

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/149

TITLE: Sigma NSW Enterprise Improvement Agreement 1999

I.R.C. NO:

DATE APPROVED/COMMENCEMENT: 29 June 1999

TERM: 19 Months

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 20

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees covered by the Clerical and Administrative Employees (State) Award, the Storeman and Packers General (State) Award, and located at the Newcastle and Wetherill Park sites

PARTIES: Sigma Co Ltd - NSW -&- Federated Clerks' Union of Australia, New South Wales Branch, National Union of Workers, New South Wales Branch





**NEW SOUTH WALES
INDUSTRIAL RELATIONS COMMISSION**

Industrial Relations Act 1996

FEDERATED CLERKS UNION – NSW BRANCH

And

NATIONAL UNION OF WORKERS – NSW BRANCH

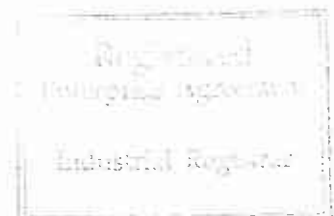
And

SIGMA COMPANY LIMITED – PHARMACY SERVICES DIVISION (NSW)

ENTERPRISE AGREEMENT

1. TITLE

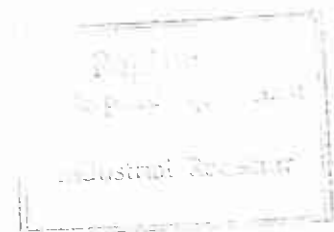
This agreement shall be known as the Sigma NSW Enterprise Improvement Agreement 1999.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

2. ARRANGEMENT

Subject Matter	Clause No.
Aims and Objectives	6
Application	3
Arrangement	2
Avoidance of Industrial Disputes	14
Classification Structure	21
Competency Assessment / Performance Appraisal	22
Consultative Committee	7
Date and Period of Operation	5
Employment Status	10
Hours of Work	16
Job Security	24
National Standards	13
No Extra Claims	20
Not to be Used as a Precedent	19
Occupational Health and Safety	11
Parties Bound	4
Personal / Carers Leave	17
Personal Leave & Medical Certificates	9
Redundancy Provisions	18
Relationship to Award	12
Renewal of Agreement	23
Title	1
Trade Union Training Leave	8
Union Recognition & Membership	25
Wage Increases	15
Consultative Committee	Appendix A
Redundancy Agreement	Appendix B



3. APPLICATION

This agreement shall apply to all employees of Sigma Company Limited in New South Wales who are bound by the terms of the Clerical and Administrative Employees (State) Award and the Storeman and Packers General (State) Award.

4. PARTIES BOUND

- i) Sigma Company Limited – Pharmacy Services Division (NSW) and its employees at Newcastle and Wetherill Park.
- ii) National Union of Workers – NSW Branch.
- iii) Federated Clerks Union – NSW Branch

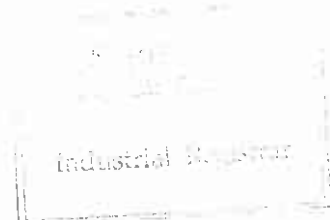
5. DATE AND PERIOD OF OPERATION

This agreement shall operate from the beginning of the first full pay period on or after the 1st of February 1999, and shall remain in force for a period of two years, expiring on the 31st of January 2001.

6. AIMS AND OBJECTIVES

Company management, employees and the unions that are party to this agreement aim to achieve the following objectives through the development of a "Best Practice" agreement.

- 6.1 The quality of goods and services offered by Sigma NSW will become a benchmark for wholesaling and distribution of pharmaceutical products in Australia.
- 6.2 The company has developed a management style based on the empowerment and involvement of its employees.
- 6.3 The objectives of this agreement are:
 - 6.3.1 To establish profitable and enduring enterprises through the effective and efficient provision of high quality goods and services for the benefit of the employees, the shareholders, customers and the community.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

- 6.3.2 To develop a workforce with the skills to enable the company provide goods and services of consistently high quality in order to help expand opportunities for the enterprise.
- 6.3.3 To adopt a skill based pay system with competency standards, that establishes a career path for employees.
- 6.4 The company and the unions acknowledge that an essential factor in achieving these objectives is the development and maintenance of harmonious and productive working relationship between the company, management and employees, so as to ensure that employees are committed to their jobs and to the success of the enterprise. The parties agree that the achievement of these working relationships and fulfillment of commitments requires:
- 6.4.1 That employees be involved in the decision making process with regard to decisions directly affecting their work areas.
 - 6.4.2 That employees have the opportunity to achieve their full potential within the context of the enterprise.
 - 6.4.3 That employees benefit from the success of their efforts.
 - 6.4.4 The willingness of employees in consultation with management to accept flexibility in the performance of jobs and duties, subject to agreed training and OH&S procedures.
- 6.5 To ensure the meeting of the objectives of this agreement, the parties agree that the following measures form an integral part of the company's operations:
- 6.5.1 The company and its employees will constantly seek improvements in safety, work organization, quality and in any other areas which will enhance the quality of the working environment and the effectiveness of company operations.
 - 6.5.2 The avoidance of any action which disrupts or impedes delivery of goods and services by the prompt resolution of employee concerns through effective communication and the agreed processes contained in clause 7 of this agreement.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

- 6.5.3 The training and development of employees to ensure that they have had the opportunity to achieve their potential within the enterprise and to meet the changing needs of the enterprise.
- 6.5.4 The undertaking of work in an agreed flexible and efficient manner.
- 6.5.5 The development of working relationships between management and employees to promote mutual trust, open communication of relevant information and ideas and cooperation generally.
- 6.5.6 The maintenance of agreed, acceptable standards of conduct and attendance necessary to ensure safe and efficient operations.
- 6.5.7 The implementation of a skill based system of remuneration, which gives encouragement to employees to improve their skills, abilities and performance in line with the operational needs of the enterprise.

7. CONSULTATIVE COMMITTEE

7.1 The Sigma New South Wales Consultative Committee was formed to negotiate and oversee the implementation of this enterprise agreement.

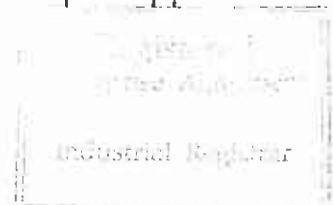
7.2 The composition of the Consultative Committee shall comprise the following representation:

7.2.1 Up to six (6) elected employees representing each of the following areas of the business:

- Receiving
- Induction
- Assembly
- Credits
- Despatch
- Customer Service / Telephone Order Entry

7.2.2 Two (2) management representatives.

7.3 The committee has developed its own constitution as per Appendix A.



8. TRADE UNION TRAINING LEAVE

Union delegates elected in accordance with the rules of the union, upon application in writing to the company, shall be granted up to five (5) days leave with pay each calendar year (non-cumulative) to attend courses conducted or nominated by the unions, which are designed to promote good industrial relations and industrial efficiency within the pharmaceutical industry.

9. PERSONAL (SICK LEAVE) LEAVE & MEDICAL CERTIFICATES

Effective from the date of this agreement, any employee who is absent from work on account of sick leave for one day only, will not be required to provide a medical certificate to prove an entitlement to sick leave.

Sick leave absences of more than one day will require a medical certificate for sick leave to be paid.

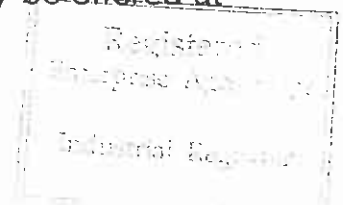
10. EMPLOYMENT STATUS

10.1 Permanent Part Time status applies to any employee that is employed to work more than 20 hours per week, but less than 38. A part time employee may have their ordinary hours increased or reduced by up to 20% with the provision of 14 days notice in writing to the employee.

10.2 To be considered permanent part time, a part time employee must have completed a 3 month probationary period from commencement of employment.

10.3 An employee, with the agreement of the company and subject to the needs of the business, may be permitted to change their employment status from Permanent Full Time to Permanent Part Time or vice versa.

10.4 All new employees upon commencement with Sigma (NSW) will be placed under a three month probationary period. Permanent employment (on a full time or part time basis) will only be offered at the satisfactory completion of the probationary period.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

- 10.5 All employees employed under the terms of this agreement will be paid as adults. No employee subject to this agreement will be paid on junior rates.
- 10.6 All casuals employees will be paid the appropriate shop rate for their classification plus the appropriate casual loading.

11 OCCUPATIONAL HEALTH AND SAFETY

The parties recognize that Sigma places safety ahead of all other aspects of its operations and supports the following;

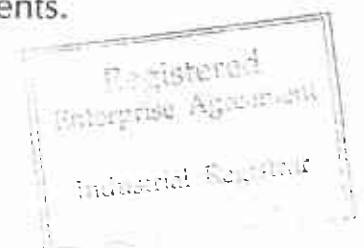
- 11.1 The company will at all times maintain a safe and hazard free workplace and will comply with all relevant Acts, regulations and codes of practice.
- 11.2 Employees will at all times conduct themselves in a safe and responsible manner to ensure their own safety and that of their fellow employees.
- 11.3 The company will encourage employees to take a constructive role in promoting improvements in OH&S and in assisting the company to achieve its stated "zero" personal injury rate target.

12 RELATIONSHIP TO AWARD

This agreement shall be read and interpreted wholly in conjunction with the Clerical and Administrative Employees (State) Award and the Storeman and Packers General (State) Award. Provided that where there is inconsistency between this agreement and either of the awards which underpin the agreement, the agreement shall prevail to the extent of any inconsistency.

13 NATIONAL STANDARDS

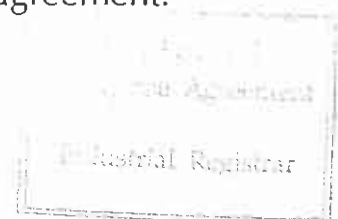
This agreement shall not operate so as to cause an employee to suffer a reduction in ordinary time earnings or in National Standards, such as standard hours of work or in leave entitlements.



14 AVOIDANCE OF INDUSTRIAL DISPUTES

In the event of a dispute, claim or grievance likely to affect the business of the company or the employment of employees, the following procedures shall be followed:

- a) In order to allow for the peaceful resolution of the dispute, claim or grievance, the parties are not to participate in or be responsible for stoppages of work, lockouts or any other bans or limitations on the performance of work while the procedures of negotiation or conciliation as detailed herein are being followed.
- b) In the event of an employee having a grievance or dispute, the employee shall in the first instance attempt to resolve the matter with their immediate supervisor, who shall respond to such requests as soon as is reasonably practicable in each circumstance.
- c) Should the dispute, claim or grievance remain unresolved, the employee may refer the matter to his or her representative, who shall attempt to resolve the matter with the relevant supervisor.
- d) Should the dispute, claim or grievance remain unresolved, the union representative shall consult with site management in order to resolve the matter.
- e) Should the dispute, claim or grievance remain unresolved, the union representative shall consult with an official of the union who shall discuss the matter with an appropriate representative of the company.
- f) If any matter remains unresolved, either party may submit the matter to the Industrial Relations Commission of New South Wales for resolution through conciliation and arbitration.
- g) Whilst the above procedure is being followed, work shall continue normally in accordance with this agreement.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

- h) In any case, "ethical" products (those products coded S2 and above and any other product for which a prescription is required) will be exempt from any industrial action.
- i) No party shall be prejudiced as to the final settlement, by the continuance of work in accordance with this clause.
- j) In the event of a party failing to observe these procedures, the other party may take such steps as are open to it to resolve the matter.
- k) The parties shall, at all times, confer in good faith and without undue delay.

15 WAGE INCREASES

During the life of this agreement, the following wage increases shall be paid:

- i) From the first pay period commencing on or after 01/02/99 – 4%
- ii) From the first pay period commencing on or after 01/12/99 – 2.5%
- iii) From the first pay period commencing on or after 01/05/2000 – 2.5%.

16 HOURS OF WORK

- 16.1 The ordinary working hours for full time employees covered by this agreement shall be 38 hours per week, worked between 6.00am and 6.00pm Monday to Friday. All time worked outside the spread of ordinary hours shall be overtime and shall be paid in accordance with the overtime provisions of the relevant Parent Award.
- 16.2 Provision for "banking" of RDOs up to a maximum of 5 days per year will only be allowable in extenuating circumstances with the prior approval of company management.



17 PERSONAL (Sick Leave) / CARERS LEAVE

A permanent employee (as defined by subclause 10.6) shall be entitled to salary continuance for a period of absence due to the illness or personal injury of themselves or their immediate family (as defined) on the following basis:

- i) In the first year of employment – 5 days.
- ii) In second and subsequent years of employment – 8 days.
- iii) Provided that employees covered by the Storeman and Packers General (State) Award shall receive 10 days in the second and subsequent years of employment.

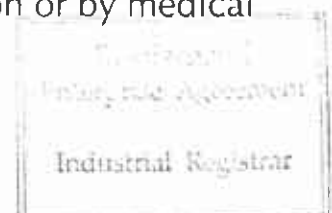
Subject to the following conditions;

17.1 The employee shall inform the company and specifically his / her supervisor, of his / her inability to attend for the rostered time; In order to secure proper coverage for such absences, the employee should state the nature of the injury / illness and the estimated duration of absence.

17.2 The entitlement to use carer's leave for the purpose of caring for another is subject to:

- i) The employee being responsible for the care of the person concerned; and
- ii) The person concerned being either:
 - A member of the employee's immediate family; or
 - A member of the employee's household.
- iii) The term "immediate family" includes:
 - a) A spouse (including a former spouse, a de facto spouse and a former de facto spouse) of an employee; and
 - b) An adult child (including an adopted child, a stepchild or an ex-nuptial child), parent, grandparent, grandchild, or sibling of the employee or spouse of the employee.

17.3 An employee shall, if required to do so by the company, prove to the satisfaction of the company by Statutory Declaration or by medical



certificate (excluding absences outlined in clause 9), that he or she was unable on account of personal illness or injury or the illness or injury of the person requiring care, to attend for work on the day or days for which the employee claims to be entitled to Personal / Carers leave.

18 REDUNDANCY PROVISIONS

The parties agree to apply the provisions of Appendix B in instances where retrenchments will occur.

19 AGREEMENT NOT TO BE USED AS A PRECEDENT

This agreement shall not be used in any manner whatsoever to obtain similar arrangements or benefits in any other location or enterprise.

20 NO EXTRA CLAIMS

For the life of this agreement, Sigma NSW, the unions and the employees agree that there will not be any further or additional claims made by any party in relation to wages or conditions of employment.

21 CLASSIFICATION STRUCTURE

A Sigma classification structure for all employees in NSW will be developed through the Consultative Committee and will be completed within the life of this agreement.

The Consultative Committee will establish a framework and timetable for the creation of the new classification structure by the 30th of June 1999. The timetable will ensure that the new structure will be completely developed, and when agreed implemented, within the life of this agreement.

The purpose of implementing a new classification structure is to establish skill based standards appropriate to the industry sector that will enhance flexibility, productivity and efficiency.

SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

This will enable the company to move away from narrow task based jobs, to work which is based on skills and competency standards and has greater variety, responsibility and defined career progression for employees.

A new classification structure, together with the acquisition of skills, will lead to the creation of a multi skilled, flexible workforce that is capable of delivering desired productivity and efficiency improvements.

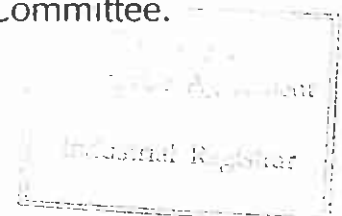
- a) The structure will be subject to future amendment regarding changes to:
- The industry sector relating to the functions and operations of Sigma,
 - The National Warehousing and Distribution Standards,
 - The National Clerical and Administrative (Private Sector) competency standards,
 - Input from the Consultative Committee.
- b) The Consultative Committee will determine an agreed transition process from the old to the new classification structure.

The framework for the translation process will include:

- a) Employees are to be reclassified according to their skills and paid accordingly. No employee shall suffer a decrease in wages as a result of the transfer to the new classification structure.
- b) Where an employee is paid above the rate applicable to a person of his / her skill level, the parties agree that such employees will be provided catch up training to qualify them for their classification rate, where possible.

22 COMPETENCY ASSESSMENT / PERFORMANCE APPRAISAL

Once appropriate competency standards and job descriptions have been adopted and implemented at Sigma, appropriate assessment systems for all Sigma employees will be developed, workplace assessors will be trained and an appeals process will be developed in conjunction with the unions and the Consultative Committee.



23 RENEWAL OF AGREEMENT

The parties commit to commence negotiations to establish the next enterprise agreement 3 months before the expiry date of this agreement.

24 JOB SECURITY

It is not the intention of the company, during the life of the agreement, to either contract out any existing functions carried out on site, nor to remove any existing functions from the site.

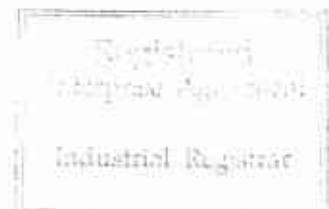
In the event that the company gives consideration to the issues outlined immediately above, the company commits to giving the union sufficient notice in order to allow appropriate consultation about such possible changes.

25 UNION RECOGNITION AND MEMBERSHIP

For the duration of this agreement, Sigma recognises the National Union of Workers (NSW Branch) as being the union that shall have exclusive representation of all employees in related Warehousing and Storeworkers' classifications who are covered by this agreement. This exclusive representation shall extend to all terms and conditions of employment whether covered by this agreement or not.

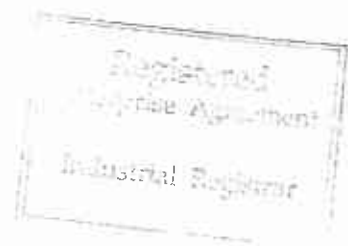
Nothing in this clause shall be taken to exclude the Federated Clerks Union (NSW Branch) from the coverage of clerical employees covered by this agreement.

Sigma undertakes upon authorisation to deduct Union membership dues, as levied by the National Union of Workers (NSW Branch) in accordance with the rules, from the pay of employees who are members of the National Union of Workers (NSW Branch) at the beginning of each month, together with all necessary information to enable the reconciliation and crediting of subscriptions to members accounts.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

All new employees shall upon commencement be introduced to the relevant site delegates from the NUW (NSW Branch) or the Federated Clerks Union (NSW Branch).



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

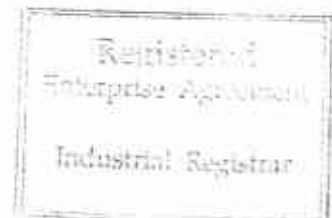
Sigma Company Limited – Pharmacy Services Division (NSW)
Enterprise Improvement Agreement 1999

The parties to this Agreement, as specified in Clause 4 of this Agreement, register their acceptance of the details contained therein, by signing below.

Sigma Company Limited: Name: ANTHONY M GLOVER
Title: OPERATIONS MANAGER - NSW
Signature: [Signature]
Date: 6TH MAY 1999

National Union of Workers: Name: FRANK BELAN
Title: STATE SECRETARY
Signature: [Signature]
Date: 10.5.99

Federated Clerks Union: Name: MICHAEL WANT
Title: Secretary
Signature: [Signature]
Date: 10.5.99



APPENDIX A:

GUIDELINES FOR SIGMA NSW CONSULTATIVE COMMITTEE

Name: Sigma New South Wales Consultative Committee. ("SNSWCC")

Purpose: The aims of the "SNSWCC" is to increase job security through continual improvement in the efficiency and effectiveness of our service and quality, which will lead to improved workplace relations for all. This aim will be enhanced by the "SNSWCC"s role in monitoring and maintaining an Enterprise Agreement.

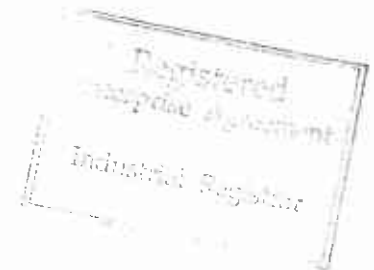
Terms of Reference:

- **Training**
- **Productivity and Efficiency**
- **Current Technology**
- **Work Organization / Job Design**
- **Equity**
- **Workplace Conditions**
- **Workplace Practices**
- **Problem Solving Techniques**
- **Quality Service.**

Composition / Structure: Committee consists of up to 8 members.

The composition for this committee is to ensure that there is representation from all of the following areas:

- Receiving
- Induction
- Assembly
- Credits
- Despatch
- Customer Service / Telephone Order Entry.



Representation from each area means that members of the "SNSWCC" have knowledge of the areas concerned.

Term of Office:

the workforce will elect Workforce representatives and management will elect management representatives.

Terms of Office will be of 12 months duration.

Quorum:

Quorum should consist of at least 4 employee representatives and 1 management representative.

Meetings:

Meetings will be held on the second Wednesday of every month at 11.00am, or as required. Meetings will be held in the boardroom at Wetherill Park and shall run for approximately 2 hours.

Agenda Items:

A member of the workforce who believes they have an agenda to be addressed can approach any member of the Consultative Committee. A list of agenda items will be given to the Chairperson who will publish the Agenda for the next meeting.

Minutes:

A minute recorder will be selected from the Committee members.

Draft minutes will be read back during each meeting or at the end of each meeting to ensure accuracy of information.

Minutes will be reviewed by the Chairperson, distributed to each committee member and posted on notice boards within 3 working days of each "SNSWCC" meeting.



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

Role of Chairperson:

The chairperson will be elected by and from the committee. The role and responsibility of the chairperson will be:

- Chair the meetings.
- Review Minutes.
- Book available venue
- Ensure agenda is prepared and distributed scheduled meeting.
- Ensure meeting is progressing and agenda items are covered within a reasonable amount of time.

Decision Making Process:

All recommendations from the committee will be made by consensus.

Training:

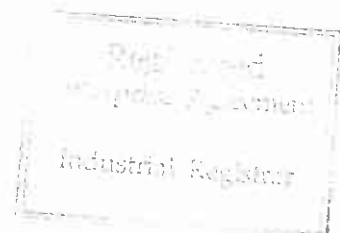
The company will provide the necessary training for "SNSWCC" representatives.

Key Performance Indicators:

The committee will establish Key Performance Indicators ("KPIs") within 3 months of its establishment. The "KPIs" are to measure the effectiveness of the committee.

Rights & Responsibilities of Members:

- To attend all meetings.
- To adequately prepare for all meetings.
- To forward apologies to the Chairperson if unable to attend to present the views of the people represented.
- To investigate and research issues as required and to report back outcomes at each meeting.
- To have access to the necessary resources and time to undertake these responsibilities.



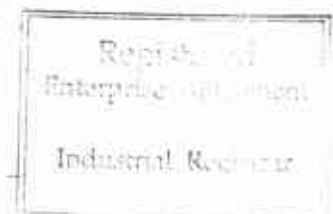
APPENDIX B:

SIGMA NSW REDUNDANCY AGREEMENT

1. Except as provided herein the provisions of this appendix shall apply to all permanent (full time), part time employees, it does not apply to casual staff.
2. The Termination, Change and Redundancy provisions of the Parent Awards in respect of the Unions party to this agreement will apply to any redundancy situation which occurs at the Company, except to the extent that those provisions are less favorable to employees than the terms of this Agreement.
3. In the event of a redundancy occurring, employees who are to be terminated will receive four weeks' notice with an extra week's notice for staff over forty-five years of age.
4. Up to one day per week without loss of pay, will be allowed for employees to attend interviews to gain alternative employment during the notice period. Any dispute concerning the taking of time off in accordance with this subclause shall be referred to the Consultative Committee for resolution of the matter.
5. Employees of the Company who are retrenched on account of redundancy, will be paid four weeks' pay for each year of completed service or part thereof up to a maximum of fifty – six (56) weeks in any individual employee's case including the loading set out in subclause (6) hereunder. Provided that permanent part time staff will be paid on a pro rata basis on the number of hours worked each week compared to the total number of weekly ordinary hours for permanent employees.
6. A loading of 10% in addition to the redundancy pay set out in subclause 5 hereof will be paid to staff who are forty five years of age or over. Staff who are under forty five years of age but who have significant years of service, will receive the following stepped loadings in recognition of their length of service:

Years of Service
10 – 15 years

Loading
5%



SIGMA NSW ENTERPRISE IMPROVEMENT AGREEMENT 1999

16 years	6%
17 years	7%
18 years	8%

Provided that when an employee becomes forty – five (45) years of age that employee automatically becomes entitled to the full 10% loading. The loadings contained in this subclause are not cumulative.

7. All allowances received by the employee for the performance of their duty will be included in the calculation of redundancy pay. Overtime shall not be included in the calculation of redundancy pay.
8. Entitlements to redundancy pay as set out in this Appendix shall be exclusive of any award entitlements an employee may accrue for annual leave or long service leave.
9. In calculating years of service (and part thereof) under this Agreement, service will be calculated in accordance with the calculation of continuous service for the purposes of long service leave as prescribed in the Long Service Leave Act.

Any employee who has had their employment status changed from casual to permanent part time or permanent full time from 01/10/96 to 31/07/97 will have their original commencement date recognized for the calculation of years of service under this appendix.

10. In the case of retrenchments under this agreement, retrenchments will be made on the basis of voluntary redundancies.
In the event that there are not enough volunteers or in the event that there are too many volunteers, the company will consult with the unions and agreement shall be reached between the parties as to the criteria to be used.
The parties agree that seniority will be taken into account in determinations.

