Site Manager;
 - Site Superintendent; and
 - Site Supervisors.
- Identify each “blue collar” classification that is required, the numbers required and the duration that they will be required. In addition the Contractor shall:
 - Specify how it will source labour in the required classifications; and
 - The manning numbers within each of the required classifications.
- Specify the actual rates of pay and allowances for each “blue collar” classification including;

- The base hourly rate, overtime penalty rate, site allowances, loadings, incentive payments;
 - Rest and recreation cycle (if applicable);
 - Roster patterns and cycles;
 - Rest and meal breaks;
 - The basis upon which the Contractor has benchmarked its proposed rates of pay and allowances;
 - The relativity between the proposed rates of pay and allowances on site versus other relevant work locations; and
 - The relativity between the rates of pay and conditions other contractors engaged on mining or processing activities at the site.
- Nominate each proposed subcontractors and demonstrate how it has verified that its nominated subcontractors will meet the requirements of this HRMP.

The Contractor must demonstrate its understanding of the human resources and industrial relations environment at site. The Contractor must demonstrate how it will manage human resources and industrial relations in order to prevent any adverse impact to the site.

The above human resources and industrial relations risks are not exhaustive and it is incumbent on the Contractor to identify all of the key risks relevant to the scope of work. The ability of the Contractor to manage human resources and industrial relations is a key consideration in the overall assessment of the Contractors tender.

2.4 Industrial Regulation

The Contractor shall describe its proposed industrial regulation strategy for the site. The Contractors' industrial regulation strategy shall take into account any existing industrial instrument.

The industrial regulation strategy shall:

- Identify and provide a copy of the industrial instrument or industrial instruments that apply and describe how the Contractor will ensure compliance;
- As the case requires identify a strategy to obtain an industrial agreement, renew an industrial agreement or perform work without an industrial agreement;
- Detail how the industrial regulation strategy will support the objectives identified in section 2.2 of this HRMP; and
- Identify how the Contractor will maintain disciplined and consistent approach to industrial relations on site.

2.5 Right of Entry

2.5.1 General

A union official may have rights to enter the site under the Fair Work Act 2009. The Contractor shall be responsible for managing requests for right of entry in accordance with the Fair Work Act 2009 and the site safety and security protocols.

2.5.2 Specific Legislative Rights and Obligations

The Contractor must describe how union right of entry will be managed consistent with the Fair Work Act 2009. At a minimum the contractor must demonstrate:

- its understanding of right of entry laws;
- its rights and obligations under right of entry laws;

- Specifically which unions will have a legitimate right of entry to the site in accordance with their Rules of Association;
- A union officials rights and obligation under right of entry laws; and
- How the Contractor proposes to manage right of entry on the Project including its understanding of who holds the status of the “Occupier.”

2.5.3 Protocols and Principles

In its HRMP the Contractor shall address the following:

- How it intends to notify the Company prior to the intended time of the visit;
- How it intends to determine whether the Union has a legitimate right of entry;
- How the Contractor will ensure its field staff are knowledgeable about managing right of entry on site;
- The Contractor’s plan to manage any legitimate requests and to ensure that the does a Union does not exceed its legitimate rights.

2.5.4 Workforce meetings

The Contractor must outline how it will manage any meetings to ensure compliance with the legislation and so that it occurs at the most convenient time for the programming of work (ie prior to commencement of work, shift breaks, crib or lunch breaks).

The Contractor must outline how it will agree the parameters for workforce meetings with the Union(s) including:

- the timing of the meeting including a finish time for the meeting;
- The location of the meeting to minimise disruption to those not attending the meeting; and
- Ensuring that only relevant employees attend and that other contractors’ employees do not attend.

2.6 Performance Management and Grievance Resolution

The Contractor must outline its process for managing performance and employee grievances resolution and detail the system that they have in place to support this process. The Contractor shall ensure that its process complies with the Fair Work Act 2009 and any applicable industrial instrument. The Contractor must ensure that all employees understand the process and their role and that it is complied with at all times. An example of an issue resolution procedure is outlined below:

2.6.1 Example Issue Resolution Procedure

Employees

- If employees have a concern or grievance they should initially discuss their grievance with their immediate supervisor.
- The employee may involve their worker representative in this discussion if they wish.

Supervisors

- Supervisors should encourage employees with problems or grievances to utilise the Issue Resolution Process at all times.
- If Supervisors receive a grievance from an employee or their worker representative, they should do what they can to establish the exact nature of the problem.

- Supervisors should look for ways in which they can resolve problems raised by employees within their scope of responsibility in decision making. Supervisors should always leave employees with the impression that they take problems seriously and will look for ways to resolve them in a fair manner. However, Supervisors should not give an expectation of acceptance of a claim if the final decision does not rest with the supervisor.
- If the problem is not capable of being resolved by a supervisor, the supervisor should notify the appropriate Manager.
- If problems have been referred to higher level management, Supervisors should inform employees regularly, what is being done to address the problem so that the employees are not left with the impression that the issue is not being dealt with. This may require Supervisors to actively seek out information from higher level management to relay to employees.

Site Managers

- Site Managers should encourage employees and supervisors to comply with the Issue Resolution Process at all times.
- Where problems have been referred to site management by supervisors, the Site Manager/ should, as a matter of priority, meet with the affected employee/s and/or worker representative to clarify the nature of the problem and give employees an opportunity to feel that their grievance or problem has been properly aired.
- Problems referred to the Site Manager should be dealt with promptly. This means finding a solution to the problem, seeking advice from others or referring the problem to senior management if that is the appropriate action.
- Whilst problems are being dealt with, the Site Manager should provide feedback to supervisors and employees what is being done to resolve the problem.

Senior Management

Senior management are responsible for ensuring that at no stage does the Issue Resolution Process break down.

Problems referred to senior management should be dealt with as a matter of the highest priority. Upon being notified of a problem, senior management should clarify the problem, seek appropriate advice for its resolution and then, if relevant, meet with applicable BHP Billiton representatives in an effort to resolve the problem.

2.7 Elected Occupational Health and Safety Representative

The Contractor must outline how it will manage the process for electing an Occupational Health and Safety Representative. At a minimum the Contractor must demonstrate:

- How it will comply with the relevant legislation;
- How it will ensure that the OHS representative understands its role and obligations; and
- How it will manage safety and the OHS Representative to minimise the risk of safety becoming an industrial relations matter.

2.8 Safety

The Contractor must outline how it will manage safety related issues and how it will ensure that safety issues do not become industrial relations matters.

2.9 Offsite Fabrication

The Contractor shall identify as the case requires:

- The name and the location of any fabricators who will be fabricating structural or mechanical equipment for installation on site;
- Whether the fabricator has valid (in scope and in term) industrial agreements in place for the duration of the work; and
- If the fabricator does not have valid industrial instruments in place how it will ensure that industrial relations issues (should they arise) with the fabricator will not impact the Project.

2.10 Supply Chain

The Contractor shall identify as the case requires the name of any transportation company that will be delivering materials and equipment to site and provide a copy of their industrial instrument.

2.11 Offshore Fabrication and/or Modularisation

If the Contractor's scope of work includes a component of offshore fabrication or modularisation the Contractor shall demonstrate:

- The potential benefit to cost and schedule from overseas fabrication and /or modularisation;
- Its analysis of local fabrication capacity and capability;
- The industrial relations risks in relation to local supply considerations and how these will be managed by the Contractor;
- The industrial relations risks in relation to loading and offloading and transporting fabricated components ("the supply chain");
- A security and logistics plan to manage the supply chain that will include as a minimum:
 - The identity of Subcontractors in the supply chain and the status of their industrial instruments;
 - The potential risk to schedule should the supply chain be impacted through industrial relations issues;
 - Appropriate responses to industrial relations issues impacting the supply chain including legal remedies; and
 - A brief public relations and media strategy.

3 PRESCRIBED STANDARDS

3.1 Prescribed Standards

The Contractor must acknowledge and agree to comply with the prescribed standards and include these standards in the Contractor HRMP.

3.2 Notice of Industrial Relations Issues or Disputes

The Contractor shall immediately advise the Company about any industrial relations issue or dispute (potential or actual) that it has with its workforce and/or a third party.

The Contractor, having advised the Company, shall make the appropriate and necessary arrangements for the proper resolution of the issue or dispute.

The Contractor shall keep the Company fully informed in relation to any progress, escalation, or developments in relation to the issue or dispute using the prescribed forms.

3.3 Conduct of Industrial Relations Issues or Disputes

If the issue or dispute requires any action to be taken by the Contractor as a means of resolving or settling the issue or dispute then prior to taking any action, or agreeing to take any action, the Contractor must comply with the following steps:

- The Contractor must advise the Company in writing the full details of the issue or dispute;
- The Contractor must advise the Company of all the actions that it proposes to take in order to resolve or settle the issue or dispute;
- The Contractor may be requested to seek external written advice from a reputable industrial relations adviser or legal practitioner that supports the actions that are proposed by the Contractor. The Contractor must demonstrate that advice has been obtained, if requested to do so, and identify what the Contractor will do having regard to the advice it has obtained; and
- The Contractor must not take any action to resolve or settle the matter until it has received written confirmation from the Company.

3.4 Site Issues or Disputes

The Contractor shall not enter into any understanding relating to work practices or conditions of employment that are inconsistent with contractual arrangements and the Contractor's HRMP. The Contractor must ensure that it does not take any steps which are likely to give rise to claims by employees of other contractors or otherwise be detrimental to the management of industrial relations on site.

3.5 Payments during Periods of Industrial Action

3.5.1 Unprotected Industrial Action

The Contractor must not make any payments for lost time due to unprotected industrial action.

3.5.2 Protected Industrial Action

The Contractor shall not make any payments due to protected industrial action, unless those payments are permitted by the Fair Work Act 2009.

3.5.3 Reporting Process for Industrial Stoppages

The Contractor must complete the “Contractor Industrial Stoppage Report” on each occasion an industrial stoppage involving the Contractor’s workforce occurs. The completed Contractor Industrial Stoppage Report form shall be submitted to the Company within 24 hours of an industrial stoppage occurring.

3.6 Management of Subcontractors

The Contractor is responsible in all respects for its Subcontractors and their employees as if the latter were direct employees of the Contractor. The Contractor must ensure that prospective Subcontractors are provided with and understand the Contractors HRMP and commit to comply with its terms.

Prior to engaging a subcontractor for the Project the Contractor must seek approval from the Company and await specific written approval before it engages the Subcontractor. Approval will not be given unless the Contractor can demonstrate that the proposed Subcontractor can meet the objectives of the Contractors HRMP.

3.7 Management of Behaviour in the Village

A Village Code of Conduct will be provided by the camp services provider and will apply to all residents. The Contractor is responsible for managing the behaviour of its employees at the village (and to stop unruly behaviour if it occurs). Management is the prevention of unsafe conduct by direction, consultation, and persuasion. There is no requirement or expectation on a Contractor’s employee to physically intervene to control behaviour.

The Contractor shall take the following preventative measures:

- The letter of offer signed by the employee contains reference to company provided accommodation for distant employees and any local employees who visit the village, acceptance of the employment offer involves acceptance of all accommodation rules, procedures and the code of conduct;
- The letter of offer shall make the reference “Failure to comply with the code of conduct will be considered a serious breach of your condition of employment and may result in withdrawal of accommodation and depending on the circumstances may result in termination of employment.”;
- Ensure all employees receive and sign a copy of the Code of Conduct when checking into the project accommodation;
- Contractor Management and Supervision to lead by example at all times
- Reinforce employee awareness through inductions, pre-starts and tool box talks;
- Promote the role of the Health Lifestyle Coordinator in the Village;
- When hosting Contractor sponsored functions in the camp, communicate expectations and promote the Code of Conduct;

In the event any of their employees breach the Village Code of Conduct, the Contractor shall perform the following role:

- Nominate a representative who will be responsible for dealing with Code of Conduct breaches (and, in the absence of that representative, other personnel who will address those breaches);

- Attend and deal with instances where employees are reported to be in breach of the Code of Conduct and have failed to modify the behaviour following directions to do so, or warnings;
- In such instances; attend, observe, reinforce the expectations of behaviours required by residents in the village, warn the employees of the potential consequence of failure to comply, record the identity of those involved, and report to the Contractor's Construction Manager and Village Manager;
- Investigate the breach in accordance with Fair Treatment Process, report investigation details and advise outcome to the Village Manager and the Company Representative Construction Manager;
- Apply appropriate discipline within 12 hours of the event, including withdrawal of accommodation if deemed appropriate; and
- Ensure that the relevant employees depart from (and do not return to) the Village in the event of their expulsion and exclusion from the Village.

3.8 Audit

The Contractor must agree to participate in an audit by the Company of the deliverables contained in the Contractor HRMP.

The Contractor must also agree to participate in an audit by the Company or its Agent of its payroll system on receipt of reasonable notice from the Company.

4 INFORMATION

4.1 Verification of Competency

The Contractor shall describe the process for checking and verifying that its personnel are skilled, licenced and competent to perform work on the site. The Contractor shall provide a copy of its process for recording, verifying and updating the competencies and licences of its personnel.

4.2 Workforce Communication

The Contractor shall describe the forums and the mediums by which it communicates with employees and the frequency of communications. For example this could include pre-start meetings, toolbox meetings etc.

4.3 Fitness for Work

The Contractor shall describe how it will comply with the Fitness for Work Policy that applies on site including the process to manage personnel who are unfit for work. The Contractor shall provide a copy of its process for identifying and managing any fitness for work issues with its personnel.

4.4 Equal Employment Opportunity

The Contractor shall describe how it will comply with relevant legislation relating to EEO and Discrimination. The Contractor shall supply a copy of its policies and procedures as an annexure to its HRMP.

4.5 Indigenous Employment and Heritage

The Contractor shall describe its policy on Indigenous Employment. The Contractor shall supply a copy of its policy or programs as an annexure to its HRMP.

4.6 Employee Assistance Provider

The Contractor shall describe the details of its Employee Assistance Program. The Contractor shall provide the details of its provider and the range of services that are offered to the employees including that of any subcontractors.

5 REPORTING

Where required the Contractor shall complete the prescribed forms and submit them to the Company as required.

- An industrial stoppage report shall be completed by the Contractor and submitted to the Company within 24 hours of the stoppage occurring.
- The Fitness for Work report shall be completed by the Contractor and submitted to the Company on a monthly basis.
- A Right of Entry Feedback form shall be completed by the Contractor and submitted to the Company within 24 hours of the visit occurring.

The prescribed forms are contained in Appendix 1 - Forms. The reports include an:

1. Industrial Stoppage Report;
2. Fitness for Work Reporting; and
3. Right of Entry Feedback.

6 APPENDIX 1 – EMPLOYEE RELATIONS FORMS