

WHAT IS AUTOHAUL?

Formerly known as ATO (Autonomous Train Operations), AutoHaul refers to the application of technology to increase automation of our train operations. The implementation of AutoHaul will be the first long distance, heavy haul system of its kind in the world and a key enabler of our Pilbara expansion to 353 million tonnes per annum (Mt/a).

WHEN WILL AUTOHAUL COME INTO OPERATION?

Full details for the implementation are still being finalised and these will be shared with you as developed, however in line with the timeframe for our expansion to 353 Mt/a, the first phase of AutoHaul will be installed by 2014.

WHY ARE WE IMPLEMENTING AUTOHAUL?

AutoHaul is being implemented to support the improvement of productivity, efficiency and safety through the use of automation and technology. The safety of our employees, contractors and people surrounding our operations is paramount and we remain committed to providing a safe workplace for our employees.

WHAT DOES THIS MEAN FOR IRON ORE?

This is an exciting time for the Iron Ore business. The expansion of our operations is a key business priority for the Group. AutoHaul is a natural 'next step' in our automation evolution and follows other successful transitions to automation such as the Operations Centre, Direct Locomotive Control, Port Reclaimer and the introduction of the Autonomous Haulage System (AHS).

WHAT DOES AUTOHAUL MEAN FOR ME?

The roles of some employees will change with the introduction of AutoHaul and the options and opportunities for these people will be discussed individually. No rail positions will be reduced until phase 1 of AutoHaul is completed which is scheduled for the second half of 2014. As our business grows to 353 Mt/a, employee net numbers will increase providing ongoing opportunities for all current employees to continue to be part of our business.

IS THIS NEW TECHNOLOGY GOING TO AFFECT MY ROLE AS A MAINLINE DRIVER?

While phase 1 of the project is underway there will be no impact on the role of a mainline driver. However in the longer term AutoHaul will lead to some changes in roles. We understand that the uncertainty will cause concern for some employees.

There will be a variety of employment options within the business and as the project progresses we will work with employees impacted, under a programme called My Future Plan, to talk in detail about those options. My Future Plan discussions will commence from April/May 2012.

WHAT IS MY FUTURE PLAN?

My Future Plan is a series of discussions that will be initiated by the company with every employee whose role will be impacted by AutoHaul.

My Future Plan will involve discussions between employees and leaders to provide options and certainty.

These discussions will be conducted over an appropriate length of time to allow the employee to consider and discuss those options with their family.

IF MY JOB IS CHANGING, WHAT OPTIONS DO I HAVE?

When a job changes, our obligation is to work with you to look at alternative opportunities. There will be a variety of options for drivers impacted by the implementation of AutoHaul, however we don't have the full details for new roles just yet.

Examples may include:

- Mainline driving in areas where AutoHaul is not implemented (e.g. Deepdale line);
- Yard driving;
- Roles created as a result of the AutoHaul project that will require the specialist skills of a mainline driver. Examples include field operation, remote operations control, maintenance and supervision as well as roles involving maintaining the technical control systems;
- Redeployment in other roles utilising existing skills; and
- Retraining to develop new skills in other areas of the business.

There may be additional options. We understand that everyone has different aspirations and career plans, and under the My Future Plan programme we will be speaking to each individual whose job may be affected by AutoHaul to explore all options for your future employment. Ultimately if none of them are viable, in particular cases redundancy might be an outcome.

IF I MOVE ROLES WHAT WILL BE THE IMPACT ON MY REMUNERATION?

If the alternate role has lower remuneration then transition payments will be made over a period of time to ensure a gradual transition to a lower remuneration amount. This is a standard Rio Tinto policy.

IS THERE STILL A NEED FOR MAINLINE AND YARD DRIVERS AS WE EXPAND?

We will continue to require mainline and yard drivers as we head into 353 M/ta, however we are also looking at opportunities to increase productivity and effective utilisation of drivers. In addition to recruitment, we will continue to use our train examiners as our talent pool for future driving roles.

HOW AND WHERE WILL TEAM MEMBERS OBTAIN THESE NEW COMPETENCIES?

The skills required to implement and run autonomous operations will be developed in house via our internal training programmes. Training will take a number of formats including the use of simulators to complement on track training time.

HOW WILL AUTOHAUL IMPACT THE OPERATIONS CENTRE?

It is anticipated that AutoHaul's effect on the train controller will mean that on the mainline, crewing complexities for pooled fleet are largely removed. However the role will still have responsibility for controlling manned operations, for instance on the Deepdale line, but we envisage that crew allocations will be much simpler.

HOW CAN EMPLOYEES GET INVOLVED?

We will be establishing an AutoHaul Operations Consultative Committee.

The committee will include employees who work at different geographical locations and have different operational roles to ensure input from across the Rail division.

When forming the committee:

- Employees within the operations teams will be requested to nominate a representative and employees can nominate themselves in response to a request for expressions of interest;
- If there are more employees than required from a particular work group, a ballot of employees may be held to determine which nominee(s) will be appointed to the committee; and
- The company may also directly appoint employees with specific skills and experience.

WHAT IS THE ROLE OF THE AUTOHAUL OPERATIONS CONSULTATIVE COMMITTEE?

The AutoHaul project will need to address significant safety, design, process, technology and operational issues. The purpose of this committee will be to make recommendations to the company to:

- Assist in making the workplace safer;
- Assist with the design of operational roles for the operation and support of automated trains;

- Identify the training requirements for any required new roles;
- Identify challenges and issues arising from AutoHaul and recommend solutions; and
- Assist the line managers to communicate actions or outcomes arising from the committee.

The committee will not address the options or process for managing the impact on individual employees. Expressions of interest for the committee will occur in quarter one 2012.

CAN PEOPLE OUTSIDE RAIL OPERATIONS PARTICIPATE IN THE AUTOHAUL OPERATIONS CONSULTATIVE COMMITTEE?

In addition to the AutoHaul Operations Consultative Committee, we will be calling for expressions of interest for an AutoHaul Technical Committee as we are aware that teams from the Operations Centre, Track and Signals and Rolling Stock Maintenance will be interested in the AutoHaul project.

HOW WILL WE HEAR ABOUT THE PROGRAMME AND OUTCOMES OF TRIALS?

We will continue to communicate through the usual channels such as pre-start meetings, business briefs, Scene and Pilbara tube updates. Participants on the Consultative Committee will also play a role in providing feedback on the AutoHaul progress. We will also ask for your feedback on the communication channels utilised by the Rail division to ensure we are providing you with the information in a timely manner.

ARE THERE COUNSELLING SERVICES AVAILABLE?

Yes, all employees have access to the Employee Assistance Programme (EAP). Davidson Trahaire Corpsych (DTC) can be contacted on **1300 360 364** to book a face to face or phone consultation. Consultations are free of charge for their employees and their dependents and are confidential.