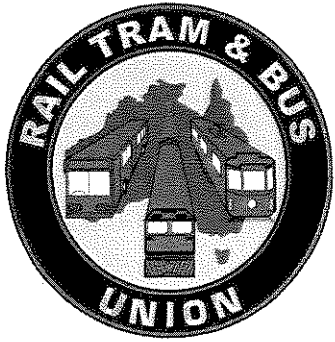


Rail, Tram and Bus Union



RTBU – PacNat Member's Union Collective Agreement 2009

Update *Newsflash* No 36

22nd July 2010

SPECIAL INTERMODAL TRAIN CREW EDITION

It is planned to issue Special Business Specific Editions of the Newsflash as each Agreement is finalised and has started to be distributed.

Intermodal Train Crew EBA

Members are advised that the Final Intermodal Train Crew Agreement is now being distributed to worksites and Employees by Pacific National Intermodal and I have sent an Electronic Copy to your Depot Delegates for distribution.

Members should email me at the rhayden@rtbu-nsw.asn.au should they wish to have a copy emailed directly to them.

Members / Employees are required to have access to the Agreement for a clear 7 days, so we are allowing 8 days prior to any meetings and voting taking place.

You will soon be advised of the dates and times for meetings at your location, although it is anticipated that meetings would take place during the week commencing the 2nd August.

Those who attend the meetings will vote (via a secret ballot paper) at the meetings and those who are unable to attend will be sent a return postal ballot.

2% Fuel Incentive Scheme

As part of the EBA, the parties have agreed to a Fuel Incentive Scheme (*see clause 20.11 of the Agreement*), provides for an additional 1% in each of the last 2 years of the Agreement subject to targets being met on a quarterly basis.

As the 1st 3 month quarter of the 2010 – 2011 period would have commenced on the 1st July 2010, the parties have agreed that due to the expected timing of the implementation of the Agreement, the first period of the Scheme will be reduce to a 2 month period commencing from the 1st August.

**MEMBERS ARE ADVISED THAT AS THE SCHEME COMMENCES FROM THE 1ST
AUGUST 2010, THEY SHOULD COMMENCE FUEL SAVING INITIATIVES
IMMEDIATLEY**

Attached to this Newsflash is a copy of a document regarding the Fuel Incentive Scheme, how it works and Questions and Answers which may assist members in getting a better understanding about the scheme and how it will work and be applied.

Additional Newsflashes will be issued as developments occur.

Also it is important that we continue to get information about what the Company has put out and about saying (if anything) on what they are planning for any of the Business Group Agreements.

I ask that any such information be given / advised to your local delegate, State Branch and or emailed / faxed to the RTBU National Office. Copies of company newsletters, notes taken by you or individual members from Company held meetings etc should all be sent in. Even if we get the same information numerous times, that's better than not getting it at all, so you should assume we have not seen it nor do we know about it, and send it through.

Do not assume or expect that someone else has sent it to us.

I ask that you continue to support your Delegate and offer to assist them when needed as they represent you and your Union prior to, during and following the Campaign.

Newsflash!@Home.

If you would like to receive future information to your personal home email please email Bob Hayden at rhayden@rtbu-nsw.asn.au with your name, your location, your classification and your email address and you will be added to the email list.

YOUR RIGHTS AT WORK..... WORTH FIGHTING FOR!!

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Fuel Incentive Scheme:

Drivers employed under the Pacific National Intermodal Train Crew Enterprise Agreement 2009 are able to participate in a performance incentive program.

PERFORMANCE INCENTIVE PROGRAM OBJECTIVES

- Program is designed to share with employees the benefit of performance improvement.
- Employees have considerable control over the outcome.
- The target is achievable with the output of reasonable effort by the employees.

TARGET

- **The Target is – Fuel reduction over a period.**
- **The Measure is –“litres per GTK” (Gross Tonne Kilometre)**
- **The target is the same for everybody.**

20.11.8 The quarterly targets for the business during the life of this Enterprise Agreement will be:

Quarterly Period Being Measured	Target (l/GTK)
Aug – Sep 2010 (Note 1)	3.7177
Oct – Dec 2010	3.7177
Jan – Mar 2010	3.7177
Apr – Jun 2010	3.7177
Jul – Sep 2011	3.6411
Oct – Dec 2011	3.6411
Jan – Mar 2012	3.6411
Apr – Jun 2012	3.6411

Note 1 – Due to the expected timing of the implementation of this Agreement, the first period of the Performance Incentive Scheme will be a 2 month period only, being August to September 2010.

Payment:

The incentive payment has 2 components:

- 1) For any period that the target is achieved 1% of that period earnings will be paid at the end of the period.
- 2) For any period that the target is achieved 0.25% is added to next year's base.

20.11.12 For any quarter that the target has been met, the employees will be paid as soon as possible but no later than the end of the month immediately following the quarter, an amount being the equivalent of 1% of each employees Applicable Earnings for the previous quarter.

20.11.15 In addition to the quarterly payments that may be made, depending on how many quarterly targets have been met in any one year, the base wage rate will be increased as follows at the start of Year 3 and the Year immediately following Year 3:

4 quarters achieved in 1 year – 1.00% added to base

3 quarters achieved in 1 year – 0.75% added to base

2 quarters achieved in 1 year – 0.50% added to base

1 quarter achieved in 1 year – 0.25% added to base

0 quarters achieved in 1 year – 0.00% added to base

Questions and Answers:

- **What is Gross Tonne Kilometre** – Gross tonne kilometres is a measure calculated by multiplying the gross weight of a train (ie the weight of the locomotives and wagons plus the payload) by the distance travelled. Example: Gross weight trailing tonnes = 2000; Weight of locomotives = 252 (2x126 tonnes); Gross weight of train = 2252 tonnes; Distance travelled = 2000 km; Therefore GTK = 4,504,000.
- **Why use this measure** – the measure takes into account not only the distance travelled but also the size of the task (gross weight of train) and therefore is an appropriate measure of fuel efficiency. Using this measure means that it does not matter whether you run 80 or 120 trains per week as the measure is a common measure for all trains.
- **How is it measured by the company** – the company knows how many litres it uses each month from opening stock held at the start of each month, total of fuel purchased for the month and closing fuel stocks. The company also records for each train the kilometres travelled and the weight of the train, so the GTK is calculated for every train.
- **What period of time will performance be measured** – while Litres per GTK are calculated monthly, targets would be set for each quarter and actual performance compared to target on a quarterly basis.
- **How will the employees know how they are performing** – each depot will post on the noticeboard at the end of each month the performance for the previous 12 months, month by month, which also clearly shows how the business is performing for the quarter being measured.
- **How will the employees know the company's numbers are right** – PN is willing to appoint an independent auditor to review the calculations for accuracy at the end each year at a cost to be shared between PN and the RTBU.
- **When will the targets be set** - Targets will be set up front for Year 2 and Year 3 and contained within the EA document. If during Year 2 either party has concerns about the targets being used for the program, the parties will meet and discuss these concerns and if both Parties agree, the targets may be adjusted for Year 3.
- **What are the targets** – the base position will be the Litres per GTK for the current financial year to date, referred to as the Base. The targeted fuel reduction will then be:
 - Year 2 of EA: Base minus 3%
 - Year 3 of EA: Year 2 Target minus 2% (which is same as Base minus 5%)

PAYMENT

- **How often** – payments will be made quarterly in arrears, based on whether the target has been met for the quarter
- **How will the amount be calculated** – if the target has been met, then each employees earnings for the quarter (wages, applicable allowances, overtime) will be calculated and an amount equivalent to 1% of that quarter's earnings will be paid
- **How long will it take to be paid** – it is envisaged that the payment would be made by the end of the month after the end of the quarter – that is if the quarter being measured was January to March, the payment would be made by the end of April.
- **How will this affect my base pay** – the total Performance Incentive Payment available to employees is 1% per annum. The amount payable will be dependent upon actual fuel efficiency for each of the 4 quarters in the year. The amount of quarters that the target is met will not only be paid as a one-off payment for that quarter, but at the end of the year the employees base will be increased as follows:
 - 4 quarters achieved in 1 year – 1.00% added to base
 - 3 quarters achieved in 1 year – 0.75% added to base
 - 2 quarters achieved in 1 year – 0.50% added to base
 - 1 quarter achieved in 1 year – 0.25% added to base
 - 0 quarters achieved in 1 year – 0.00% added to base

ELIGIBILITY

- **Who would be eligible to participate in the Program** – all employees working directly under the Train Crew Enterprise Agreement
- **Who would not be eligible to participate** – the following employees would not be eligible for payment:
 - Employees who have ceased employment with the company prior to the completion of a quarter of performance would not be eligible;
 - Employees whose employment has been terminated due to disciplinary reasons prior to the payment of ant performance incentive payment will not be eligible;