

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO: EA99/46**

**TITLE: SmithKline Beecham (Ermington Site) Enterprise Agreement 1998 to 2001**

**I.R.C. NO: 98/6797**

**DATE APPROVED/COMMENCEMENT: 4 January 1999**

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Enterprise Agreement

**TERM:**

Industrial Registrar

**NEW AGREEMENT OR  
VARIATION: New**

**GAZETTAL REFERENCE:**

**DATE TERMINATED: 15 June 2001**

**NUMBER OF PAGES: 111**

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** applies to employees, at SmithKline Beecham (Ermington Site) in classifications covered by the agreement on fortnightly pay under SmithKline Beecham (Ermington Site) Enterprise Award 1996, Drug Factories (State) Award

**PARTIES:** Smithkline Beecham -&- Shop, Distributive and Allied Employees' Association, New South Wales



**SmithKline Beecham**  
**International**  
*Consumer Healthcare*



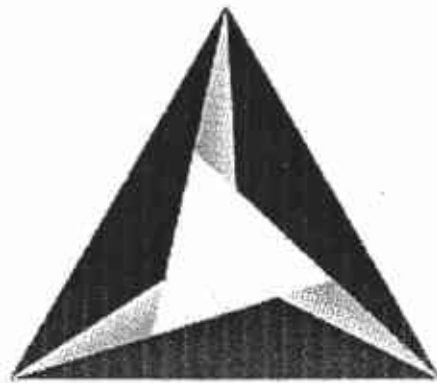
ERMINGTON SITE

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**ENTERPRISE AGREEMENT**

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1998 to 2001



*The Simply Better Way*

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1. TITLE

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This Agreement shall be known as the "SmithKline Beecham (Ermington Site) Enterprise Agreement 1998 to 2001".

2. PARTIES BOUND

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The following parties are bound to this Agreement.

- (a) SmithKline Beecham (Australia) (Pty Limited) and SmithKline Beecham International (collectively the "Company").
- (b) the Australian Workers Union, New South Wales Branch ("AWU");
- (c) the Shop Distributive & Allied Employees Association, New South Wales Branch ("SDA"); and
- (d) all persons employed by the Company in classifications covered by this Agreement on fortnightly pay.

3. APPLICATION

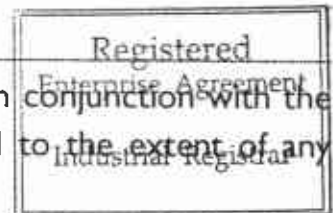
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This Agreement shall apply at the Company's premises located at 82 Hughes Avenue, Ermington, New South Wales, 2115 in respect of all employees who perform work within the scope and incidence of the Parent Award.

4. RELATIONSHIP WITH PARENT AWARD

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This Agreement shall be read and interpreted wholly in conjunction with the Parent Award, but will prevail over the Parent Award to the extent of any inconsistency.



5. DURATION

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This Agreement will take effect from the beginning of the first full pay period to commence on or after the date upon which it is made by the Industrial Relations Commission of New South Wales and will remain in force up until June 15th 2001.

6. NO EXTRA CLAIMS

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The unions and employees bound by this Agreement will not pursue any extra claims, award or over award, for the life of this Agreement including increases arising from award variations or decisions of the Commission other than

increases and amendments that are consistent with the terms of this Agreement, including clause 13(d).

The parties will, however, commence discussions as to the possible terms and conditions of a subsequent site agreement on or before 1 December 2000.

## 7. PURPOSES OF THIS AGREEMENT

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The purposes of this Agreement are to:

- (a) improve organisational effectiveness and productivity monitored by agreed measures at Annexure A consistent with site and employee development and in line with the Company's core values and 3/1 budgetary plan commitments;
- (b) promote good relations between the Company and its employees, represented by their unions;
- (c) assist in the development of the Company as an organisation in which all employees are committed to its survival and economic success;
- (d) ensure that the Company continues to serve the needs of its stakeholders, including the employees; and
- (e) improve the skills, training and knowledge of all employees through the Company's Skills Development Program.

## 8. CONTRACT OF EMPLOYMENT

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- (a) Employees covered by this Agreement will be paid by the fortnight.
- (b) Employees will carry out such duties as are within the limits of their respective skills, competence and training, consistent with clause 10 below, Classifications and Rates of Pay.
- (c) To give effect to the objective set out in clause 7(e) above, all employees will participate in the Company's Skills Development Program, during paid working hours or by agreement.
- (d) An employee not attending for duties shall, except as provided in leave clauses of this Agreement, lose his/her pay for the actual time only of such non attendance.

### **Probationary Period**

- (e) Employees will initially be employed on a probationary basis for a period of 3 months. The employee will be reviewed monthly by their Facilitator/Manager, Operations Manager and the Skills Development Officer using the annual performance tool, Annexure J. In the event that during the review period a decision is made to terminate the

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employment, the Company will pay one week's pay in lieu of notice and provide a certificate of service.

**Casual Employment**

- (f) A casual employee is one engaged and paid as such. A casual employee shall, in respect of ordinary time worked, be paid per hour one thirty-seventh of the weekly agreement wage prescribed herein for the work which he/she performs plus 20 per cent, plus 1/12.

The Company will not employ persons on a casual basis for a period of more than 6 months continuous service. It may, however, extend this period by a further period of up to 3 months in consultation with the relevant union delegate.

Casual employees currently employed who continue to work for the Company after the commencement of this Agreement will not be employed beyond 12 months from the commencement of the Agreement, unless they are made permanent employees.

**Late Arrivers**

- (g) The Company may deduct payment for the actual time lost by employees starting late or finishing early.

**Termination of Employment**

- (h) (i) Except in the case of casual and probationary employees, and subject to sub-paragraph (iv) below, the Company may terminate the employment of an employee by giving the following period of notice or payment (or part payment) in lieu thereof of such ordinary time earnings as the employee would have received during that period.

Employee's Period of Continuous Service	Period of Notice
Not more than 1 year	1 week
More than 1 year but not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks

The period of notice is increased by 1 week if the employee is over 45 years of age and has completed at least 2 years continuous service with the Company.

- (ii) Employment may be terminated by an employee by giving the appropriate period of notice stipulated in sub-paragraph (i) above, provided that no additional notice is required based on the age of the employee concerned. If an employee fails to provide the requested period of notice, the Company shall have the right to withhold monies due to the employee up to an amount equal to the ordinary time rate of pay for the period of notice. The employee's obligation to provide notice of termination may, however, be waived by mutual agreement.
- (iii) Termination of employment by the Company shall not be harsh, unreasonable or unjust.
- (iv) The employment of a casual employee is terminable by either side by the giving of one hour's notice.
- (v) Notwithstanding sub-paragraph (i) above, the Company may summarily dismiss an employee for serious misconduct. Notice of termination is also not required in the case of apprentices or employees engaged for a specific period of time or for a specific task or tasks.

(vi) **Time Off During Notice Period**

Where the Company has given notice of termination to an employee, an employee shall be allowed up to one day's time off per week of notice without loss of pay for the purpose of seeking other employment. The time off shall be taken at times mutually agreed upon between the Company and the employee, provided that such agreement shall not be unreasonably withheld by either party.

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(vii) **Statement of Employment**

The Company will upon receipt of a request from an employee whose employment has been terminated, provide to the employee a written statement specifying the period of his or her employment.

(vii) **Disciplinary Procedure**

The disciplinary procedure set out in Annexure B will be followed in relation to any issues of performance/conduct which may arise in respect of an employee, provided that this procedure need not be followed in circumstances which justify summary termination of employment.



In the event of any dispute regarding the application of the disciplinary procedure, the parties will apply clause 9 below. Disputes Procedure.

(ix) **Standing Down of Employees**

In the event of a stoppage of work through any cause outside the Company's control, the contract of employment may be suspended, in which case the employer's liability for payment shall be suspended for the duration of the stoppage of work; provided that two working days' notice shall be given to the employees prior to such suspension.

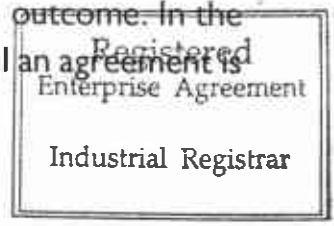
(x) **Abandonment of Employment**

The absence of an employee from work for a continuous period exceeding 3 working days without the consent of the employer and without notification to management shall be prima facie evidence that the employee has abandoned his or her employment.

Termination of employment by abandonment in accordance with this sub clause shall operate from the date of the last attendance at work.

**Conflict**

- (i) In the event of any major change in work organisation intended to be introduced by the Company, the Company will notify all parties hereto and attempt to reach a suitably agreeable outcome. In the event of a dispute, the status quo will remain until an agreement is reached or the dispute is otherwise resolved.



9. **DISPUTES PROCEDURE**

Any question, dispute or difficulty arising out of the operation of this Agreement, shall be dealt with in the following manner:

- (a) The employee involved shall refer the matter to his or her immediate facilitator/manager for resolution. The facilitator/manager will, in normal circumstances, provide an answer within 24 hours.
- (b) If the matter is not then resolved the employee may confer with his or her Union representative within working hours and together the matter will be discussed with representatives of the Company within 48 hours of such referral to management.

- (c) If the matter is not settled it should then be referred to the appropriate Union organiser who will then confer with the appropriate Company representatives at the earliest mutually agreed time.
- (d) If the matter is not settled it should then be referred to the appropriate Union Secretary who will then confer with the appropriate Company representatives at the earliest mutually agreed time.
- (e) If the matter is still not settled it may be submitted to the New South Wales Industrial Relations Commission for conciliation and/or arbitration.
- (f) Until the matter is determined, work shall continue normally.
- (g) Each stage of this procedure will be undertaken with all possible expedition. At each stage the parties may agree that one or more stages are redundant in a particular problem.
- (h) The parties hereto will comply with any order given by the Industrial Relations Commission of New South Wales in relation to any ban, limitation or restriction upon the performance of work.
- (i) In the event of a dispute, the status quo will remain until an agreement is reached or the dispute is otherwise resolved.

The above procedure will also apply in respect of disputes, questions or difficulties which relate to more than one employee.

## 10. CLASSIFICATIONS AND RATES OF PAY

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- (a) A one-off gift voucher to the value of \$200 will be given to all employees covered by this Agreement in the last pay period before Christmas 1998. That voucher is in recognition of the past commitment of employees and their responsible behaviour during the Agreement negotiations.
- (b) Employees will be paid rates of pay in accordance with the following table:

Weekly rates

Level	Present	1st Increase	2nd Increase	3rd Increase
1	\$495.64	\$510.51	\$525.82	\$546.86
2	\$530.68	\$546.60	\$563.00	\$585.52
3	\$551.91	\$568.47	\$585.52	\$608.94
4	\$588.77	\$606.43	\$624.63	\$649.61
5	\$649.44	\$668.92	\$688.99	\$716.55
6	\$685.40	\$705.96	\$727.14	\$756.23
7	\$719.10	\$740.67	\$762.89	\$793.41

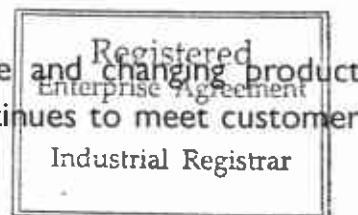
The rates of pay applicable from commencement of the Agreement represent a 3 per cent increase over previous rates. This first pay increase will be back dated to June 14 1998. A further 3 per cent increase is provided for in the first pay period after 14 June 1999. And a third increase at 4%, in the first pay period after 14 June 2000.

- (c) The classification structure is described in Annexure E hereto.
- (d) A seven level classification structure, comprising levels 1 to 7, with exception to distribution which has a five level structure in the above table and applicable rates of pay, applies in respect of employees who work in the Company's distribution warehouse.

(e) **Optimum Multi-Skilling**

The Company operates in highly competitive and changing product markets. It is essential that the Company continues to meet customer expectations in terms of:

- product features;
- price;
- service;
- delivery; and
- quality.



The Company continues to be committed to the development of skill levels for all employees. Optimum multiskilling does not mean every employee doing every task on site, which is clearly impossible. It means finding ways and means of better utilising and developing all employees' skills and abilities in ways that balance employees' expectations about job security and Company needs and flexibility.

During the term of this Agreement, the parties will, while respecting individual employee differences, use their best endeavours to ensure that the great majority of employees on site are at least at Level 3 as a minimum skill base.

The Company's Skills Development Program will be utilised in enhancing the skills of all employees on site.

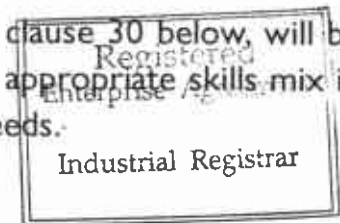
**(f) Maintenance of Skills**

The Company may elect to "challenge test" any employee who, in the judgement of management/fellow workers and/or the Skills Development Officers, has either lost or appears to be struggling with a skills centre/competence that he or she has been signed off on. "Challenge test" means that management provide a framework for skill revision/acquisition and, although the employee's existing pay will not be reduced, that employee will not progress through the classification structure unless and until the skills gap is signed off as competent by an assessment team.

The time frame for the "challenge team" will depend on a range of factors, including the degree of difficulty of the technology/skill, the time that has passed since the employee last used the skill and whether the employee is still in the same Pipe/Distribution and Level. For example, in normal circumstances a skills gap within a pipe would be closed within 3 months and in another pipe within 6 months.

**(g) Utilisation of Skills**

The Company's team structures, described in clause 30 below, will be responsible for managing and determining the appropriate skills mix in each work area having regard to production needs.



**11. TRAINING**

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- (a) In recognition of the skill development objectives referred to in clause 10 above, the parties commit themselves to:
  - (i) removing barriers to the utilisation of relevant skills and developing a process to enable the formal recognition of skills;
  - (ii) developing a training program consistent with:
    - (1) the current and future skill needs of the enterprise, including those for work group members;

- (2) the size, structure and nature of the operations of the enterprise; and
- (3) the need to develop vocational skills relevant to the enterprise and the industry through courses, including tertiary, conducted by accredited educational institutions and providers.

Training will be mainly "on the job" and classroom learning will be scheduled to balance employee and customer service needs. The Classification Committee will have input into training processes.

Costs associated with training, here approved, will be borne by the Company.

**(b) Training Guidelines**

- (i) It is anticipated that the workforce will increase in skill and flexibility during the term of the Agreement. All employees will be encouraged to gain new skills initially within their classification and where required outside their classification. Those employees who do not improve their skills outside their level will not be victimised.
- (ii) A joint committee, which may be the Classification Committee, will review and maintain the classification structure and its processes at regular intervals or as required.
- (iii) Employees must acquire the higher level skills before receiving higher payments. The Company will ensure that employees are reviewed within six weeks of starting a new job. In some areas the normal employee will not be fully competent in under 12 months (eg. when a product is run only a few times a year or where there is learning required on other shifts to fully understand the process). In other areas employees will become competent in a short period.

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Every effort will be made to assess points for new technologies within three months of commissioning. The teams have the right to recommend the appropriate points for that technology, based on their best judgement, subject to a final decision by management.

(c) **Skills Menu**

(i) **Programs**

A framework for training appears at Annexure J. Individual, team, pipe and site training needs will emerge out of:

- employee development plans (EDP), which are to be completed for every employee at least bi-annually (and preferably quarterly) by the skills development officer/manager and the employee under review;
- the performance appraisal review (Annexure I hereto) conducted at least annually; and
- the performance value tool (this tool assesses employee behaviour against the Company's five core values). While it is only being used for performance assessment/progression to Level 7, during the term of the Agreement this tool will form part of reviews for all levels, and the tool itself will be subject to review by corporate training and development professionals (to be conducted as part of classification progression assessment).

The process of skill acquisition will extend to both classroom and on-the-job learning.

The following groupings of classroom based programs may be offered if they meet business needs and can be funded having completed the review processes:

- Business Skills;
- Interpersonal Skills;
- Health and Safety;
- Technical Skills; and
- Corporate Programs.

1998 EDP's and other  
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12. PAYMENT OF EARNINGS

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(a) **Pay Method**

All earnings will be paid on a fortnightly basis by electronic funds

transfer. Fortnightly pay commenced in the first pay period on 10 July 1996. Fortnightly payroll in arrears commencing on or after the first pay period after 1/1/1999. Employees will not be affected materially in any way by the transition to fortnightly pay in arrears. No employee will be disadvantaged.

**(b) Pay Details**

On or prior to pay day, the Company will advise each employee in writing of the total amount of wages, other earnings and superannuation to which the employee is entitled, the amount of overtime included, details of any deductions made and the net amount being paid to each employee.

**(c) Deductions**

The Company will deduct from wages due to an employee any of the following fees which may be authorised in writing by the employee concerned:

- Health Fund (National Mutual, MBF and Medibank)
- Recognised Charities – (Salvation Army, Smith Family, World Vision) \* these deductions will only take place if 25+ employees make nominations and the deductions would be after tax
- Union Fees
- Social Club
- Financial Institutions (to a maximum of three)
- Superannuation
- HECS (Higher education contribution scheme)
- Extra tax (eg last year's tax bill, capital gains tax).



**13. HOURS OF WORK**

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- (a) The ordinary hours of work for employees, other than casuals, shall be 37 hours per week, worked Monday to Friday.
- (b) The ordinary hours of work prescribed shall not exceed 12 hours on any day provided that:
  - (i) in any arrangement whereby ordinary hours are to exceed eight on any day, the arrangement of hours shall be subject to

agreement between the Company and the majority of employees in the plant or work section or sections concerned; and

(ii) by arrangement between the Company, the union or unions concerned and the majority of employees in the plant or work section or sections concerned, ordinary hours exceeding twelve on any day may be worked subject to:

- (1) the employer and the employees concerned being guided by the occupational health and safety provisions of the ACTU Code of Conduct on twelve hour shifts;
- (2) proper health monitoring procedures being introduced;
- (3) suitable roster arrangements being made; and
- (4) proper management being provided.

The intention of the flexibilities contained in this clause is to enhance the needs of the employees and to better utilise hours of work in order to increase the productive performance of the enterprise including seasonal production requirements.

No employee will be asked to perform work for a period in excess of 16 hours per day more than once in any pay period.

(c) **Shift Work**

The following definitions shall apply for the purposes of this sub-clause:

“Day shift” means any shift worked between the hours of 7.00 am and 6.00 pm.

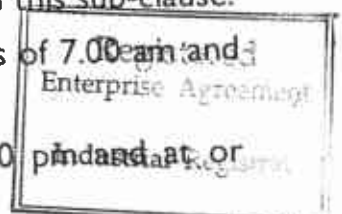
“Afternoon Shift” means any shift finishing after 6.00 pm and at or before midnight. Shift allowance is paid at 15%.

“Night Shift” means any shift finishing subsequent to midnight and at or before 7.30 am. Shift allowance is paid at 30%.

(i) Shifts will be worked in accordance with Annexure C hereto.

(ii) A shift shall consist of not more than 12 hours inclusive of meal breaks and rest pauses, provided that in any arrangement of ordinary working hours where those hours are to exceed 8 on any shift the arrangement of hours shall be subject to the agreement of the Company and the majority of the employees concerned.

(iii) Except at the regular change over of shifts, an employee shall not be required to work more than one work period or shift in each 24 hours.





- (iv) The commencement and finishing times of shifts set out in Annexure C may be varied for a particular shift by agreement between the Company and the majority of the employees concerned to suit production requirements.
- (v) The shift regularly worked by an employee may be altered by the Company giving at least seven days' notice of shift change to the employee concerned.
- (vi) Shift allowance paid for afternoon & night shift workers on all ordinary hours worked.

(d) **Rest Pause**

Employees shall be allowed a rest pause of 10 minutes in the first half and second half of the shift at a time to be mutually arranged. The employee shall provide a fully functional canteen for the purposes of tea & coffee making during such Rest Pause.

**Meal Breaks**

Employees shall be allowed a paid 20 minute crib break in the middle of each shift or at time to be mutually arranged.

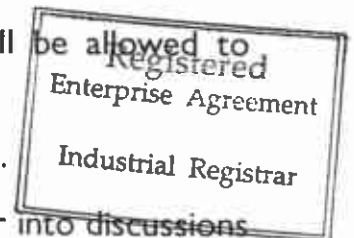
**Wash-up Time**

Not less than five minutes before ceasing time shall be allowed to employees for washing purposes.

For examples of above refer to Annexure "C" page 35.

- (e) During the life of this Agreement the parties will enter into discussions in relation to changing the ordinary hours and shift provisions set out earlier in this clause 13. Those discussions will be programmed with the assistance of and where necessary chaired by, a Commissioner of the NSW IRC.

Should the parties reach agreement during the life of this Agreement in relation to changes to the ordinary hours and/or shift provisions, those changes will be recorded in writing, dated and signed by representatives of the Company, the AWU and SDA. The signed document, recording the changes, will override clause 13 to the extent of any inconsistency, from the date of that document.



14. **OVERTIME**

All time worked by any employee outside of their agreed and recognised ordinary hours shall be defined as overtime. Such overtime will be paid at the rate of time and a half for the first two hours and double time thereafter. By

agreement between the Company and the employee concerned, such overtime hours worked may instead be taken as paid time off, up to a maximum of four hours per day or twenty hours per week at the penalty equivalent.

After an employee has completed his or her shift, a 10 minute rest pause will be provided prior to the commencement of any overtime to be worked.

A paid crib break of 20 minutes shall be given to any employee who works 4 hours or more on any unplanned overtime shift.

Overtime must be planned and approved by management prior to being worked.

### **Sunday Work**

Any work performed on a Sunday shall be paid at the rate of double time.

## 15. PUBLIC HOLIDAYS AND SUNDAYS

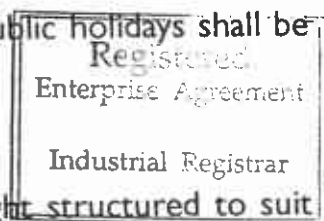
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### (a) - **Prescribed Holidays**

An employee on fortnightly hire shall be entitled without loss of pay to public holidays as follows: New Years Day, Australia Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, Queen's Birthday, Eight Hour or Labour Day, Christmas Day, Boxing Day, Picnic Day (to be locally agreed) or such other day as gazetted.

By agreement on an individual basis, other days may be substituted for any of the prescribed public holidays.

Any work performed on any of the prescribed public holidays shall be paid at the rate of double time and one half.



### (b) **Rostered Days Off**

Working hours will average 74 hours per fortnight structured to suit each Pipe and Distribution section.

The taking of rostered days off where such days are accrued shall be by agreement between management and employees in each of the Company's Pipe and Distribution sections, provided no more than 5 will be accrued, at any one time and must be cleared within a period of 3 months.

## 16. SICK LEAVE

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- (a) Any employee absent from work on account of personal illness or incapacity shall be entitled to paid sick leave in accordance with sub-clause (b) below subject to the following conditions and limitations:

- (i) an employee shall not be entitled to paid leave of absence for any period in respect of which he or she is entitled to Workers' Compensation.
- (ii) an employee shall inform the Company of his or her inability to attend for duty indicating the estimated duration of the absence at the earliest practicable opportunity to ensure that management can best schedule production around their absence.
- (iii) a medical certificate or other satisfactory evidence will be required for absences of two or more consecutive working days.
- (iv) absenteeism will continue to be recorded and this data may be used for performance management in the event that an individual chooses, in the opinion of management and the team members, to abuse the system.

**(b) Sick Leave Incentive Scheme**

Employees are entitled to 10 days paid sick leave per annum that are accruable from year to year.

- (i) If at the anniversary date for each year an employee has not taken any of these sick leave days, he or she is entitled to either four days paid leave or the monetary equivalent thereof. These days, if taken, shall be taken at times mutually agreed between the parties.
- (ii) If an employee has taken one day's sick leave or part thereof within their anniversary year, he or she is entitled to either three days paid leave or the monetary equivalent thereof. These days, if taken, shall be taken at times mutually agreed between the parties.
- (iii) If an employee has taken two days or part thereof, he or she is entitled to either two days paid leave or the monetary equivalent thereof. These days, if taken, shall be taken at times mutually agreed between the parties.

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**(c) Use of Sick Leave**

Up to five days of an employee's sick leave entitlements may be taken as Family/Carer's leave. The Company may request appropriate evidence to justify the taking of the leave.

The taking of a day for Family/Carer's leave purposes will have the same effect upon the availability of bonus days prescribed in sub-clause (b) above as the taking of a day as sick leave.

## 17. - BEREAVEMENT LEAVE

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An employee shall be entitled to a maximum of three days leave without loss of pay on each occasion and on production of satisfactory evidence of the death of the employee's spouse, father, mother, brother, sister, child, step child, grandparents or parents in law. For the purposes of this subclause the words spouse shall include defacto spouse and the words "father" and "mother" shall include foster father or mother and step father or step mother.

## 18. ANNUAL LEAVE

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Any employee shall be entitled after a full year of service to 20 working days of annual leave, paid at the ordinary rate of pay plus twenty percent annual leave loading, or the applicable shift loading whichever is the higher:

An employee on fortnightly hire shall accrue annual leave at a rate of 5.846 hours for each 74 ordinary hours worked.

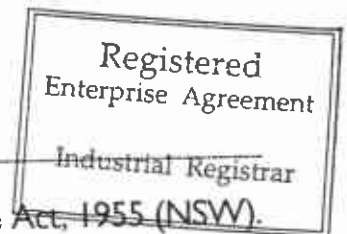
Where the Company closes down its plant, or a section or sections thereof, once every year or by agreement for the purpose of allowing annual leave to all or the bulk of the employees in such a plant or section, the Company will give not less than one month's notice of its intention to do so. In the event of such a close down, an employee with less than one full year of service will be given leave entitlements as accrued at the date of close down.

Arrangements for the taking of annual leave will be agreed between the employee and his or her manager, provided that any dispute concerning the implementation of this clause shall be dealt with in accordance with clause 9, Disputes Procedure.

## 19. LONG SERVICE LEAVE

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Long Service Leave is in accordance with the Long Service Leave Act, 1955 (NSW).



## 20. MATERNITY/PATERNITY LEAVE

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Maternity/Paternity Leave is in accordance with parental leave provisions of the Industrial Relations Act, 1996 (NSW).

## 21. JURY SERVICE

---

An employee required to attend for jury service during his or her ordinary

working hours shall continue to be paid by the Company his or her ordinary hours of work. On the completion of jury service the employee shall give the Company proof of attendance, the duration of such attendance and shall reimburse to the Company the amount received in respect of such jury service.

An employee on shift work will be paid the appropriate shift allowance for the duration of jury service and in the event that the juror is dismissed the employee's manager will determine whether or not the employee returns to work on that day, taking into account all relevant considerations.

## 22. RIGHT OF ENTRY - UNION OFFICIALS

---

The Company respects and accepts the legitimate role of union organisers to represent the interest of members on site.

Management expects union organisers to play a constructive role on site and to assist management in the detection and the correction of errors before they become problems that could affect business. In the same spirit, management will work closely with union organisers ensuring that, wherever possible, employee and business needs are balanced.

Delegates will advise the gatehouse and management of any visits planned by organisers and organisers will brief management at the conclusion of their visit on any issues or concerns.

## 23. UNION PARTNERSHIP

---

The Company considers the SDA and the AWU as business partners in the ongoing development of the Ermington site and its employees and in the achievement of its 3/1 budgetary plan (see Annexure A for measures). As proof of this partnership, union officials, delegates and employees will monitor the performance of this Agreement on a regular basis and from time to time may make a joint presentation at a management forum on progress during the term of this Agreement.

The Company also respects the right of employees to make their own choice as to whether or not it is in their best interests to join and/or resign from a union. The Company will advise all new employees, as part of the induction process, of the two unions who are party to this Agreement.

## 24. UNION DELEGATES

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The Company understands and accepts that delegates are required to involve

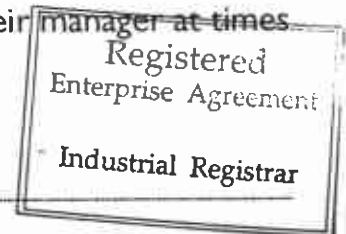


themselves in the timely resolution of a range of issues that are often complex and sensitive. Sometimes issues will be raised by employees. At other times delegates may be asked to assist management to resolve and/or prevent a problem.

Wherever a member raises an issue with a delegate that issue should be taken up in the first instance with the manager as specified in Clause 9, Disputes Procedure.

Before leaving their job on union business, delegates must notify their immediate facilitator.

The Company accepts that delegates will be paid to attend a maximum of two union training programs each year that are approved by their manager at times that fit in with customer demands.



## 25. PROTECTIVE EQUIPMENT

---

The Ermington manufacturing site is a pharmaceutical site and during the term of this Agreement Good Manufacturing Practice (GMP) standards will be improved significantly by the Company and all employees. (See Annexure G - GMP Code for Therapeutic Goods-Medicinal Products).

The Company will provide suitable protective gloves, goggles, masks, ear muffs or ear plugs, footwear and work outer clothing where the process so requires.

An employee who is supplied with any of the protecting equipment specified herein shall wear or use, as the case may be, such protective equipment in such a way as to achieve the purpose for which it is supplied. Such requirements may be varied to accommodate a certificate from the Company's occupational physician, in consultation with employee's personal doctor.

The wearing of hearing, eye and other personal protective equipment where required is a condition of employment and failure to comply will result in the implementation of the disciplinary procedure outlined at Annexure B.

Tools and other equipment issued by the Company to employees must be returned on cessation of employment with the Company and before an employee's final pay can be processed. During employment, the care of tools is the responsibility of the employee.

## 26. OCCUPATIONAL HEALTH AND SAFETY

---

The Company operates on the basis of the following health & safety principles, with the Occupational Health and Safety Act 1983 (NSW) remaining as the minimum:

- All injuries and occupational diseases can be prevented
- Safety is everyone's responsibility
- Management has a responsibility to train all employees to work safely
- Working safely is a condition of employment
- Preventing injuries and incidents contributes to business success.

Detailed policies and procedures for occupational health & safety are being prepared in accordance with a SmithKline Beecham USA environment, health and safety audit recommendation and will be provided to employees upon completion.

## 27. REDUNDANCY

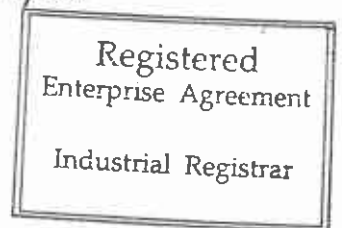
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The terms and conditions of redundancy shall be those contained in Annexure M. Where the Company has made a definite decision to introduce major changes in production, programs, organisation, structure or technology that are likely to have significant effects on employees, the employer shall notify the employees who may be affected by the proposed change and their unions. This can be done through the delegates, organisers, teams and employees.

## 28. CONTRACTORS

---

- (a) Contractors are used from time to time by the Company to:
- (i) supplement the normal operations;
  - (ii) undertake modifications to plant;
  - (iii) install new plant and equipment; and
  - (iv) perform specialised work or services.



The Company will attempt to ensure that contractors so engaged assist in the technological transfer of skills to employees wherever they are core skills relevant to the business (eg machine overhaul and maintenance).

- (b) All contractors will be required to work to current safety and industrial rules and regulations.
- (c) It is not the intention of this clause to reduce the number of persons employed by the Company and the number of contractors and casuals on site at any time will not exceed 25 per cent of the permanent workforce.

The Company envisages that the number of contractors will decrease as employees acquire additional skills.

## 29. EMPLOYEE ASSISTANCE PROGRAM

---

The Company will continue to subscribe to the SmithKline Beecham Employee Assistance Program (SEAP) through a third party for the duration of this Award. This service is available to any employee experiencing personal difficulties either at home or at work and under certain circumstances also extends to immediate family members.

For example:

- Marriage and family problems
- Emotional problems and interpersonal conflict
- Work related concerns
- Alcohol and other drug problems
- Gambling worries
- Legal worries
- Financial worries
- Life threatening illnesses

The program is designed to ensure that problems do not become so complicated as to eventually affect a person's work performance, personal happiness or home life. The program acknowledges that problems, if unresolved, can contribute to accidents at work, absenteeism, lateness or poor productivity. However, no individual is obliged to utilise the service.

Details of the program are set out in Annexure D hereto.

## 30. TEAMS

---

Employees on shift are working in teams with each team in turn working with two other teams in a three shift pipe, with the Distribution Warehouse working a two shift operation.

The Company's pipes are designed to ensure that there are "no problems" for customers, whether that be in the receipt and processing of raw materials, their conversion into product and/or product packaging and delivery to customers.

Teams embody a form of work organisation based on accountable principles.

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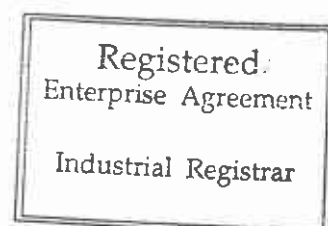
Team members have greater control over their work activities than in traditional systems. The team performs a whole job consisting of a set of inter-related tasks and is collectively responsible for producing an agreed output. In doing this the teams are dependent on each other and the support functions, if they are to achieve agreed outputs. This change in management control is similar to subcontracting. Over time, the teams will become essentially free from traditional supervisory control and, as the teams mature, with the assistance of their facilitators, will continue to make decisions about matters such as:

- planning of work;
- interpretation of the production schedule;
- the allocation of tasks to team members;
- internal team leadership which may shift with the situation; and
- liaison with support groups.

Teams are multi-skilled within the parameters of the Company's Seven Level Classification Structure (six levels for the Distribution Warehouse), with the overall goal being to reduce the cost of manufacture through team work consistent with the Company's 3/1 Plan.

The benefits of team working are:

- increased efficiency due to multi-skilling
- more effective use of group members' knowledge and ideas
- commitment to self-made decisions
- decreased time taken to implement decisions
- accommodation of changing attitudes to work
- greater industrial co-operation.



All of these benefits enhance the opportunity for the Company to survive and prosper providing a worthwhile future to its stakeholders and employees.

The nine manufacturing, one QC team, and one Distribution team on site are currently supported by facilitators / managers and each of the teams is at a different stage of team maturity.

During the term of this Agreement, management and employees commit to "raising the bar" with all teams progressing in team maturity towards Level 5. (see Annexure H). The "commercialisation" of employees, managers, pipes, site (ie the focus on the site being run as a business against performance data, facts, and challenging targets) will continue.

The Company recognises six requirements of a good job:

- elbow room (optimal, ie. not too much and not too little)
- learning, including feedback of results (optimal, ie. not too much and not too little)
- variety (optimal, ie. not too much and not too little)
- mutual respect and support
- meaningful work
- hope for the future.

### 31. MEAL ALLOWANCE

---

The meal allowance is \$6.00 and is paid after 1.5 hours of overtime on any day for unplanned overtime where there is less than 24 hours notice given.

### 32. CONFIDENTIAL INFORMATION

---

Employees and their union organisers will, from time to time, be provided with commercially sensitive information about business performance consistent with the Company's core values. This information is provided consistent with a partnership approach to site development.

Some of this information will be confidential and is shared with employees on the basis that it is received in good faith and does not compromise the Company's market position in any way.

This means that no employee can share with outsiders in the absence of written approval from the Operations Director any information about the Company's performance that has been provided to them by management in good faith, whether that information is made available at:

- presentations
- in team meetings
- on noticeboards or in any other form.

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### 33. ANNUAL PERFORMANCE APPRAISAL (TEAM & INDIVIDUAL)

---

WSO/Distribution performance at Company, pipe and team levels relies on the performance of each and every employee on this site. Each team is only as strong as its weakest link.

Management will review all shop floor employees performance each year in December using the performance review process (see Annexure I).

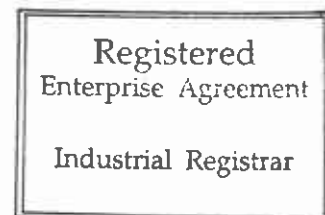
Facilitators and managers will be trained in the professional conduct of these reviews and union delegates will be welcomed as players in reviews where employees choose to involve them.

The focus of the review will be on performance recognition and, where appropriate, improvement, including the agreement of practical action plans that will build on a person's strengths and minimise their weaknesses. In time, the reviews will also include objective setting at the individual level eg output increases per week, scrap reduction per week, attendance improvement per month, absenteeism reduction per month.

Management realises that the process may raise performance issues with some individuals and in this event, the Company would evoke the disciplinary procedure. In the event that a performance review turns into a disciplinary session this process will be outside the framework of the annual performance reviews.

Individuals annual performance reviews will be scored against the 12 performance elements in the Annual Performance review (pages 80-83) using a 4 point scale.

- Score of 5 (12 points or less) \$0
- Score of 4 (13 to 18 points) \$50
- Score of 3 (19 to 29 points) \$150
- Score of 2 (30 to 41 points) \$250
- Score of 1 (42 to 48 points) \$375



The maximum score available is 48 points. (4 points for each element of performance and 12 performance elements in total). This will be additional to the end of year productivity bonus. The performance review will be conducted by Team Facilitators, and the 3/1 Management Team will conduct a group discussion, reviewing the performance review scores of each team and shift to ensure a fair and consistent approach.

Payment of any bonus will be made in January/February the following year.

Completed performance reviews will be forwarded to the Operations Director/Commercial Director, annually, as key "people" facts and data.

This information provides the Operations Director/Commercial Director with:

- factual data about the strengths and weaknesses of the WSO Manufacturing/Distribution Teams; and
- the action plans to reward good performance and to agree the appropriate level of support to assist employee development on the site.

Team performance will also be assessed by managers on a regular basis and shop floor appraisal of management has already commenced.

In the event that an employee feels that their appraisal does not reflect fairly or accurately their real contribution to the team, or that the appraisal has not been conducted in accordance with the SB values, then that employee has the right to invoke the disputes procedure set out in Clause 9.

### 34. MEDIATION

---

There are times when employees at all levels may find themselves in a situation that is difficult or sensitive. In the event that an employee considers that it may not be in his or her interests to attempt to resolve an issue with the relevant manager in the first instance, then the Company will provide a mediation service, initially through the Human Resources Manager, that will ensure that wherever possible:

- difficulties are discussed;
- differences are tabled; and
- agreements are reached.

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Mediation will be conducted by an agreed mediator with the focus on business improvement and employee/management development.

### 35. SERVICE AWARDS

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One week's additional annual leave is to be provided to employees on the completion of 21 years of service and thereafter.

The Company is committed to the "reward and celebration" of achievement and will continue to reward service and commitment during the term of the Agreement.

### 36. GOOD MANUFACTURING PRACTICE

---

The Ermington Plant as SB is a pharmaceutical goods manufacturing site, and as such is licensed with the Australian Therapeutic Goods Administration (TGA). This licence is offered at the TGA's discretion. The TGA conduct periodic audits to assess the worthiness of the site to retain its license.

During the life of this agreement, the GMP standards are to be improved and maintained in accordance with the intentions of the TGA as per cGMP for Medicinal Products (1990).

In order to protect our license to manufacture, during the term of this agreement, all employees commit to assisting management in achieving the spirit and intent of the Company's Pharmaceutical Goods Manufacturing Standard in accordance with Annexure L.

### 37. FIRST AID ALLOWANCE

A first aid allowance is payable to agreed first aiders. The allowance is \$18.60 per fortnight.

### 38. SYDNEY 2000 OLYMPIC GAMES SOCOG/RTA REQUEST

The Ermington Plant is in close proximity to the Olympic Games site. SOCOG/RTA advise the likelihood of major traffic congestion for the period 15/9/2000 (Opening Ceremony) to 1/10/2000 (Closing Ceremony). Against this background it is anticipated that the Plant will be the subject of an Olympic Games closure (15/9-1/10). In the event that customer demand requires production and/or maintenance during the Olympic period any arrangement would be the subject of discussion and agreement. To this end detail discussions will take place in Q1 2000.

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### 39. HEALTH COVER

The Company will arrange access for all employees to the National Mutual Full Corporate Health cover fund at discount corporate rate paid upfront and deducted fortnightly (brochures available to employees on request). Employees are entitled to purchase Health cover at the corporate rate from National Mutual.

Up until 30/6/99 Single membership will cost \$1170.00 per annum being reimbursed at the fortnightly amount of \$45.00.

Up until 30/6/99 Family cover will cost \$2340.00 being reimbursed fortnightly at \$90.00. The fund is guaranteed until 30/6/99 when it is the subject of company/provider review.

#### 40. CANTEEN HOURS

---

Canteen hours restructured for quicker worker service and on-time return to work. Priority shop floor canteen service hours are from 11.30 a.m. to 12.30 p.m. Staff requested to go to the canteen after 12.30 p.m. Canteen opened until 2:00 p.m. (previously 1:30 p.m.)

#### 41. SB SHARE PURCHASE

---

Employees with more than six months service are entitled to purchase SB shares each year out of pre-tax dollars to a maximum of \$1000.00.

#### 42. CALL BACK

---

If employees are called back to work, they will receive a minimum of four hours pay at the overtime rate. Employees period of work on a call back commences when they are called and that call will be recorded.

#### 43. PRODUCTIVITY MATRIX

---

The parties agree to implement the productivity matrix set out in Annexure N (See Annexure N – Ermington Productivity Matrix).

A committee will be appointed to agree the detailed measures which will be tracked monthly and reviewed annually for payment. The base year for calculating the quantum of the measures will be the Ermington sites 1998 calendar year. The first year in which payments may be made is 2000 (end Q1 April), based upon 1999 performance. 5 detailed measures will be used, being:

- productivity
- absenteesim
- quality
- waste
- safety

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A positive variance will result in a payment being made on a one off bases calculated on the size of the bonus pool, divided by the number of permanent employees. Each employee will receive an equal share unrelated to their classification level.

The productivity committee will be made up of 6 representatives, 50% shop floor and 50% management and will be formed before 31/12/98. They will then meet monthly to agree the results for the month. The matrix results and targets will be communicated and graphically shown in the canteen.

#### 44. CAR SERVICES

---

On-site automotive car repair service at 30% discount are offered to employees through a local provider, "On-Site Automotive". The repair rates and the availability of the service are subject to "On-Site Automotive's" discretion.

#### 45. SUPERANNUATION

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The company will make superannuation payments in accordance with the Superannuation Guarantee Scheme (SGC) fortnightly with contributions being paid into the fund each month, unless otherwise varied by the trustees of the fund. Where an employee intends to deposit bonus payments into super, this advice must be received prior to the end of the previous year as a result of tax law.

#### 46. OCCUPATIONAL HEALTH AND SAFETY

---

The company operates on the basis of the following health and safety principles, with the Occupational Health and Safety Act 1983 (NSW) remaining as the minimum:

- All injuries and occupational diseases can be prevented
- Safety is everyone's responsibility
- Management has a responsibility to train all employees to work safely
- Working safely is a condition of employment
- Preventing injuries and incidents contribute to business success

Corporate policies for OHS will be steadily implemented. Employees may examine these policies in detail by applying to the EHS manager or facilitators.

Refer to Annexure L.

#### 47. AWA PROHIBITION

---

Prior to the 15th June 2001, the Company will not offer to any employee who is employed in a classification covered by this Agreement, an Australian Workplace Agreement, or any individual contract, (as per the Workplace Relations Act 1996).

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■ ANNEXURE A ■

## MEASURES

### WHAT DOES OUR BUSINESS NEED?

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- Low cost manufacturing operations to support business growth
- On time launch of new products
- Flexibility to meet changing market needs
- Customer driven manufacturing support
- Quality and environmental compliance



### MEASURES

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- Performance
- Customers
- Innovation
- People
- Integrity



■ ANNEXURE B ■

## Disciplinary Procedure

The aim of this disciplinary procedure is to ensure that a satisfactory standard of performance, efficiency and conduct is maintained at SmithKline Beecham.

This disciplinary procedure documents the process which is to be followed when any SmithKline Beecham employee fails to meet standard work requirements.

The required standard of conduct include the conduct that can be expected of an employee by:

- law;
- as per his/her contract of employment;
- from SmithKline Beecham's policies and procedures;
- SOI's and SOP's; and
- from the relevant provisions from any applicable award.

The Facilitator will be responsible for handling cases of minor misconduct. If the employee's conduct fails to improve, then a number of formal steps will be taken.

The steps are as follows:

### 1. VERBAL COUNSELLING

When a problem has been identified, performance counselling can be conducted by the employee's immediate Facilitator /Team Leader as soon as practicable to try to determine a way of overcoming the problem. If it reaches a point where the Facilitator feels they are not achieving a satisfactory result, it may then be referred to the appropriate Manager / Human Resources Manager.

The Facilitator/Manager should:

- explain to the employee that this verbal counselling session is the first step in the disciplinary procedure;
- explain to the employee what the problem is and explain why his/her behaviour is unacceptable;
- discuss the reasons for the misconduct and the ways they can overcome the problems;
- explain the disciplinary procedure to the employee and the consequences of no improved conduct;
- document the proceedings of the meeting in their diary.



The verbal counselling session is not recorded on the individual's personnel file. Six months after the verbal counselling has occurred if no further occurrences have arisen, the session is no longer valid.

No further action is required if the Facilitator/Manager believes the problem has been resolved.

## 2. FIRST WRITTEN WARNING

---

If an employee's conduct or performance does not improve after the verbal counselling, a written warning will be issued to the employee. This is to be handled by the appropriate Facilitator in consultation with the appropriate Manager/Human Resources Manager

The purposes of the first written warning are to:

- emphasise to the employee the unacceptability of his/her behaviour;
- gain the employees' commitment to make the necessary improvement;
- make clear that further misconduct will place the individual's employment at risk.

The Manager/Facilitator should:

- if the employee is a member of a Union, the option should be given to have their Union delegate attend the meeting;
- if the employee decides not to have their Union delegate present, the Manager/Facilitator will inform the delegate of that fact prior to the warning being issued;
- explain to the employee the nature of the misconduct and why it is unacceptable;
- ask the employee to explain the reasons, if any, for the unsatisfactory performance or misconduct.

If the employee and the Manager / Facilitator agree that there has been no misconduct, then no further action should be taken.

The Manager/Facilitator should:

- remind the employee that the aim of the disciplinary procedure is to correct the unsatisfactory conduct;
- indicate, where appropriate, any way in which the Manager / Facilitator can help the employee correct his/her conduct;

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- ask the employee what steps they will be taking to prevent the problem recurring.

If employee agrees, provide the appropriate Union delegate with a copy of the Written warning. The employee will be given a copy of the written warning and a copy will be placed on the employees personnel file. This first written warning will remain valid for six months from the date of issue. At the end of the validity of the warning, a copy will be returned to the employee indicating that the warning is no longer valid.

### 3. SECOND WRITTEN WARNING

---

The purposes of the second written warning are to:

- emphasise to the employee the unacceptability of his/her conduct;
- gain the employee's commitment to make necessary improvements;
- make clear that further misconduct will place the individual's employment at risk.

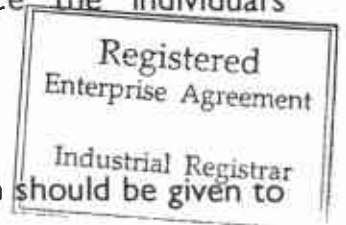
The Manager/Facilitator should:

- if the employee is a member of a Union, the option should be given to have their Union delegate attend the meeting;
- if the employee decides not to have their Union delegate present, the Manager/Facilitator will inform the delegate of that fact prior to the warning being issued;
- explain to the employee the nature of the misconduct and why it is unacceptable;
- ask the employee to explain the reasons, if any, for the unsatisfactory performance or misconduct.

If the employee and the Manager/Facilitator agree that there has been no misconduct, then no further action will be taken.

The Manager/Facilitator should:

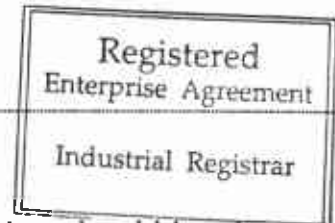
- remind the employee that the aim of the disciplinary procedure is to correct the unsatisfactory conduct;
- indicate, where appropriate, any way in which the Manager/Facilitator can help the employee correct his/her conduct;
- ask the employee what measures they will take to prevent the problem recurring.



If the employee agrees, provide the appropriate Union delegate with a copy of the Written Warning.

The employee will be given a copy of the written warning and a copy will be placed on the employee's Personnel File. A second-written warning will remain valid for a period of nine months from the date of issue. At the end of the validity of the warning a copy will be returned to the employee indicating that the warning is no longer valid.

#### 4. FINAL WRITTEN WARNING



The Manager/Facilitator is to:

- if the employee is a member of a Union, the option should be given to have their Union delegate attend the meeting;
- if the employee decides not to have their Union delegate present, the Manager/Facilitator will inform the delegate of that fact prior to the warning being issued;
- explain to the employee the nature of the misconduct and why it is unacceptable;
- ask the employee to explain the reasons, if any, for the unsatisfactory behaviour or misconduct.

If the employee and the Manager/Facilitator agree that there has been no misconduct or performance issue, then no further action will be taken.

The Manager/Facilitator is to:

- remind the employee that the aim of the disciplinary procedure is to the correct the unsatisfactory conduct;
- indicate, where appropriate, any way that the Manager / Facilitator can help the employee correct his/her conduct;
- ask the employee what steps they will take to prevent the problem recurring.
- explain to the employee that any further misconduct within a 12 month period will result in the termination of their employment.

If the employee agrees, provide the appropriate Union with a copy of the Written Warning.

The employee will be given a copy of the written warning and a copy will be placed on the employee's personnel file. A final written warning will remain

valid for a period of 12 months from the date of issue. At the end of the validity of the warning, a copy will be returned to the employee indicating that the warning is no longer valid.

## 5. TERMINATION OF EMPLOYMENT

---

Any further incidence of misconduct by an employee while the Final written warning is current will result in termination of his/her employment.

Termination of employment may also result in the case of serious misconduct, such conduct may include conduct which could endanger our customers, place other employees at risk, or cause wilful damage to our equipment facilities.

At the Final Written Warning and/or termination stage the appropriate Union Official should be notified, and where possible, given the opportunity to attend.

In cases of serious misconduct it may be necessary to proceed straight to the first written warning, or final written warning, or instant dismissal depending on the individual circumstances.

## 6. INSTANT DISMISSAL

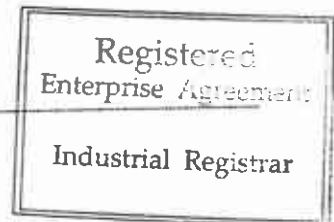
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The following types of breaches warrant instant dismissal:

- Falsification of records
- Wilful disobedience of SOP's, batch records, Company directives etc
- Theft of Company property
- Physical aggressive behaviour (fighting, verbal abuse)
- Refusal of duty/reasonable request
- Deliberate sabotage of company property
- Drug and alcohol abuse
- Leaking of confidential information
- Deliberate breach of safety

Instant dismissal is a serious action to take and will only occur after careful consideration of all the facts.

Instant dismissal will take place in the presence of a Union delegate and Department Head/Human Resources Manager.



ANNEXURE C

NIGHT	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	TOTAL
BUNDY ON BREAKS		11:00pm	11:00pm	11:00pm	11:00pm	12:00am	11:00pm	11:00pm	11:00pm	11:00pm	12:00am	11:00pm	11:00pm	11:00pm	11:00pm	
REST PAUSES		10	10	10	10		10	10	10	10		10	10	10		
CRIB/MEAL		20	20	20	20	20	20	20	20	20	20	20	20	20	20	
*REST PAUSES		10	10	10	10	10	10	10	10	10	10	10	10	10	10	
*WASH TIME		5	5	5	5	5	5	5	5	5	5	5	5	5	5	
BUNDY OFF PAID TILL		7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	7:10am	6:25am	
		7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	7:25am	6:40am	74
DAY	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	TOTAL
BUNDY ON BREAKS	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am	7:00am		
REST PAUSES	10	10	10	10	10	10	10	10	10	10	10	10	10	10		
CRIB/MEAL	20	20	20	20	20	20	20	20	20	20	20	20	20	20		
*REST PAUSES	10	10	10	10	10	10	10	10	10	10	10	10	10	10		
*WASH TIME	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
BUNDY OFF PAID TILL	3:10pm	3:10pm	3:10pm	3:10pm	1:25pm	3:10pm	3:10pm	3:10pm	3:10pm	1:25pm	3:10pm	3:10pm	3:10pm	3:10pm		
	3:25pm	3:25pm	3:25pm	3:25pm	1:40pm	3:25pm	3:25pm	3:25pm	3:25pm	1:40pm	3:25pm	3:25pm	3:25pm	3:25pm		74
AFTERNOON	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	MON	TUE	WED	THU	FRI	TOTAL
BUNDY ON BREAKS	3:00pm	3:00pm	3:00pm	3:00pm	1:15pm	3:00pm	3:00pm	3:00pm	3:00pm	1:15pm	3:00pm	3:00pm	3:00pm	3:00pm		
REST PAUSES	10	10	10	10	10	10	10	10	10	10	10	10	10	10		
CRIB/MEAL	20	20	20	20	20	20	20	20	20	20	20	20	20	20		
*REST PAUSES	10	10	10	10	10	10	10	10	10	10	10	10	10	10		
*WASH TIME	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
BUNDY OFF PAID TILL	11:10pm	11:10pm	11:10pm	11:10pm	7:40pm	11:10pm	11:10pm	11:10pm	11:10pm	7:40pm	11:10pm	11:10pm	11:10pm	11:10pm		
	11:25pm	11:25pm	11:25pm	11:25pm	7:55pm	11:25pm	11:25pm	11:25pm	11:25pm	7:55pm	11:25pm	11:25pm	11:25pm	11:25pm		74

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\*15 MIN FROM THESE BREAKS INCLUDED AFTER BUNDY OFF TIME

## ■ ANNEXURE D ■

# WHAT IS THE EMPLOYEE ASSISTANCE PROGRAM?

The Employee Assistance Program (EAP) is a Counselling and Advice Service for employees and their families to seek professional assistance for any personal or work related problem. The service is provided by external consultants who are completely independent of the company and the counselling is totally **confidential** and aimed at enhancing your well being, both personally and in the **workplace**.

Arranging a counselling appointment is simple – just telephone the number at the back of this brochure.

Remember: the service is for you and your immediate family.

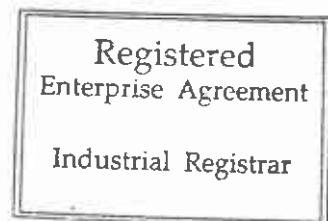
SmithKline Beecham acknowledges that its employees are its most valuable resource.

## WHEN MIGHT I USE THE EAP?

---

You are encouraged to use this service to help resolve any problems that may be causing you or your family concern. These problems may include:

- Emotional stress and anxiety
- Marital difficulties/Relationship problems
- Interpersonal conflicts
- Alcohol and other drugs
- Work related problems
- Gambling worries
- Grief and loss
- Concern about the future
- Financial or legal problems



## CONFIDENTIALITY IS ASSURED

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At all times your privacy will be assured. All personal information remains with the external providers of the services and counsellors will not talk to anyone else regarding your details unless you request them to do so in writing.

If you attend counselling out of work time no one will be told.

You may also use existing leave provisions to seek counselling during work hours.

## WHO CAN USE THE EAP?

---

Anyone employed by SmithKline Beecham and their immediate family at anytime.

The use of the service is voluntary and no one can force another person to seek counselling, only suggest that it may be very helpful.

## WHAT IS THE COST?

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Nothing to you. Your Employee Assistance Program is totally funded by your employer, SmithKline Beecham, and as such is completely **free of charge** to you and your immediate family. You may have up to 4 psychological counselling sessions.

In some instances your counsellor may suggest a specialist agency, in which case you have to pay for that in the normal way. You have the freedom whether or not to accept such a referral.

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## WHEN CAN I ATTEND COUNSELLING?

---

Appointments for counselling and assistance may be made during normal business hours and at other arrangement. You may arrange a visit in your own time or during work hours under the following guidelines.

- You may, if you wish, be considered to be on duty provided your management/supervisor is notified.  
(Your manager/supervisor does not need to know the nature of your problem.)  
Alternatively you may use existing leave provisions if you prefer no one to know.
- Visits can be made under existing leave provisions e.g. flex, recreation, or leave without pay, as appropriate.

When seeking leave for counselling you have the right of confidentiality regarding the reason.



## WHO ARE THE COUNSELLORS?

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The Counsellors are professionally trained psychologists (external consultants) who have many years of experience in counselling people and providing support and advice on a wide range of personal and work related problems. You will be seen in their own rooms/offices unless otherwise requested by yourself.

For an appointment or further advice please contact:

**SYDNEY**  
CORPSych on  
(02) 290 3933  
Level 7 16-20  
Barrack St  
Sydney, 2000  
Fax (02) 262 4680

**MELBOURNE**  
CORPSych on  
(03) 9550 1862  
Waverley Business  
Centre  
21 Aristoc Road  
Glen Waverley  
3150  
Fax (03) 9560 3008

**NEW  
ZEALAND**  
David Carter &  
Associates on  
(09) 524 9860  
7 Clonbern Road  
Remuera  
Auckland 6

**PARRAMATTA**  
Level 7  
91 Phillip Street  
Parramatta 2150  
(02) 290 3933  
Fax (02) 262 4680



**ADELAIDE/PERTH/BRISBANE/HOBART and locations outside  
Sydney/Melbourne metropolitan areas please telephone  
1800 816 152 (free call)**

There will be a centre in your state convenient to you.

In an emergency anywhere in Australia please page 016 281 295  
In an emergency anywhere in New Zealand please page 09 524 9860

■ ANNEXURE E ■

## CLASSIFICATION STRUCTURE

■ IFL PIPE

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■ LIQUIDS PIPE

---

■ FLEXI PIPE

---

■ DISTRIBUTION

---

■ RECEIVING PIPE

---

■ ENGINEERING SERVICES

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5. Transfer

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Within the current structure strategies have been implemented to improve efficiency and increase productivity. Changes have included new technology, a revised plant layout, the introduction of a Pipe structure, and an empowered work force. These changes represent a substantial difference to the way in which work is organised.

## 1.1 AIMS OF THE CLASSIFICATION STRUCTURE

---

The classification structure aims to:

- provide a fair and relevant method of classifying roles within and between Pipes and work areas
- provide for flexible work organisation to meet changing business needs
- recognise employees who are multi-skilled and/or have reached "guru" status i.e. known as the specialist in a particular skill centre.

## 2. CLASSIFICATION COMMITTEE

---

A Classification Committee will remain in place and will comprise representatives, representing Toothpaste, Liquids, Solids, Warehouse, Engineering and Distribution, with equal representation from management.

Shortly after registration of this Agreement, the Classification Committee will reconvene to finalise:

- 1: Pharmaceutical Certificate for C Stage
- 2: T/O proposal
- 3: Coordinator workcentre

It is the intention of the committee to resolve these items within 12 months of the date of the acceptance of the Agreement. In the event that these items are not resolved in the time frame then these items will become an industrial issue for the NSW Industrial Relations Commission for early resolution.

## 3. THE CLASSIFICATION STRUCTURE

---

The structure is based on work being organised and recognised in a very different way to the past. With the continued involvement of all employees in the development and refinement of the structure over time, it is anticipated that we will be able to meet our future needs.



### Key Features of the Structure:

- the establishment of Skill Centres,
- recognition of different Stages of Competency in each Skill Centre,
- the integration of skills previously held by specialist functional areas (eg. Planning) into Pipes and work areas through *Common* Skill Centres,
- a balance between core training requirements and skill centre training relevant to teams, individuals and Pipes/work areas.

## 3.1 SKILL CENTRES

---

### **A Skill Centre is:**

“A work area that requires skills and is significantly different to other work areas”

Skill centres have been carefully defined by teams in each of the work areas to organise work according to their respective needs. There are two types of Skill centres: On-Line and Common. As teams become more empowered, many employees will be given opportunities to gain some of the Common skills to supplement and broaden their skill base.

### **On-Line Skill Centres**

On-Line Skill Centres refer to each of the operational functions required to manufacture, pack, distribute and receive product and maintain the site.

### **Common Skill Centres**

Common Skill Centres refer to the service, support, and administrative functions that are necessary to ensure efficient operations in the OnLine Centres.

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## 3.2 STAGES OF COMPETENCY

---

Work within each Skill Centre has been carefully graded into three stages of competency. For convenience, these are referred to as A, B and C stages of competency and are described below:

### **A STAGE**

Basic, routine operation.

Competency at this level involves the application of knowledge and skills to a range of tasks and roles. There is a defined range of contexts where

the choice of actions required is usually clear, with limited scope in the choice.

Competencies are normally used within established routines, methods and procedures, in some cases involving discretion and judgement about possible actions.

The competencies are likely to be applied under routine guidance with intermittent checking, but may take the form of general guidance and considerable autonomy if working in teams. Responsibility for some roles and coordination may be involved if working in a team.

## **B STAGE**

More complex but still routine operation.

Competency at this level involves the application of knowledge with depth in some areas and broad range of skills. There is a range of tasks and roles in a variety of contexts, with some complexity in the extent and choice of actions required.

Competencies are normally used within routine, methods and procedures where some discretion and judgement is required in selection of equipment, work organisation, services, actions and achieving outcomes within time constraints.

The competencies are likely to be applied under limited guidance with checking related to overall progress but may take the form of broad guidance and autonomy if working in teams. Responsibility for the work of others and/or team coordination may be involved.

## **C STAGE**

Complex and non routine application of range of higher level skills, to out of the ordinary occurrences.

Competency at this level involved the self-directed application of knowledge with substantial depth in some areas, and a range of technical and other skills to tasks, roles and functions in both varied and highly specific contexts.

Competencies are normally used independently and both routinely and non-routinely. Judgement is required in planning and selecting appropriate equipment, services, techniques and work organisation for self and others.

The competencies are likely to be applied under broad guidance. The

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level skills, to

work of others may be supervised or teams guided. Responsibility for the planning and management of the work of others may be involved.

It is difficult to write a task list or checklist for "C" Stage because it is not routine operation.

To really encompass what "C" stage is all about more general competencies are required.

Detailed objective checklists and competency standards have been prepared within each work area for each of the Skill Centres. These will be used to identify required competencies for assessment and identification of individual training and development needs.

### 3.3 SKILL CENTRE VALUES

---

Each stage of competency in each Skill Centre has a points value. This value is designed to reflect the complexity of the skills and responsibilities within each of the three stages (A, B and C).

To standardise competency assessment the typical period of time taken to achieve each stage of competency (ie average learning time) in the different Skill Centres has been used as a guide. This provides a common basis for comparing the values of Skill centres within and between Pipes.

It is important to note that even though most of the learning is completed during the early stages, most people continue to learn long after they have become competent. The allocation of points incorporates this aspect of learning.

The Job Review Instrument is used to confirm the values given to each skill centre. This instrument measures jobs/roles based on a number of factors e.g. quality involved in the role, formal education required, task monitoring, technical skills, level of accountability and responsibility, etc. required in the role.

### 3.4 CLASSIFICATION LEVELS

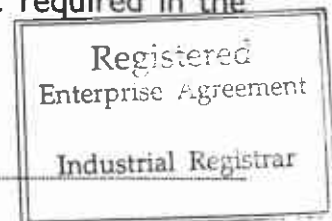
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#### **Number of Levels**

There are seven levels in the classification structure [see page 7 (d)].

#### **Score Ranges for each Classification Level**

Score ranges have been established for each of the seven classification levels. They have been derived from a variety of sources including use and validation of scores from the JOB REVIEW INSTRUMENT.



The Job Review Instrument is a system which statistically measures and compares the overall complexity of jobs.

### SCORE RANGES FOR CLASSIFICATION LEVEL 1 - 7

LEVEL	SKILL CENTRE
1	0-45
2	50-145
3	150-295
4	300-445
5	450-595
6	600-745
7	750+

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### CLASSIFICATION PAY RATES AS AT 14 JUNE 1998

LEVEL	CURRENT PAY RATE PER WEEK
1	\$495.64
2	\$530.68
3	\$551.91
4	\$588.77
5	\$649.44
6	\$685.40
7	\$719.10



### 3.5 EQUITY ACROSS SITE

---

An important aspect of the classification structure is to ensure that there is equality across Site. This is achieved in three ways:

- (i) Skill Centre values are based on the same measurement tools that is learning time, and confirmation of values through use of the Job Review Instrument
- (ii) similar assessment methods and accreditation will be used across Pipes/work areas
- (iii) requirements for each stage of competency within Skill Centres include both generic (common to all Pipes and work areas), and specific (to each Skill Centre) skills.

Other sources that determined the classification structure levels were the Classification Structure Consultative Group. Their point system, combined with the Job Review Instrument, produced the classification structure levels.

Determination of "C" stage competency will be by assessment only. The assessment for this stage is determined through panel assessment ( see How to Assess C stage page ? ) and Behavioural/Values Assessment.

## 4. TEAM MEMBER DEVELOPMENT

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### 4.1 DETERMINING TRAINING NEEDS

The Operations Manager's role is to set the business objectives for the Pipe or work area. This will involve looking at skills gaps and training/business priorities. Each team will discuss and agree on the nature of the skills required within their Pipes/work areas. Teams will decide with the involvement of the Skills Development Officer, **and regularly review**, the training needs appropriate for each member. This will ensure the development of individual potential as well as providing for team growth.

### 4.2 THE DIFFERENT ASPECTS OF TRAINING

Training is usually concerned with developing competency in an individual. Competency is made up of the following three factors;

- 4.2.1 **Skills:** Training involves instruction of a new skill (or group of skills) to the trainee. It is usually practical in nature.

4.2.2 **Knowledge:** Training is designed to give the trainee a better understanding of things such as a concept, a theory, an activity, or a system etc.

4.2.3 **Behaviour:** Training is aimed at teaching the trainee some of the behaviour that is required of them to perform tasks, or to be part of a team etc (see Annexure K page 86).

**To be considered job competent at any stage in any workcentre, competency must be assessed and achieved in all three of the above factors.**

#### 4.3 HOW TRAINING WILL HAPPEN



Training will happen under the following guidelines:

(i) When a **training need is identified** through your individual Employee Development Plan (EDP), the **facilitator** with their **team**, will determine the method of training required to close the gap.

It may be on the job coaching, formal classroom, off site, or a combination of these methods.

**Note: The needs of the business to operate efficiently and effectively will be a primary factor in determining who receives training and when. Training should be predominantly based on the team's needs not necessarily the individuals.**

(ii) **Training will be delivered** by team members, competent operators, qualified trainers, H.R., and external trainers as required.

(iii) **Co-ordination of training** will be the responsibility of the **team**, and the **Facilitator** (SDOs will help out where needed) including decisions regarding training methods, priorities and appropriate trainers. A manager in his/her capacity will always have the role of communicating business/training priorities and boundaries to the team.

(iv) Where a training need is identified, but suitable training does not exist as yet, it will be developed by the **team/facilitator**, with help from SDOs (if necessary) or external help will be sought.

#### 4.4 WHEN WILL TRAINING OCCUR

(i) Training will occur as soon as possible after the need arises.

Commonsense says that sometimes training will not always happen as soon as we would like it. There will be a commitment to training from managers/leaders and team members. Team members must have realistic expectations with regard to on the job training. The business and the team will sometimes have priorities that may interfere with training.

- (ii) As pipes/teams/shifts become self sufficient, training can occur at times more suited to individual teams. On the job (and most classroom) training will occur on shift, with trainers from that shift delivering the training.

## 5. PROGRESSION THROUGH THE LEVELS



For an individual to progress to a new level they need to acquire the required points for the new level (see Skills Centre Matrix page? ). These points are earned through the following:

- accumulation of points from either A, B or C stage competencies of a specific Skill Centre.
- each skill centre is comprised of generic and specific competency requirements. These are a combination of operational, safety, GMP, and documentation competencies. Therefore an individual cannot be awarded points for a skill centre on the basis of operational competencies only.
- points can only be accumulated from skill centres within the individuals Pipe or the common Skill centres and Shared Skill Centres.
- progression to the next level cannot occur unless all accumulated points are current. Currency of points refers to competencies the individual has points for being maintained. For an individual to maintain the currency of their points the competencies for those points must have been used a minimum of once within the last six months. To regain currency of any points an individual will require retraining and reassessment in the relevant skill centre. When A Skill Centre No Longer Exists for the allowable time frames to regain currency of points at a particular Stages, ie. A, B & C. This rule applies equally to points gained outside of the individuals Pipe on transfer.
- points can only be awarded by being assessed as "competent " at a the relevant Stage within the skill centre.

# Generic Competencies

These are competencies that are not specific to any one Skill Centre or Pipe. These are foundation skills that are essential requirements for all Skill Centres at any level. There are different levels of these competencies as there are for the specific operational skills, the following categories provides an example of the generic skill requirements for each stage. Teamwork and Communication skills are essential and fundamental requirements for all employees at every level of the classification structure.

## GENERIC "A"

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### **SAFETY**

First Aid, MSDS (ref. to particular items), Protective Clothing and Equipment, Machine Isolation, Safety showers/Basins, Lifting Procedures, Machine Interlocks and Location, Emergency Procedures, Warning Signs, Hazard Reporting.

### **G.M.P.**

Grooming Policy, Housekeeping, SOP/SOI, Personal Hygiene, Status Labelling, Equipment Calibration, Product Quality/Integrity (waste disposal), Condition of Material, Area/Product Security, G.M.P. Signs (Spillages).

### **DOCUMENTATION**

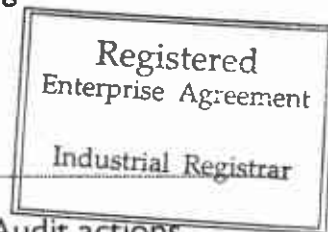
Shop Packet Worksheets/Manufacturing Directions. (Use of where applicable), Timesheets, Correction of Documents, Cleaning Cards, In Process Checksheets, Stock Movement (fill out forms), Daily Log Book, Absentee/Overtime, For staff Time Sheets, Daily Process Measure, Right First Time Indices, Deviation Observation.

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GENERIC "B"

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<b>SAFETY</b>	Complete Safety Hazard Audit
<b>G.M.P.</b>	Complete GMP Audit
<b>DOCUMENTATION</b>	Deviation – Recovery, Finding End of/Start of Batch Paper Issue Check (SPW/MD/BOM/Pharmacode) Yield Determinations Stock Movement Transactions Quarantine Procedures Reconciliations Understand and Write SOP/SOI
<b>OPERATIONAL</b>	Non inventory replenishment Batch/Product/Size Change Label Printing Follow Full Validation Protocols Understand Skill Centre Process Flow Batch Change/Product Change Cleaning



GENERIC "C"

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<b>SAFETY</b>	Follow up on Safety Audit/Implement Audit actions.
<b>G.M.P.</b>	Follow upon Safety Audit/Implement/Audit actions.
<b>DOCUMENTATION</b>	Deviation Preventative Action Input Validation Protocols Design Input into Manufacturing Directions design
<b>OPERATIONAL</b>	Problem Solving/Process Improvement <ul style="list-style-type: none"><li>■ breakdown</li><li>■ process improvement</li><li>■ troubleshooting</li></ul> Understanding of the Flow of Processes within the Pipe Understanding impact of a skill centre on process, quality and output Assistance in Planned Maintenance

# Notes Relating to Skill Centre Evaluations

IFL

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## Imas:

- Ima group 1,2,3 and 4 refers to the 4 different types of Imas i.e. C60, C90 and C62 and Winpac.
- You can learn the Imas in any order. For your first Ima group you will receive:
  - 25 points for "A" stage
  - 125 points for "B" stage
  - 275 points for "C" stage
- For each additional Ima group you will receive points from the other Ima skill centres.
- For the Pressima your points will come from the Killian and Ima skill centres. You cannot "double dip" with regard to points.

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FLEXI

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## Rota's and Beta Press

- The Beta skill centre only has points at "B" stage as it is the set up and adjustment stage where differences between the presses occur.
- The points for Gran 1 give recognition for also working in Gran 2.

## ENGINEERING SERVICES

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- Engineering services has the ability to gain recognition for all common skill centres (except for the maintenance skill centre as these qualifications are recognised in their own skill centres).

## RECEIVING PIPE

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- If receiving points from the Receiving skill centre then points cannot be attained from the Staging skill centre.

## COMMON SKILL CENTRES

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- If you receive points from any of the common skill centres you may be utilised in other areas of the business if required.

## Notes Relating to Skill Centre Evaluations for IFL

### IMAS:

---

- Ima group 1,2,3 and 4 refers to the 4 different types of Imas i.e.
  - C60
  - C90
  - C62
  - Winpac
- For the purposes of the diagram we have labelled each Ima group number with an actual Ima type.
- You can, however, learn the Imas IN ANY ORDER! For your first Ima group you will receive:
  - 25 points for an "A" stage
  - 125 points for a "B" stage
  - 275 points for a "C" stage
- For each additional Ima group you will receive points from the other Ima skill centres.
- For the Pressima your points will come from the Killian and Ima skill centres.

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## Notes Relating to Skill Centre Evaluations for Flexi

### GRAN 1

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- The points for Gran 1 include competency in Gran 2 also.

### ROTA 2 AND ROTA 3

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- The points for the Rotas assume that if you know one Rota then some skills are directly transferable to the other Rota. Thus the discounted points for the second Rota. In the original points score, it was assumed that Rota 3 should have the most points and that the discounted points should be assigned to Rota 2. It is highly likely that Rota 3 will be out of action in the near future. In line

with the classification guidelines the skill centre will automatically be removed if a machine is decommissioned. Thus the higher points have been assigned to Rota 2 to assure that those people who have Rota skills are properly recognised for them. Should the machine be decommissioned there are less points to be made up.

## BETA

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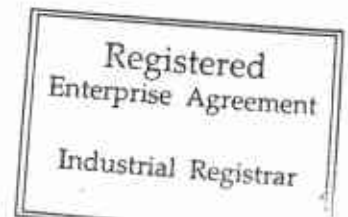
- The Beta skill centre only has points at "B" stage as it is at the set up and adjustment stage where differences between presses occur.

# Notes Relating to Skill Centre Evaluations for Liquids

## LIQUID 2 AND LIQUID 1

---

- To be awarded a "B" stage competency on Liquid 1 or Liquid 2 a person must know:  
Liquid 2: at least 2 workstations PLUS the carton taper  
Liquid 1: at least 3 workstations





# LEVEL 6 & 7 PROCESS TO PROGRESS BEYOND LEVEL 5

Provided you accumulated enough A&B stage points you can reach Level 6 with one C stage competency (anywhere).

To get to level 7 a person can take the following options:

## FORMAL QUALIFICATIONS

---

Provided you have enough A+B+C stage points to get to Level 7, you can confirm Level 7 with the attainment, as well as application of a formal qualification to the skill centre you are achieving C stage in. You must show sufficient evidence of significant advanced application of the qualification in the particular skill centre.

**NB:** Even if you have a formal qualification eg. Pharmaceutical tech course, fitter qualifications, APICS (planning training), if you don't have enough A, B & C stage points to get to 750 then Level 7 cannot be attained.

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## WITHOUT FORMAL QUALIFICATIONS

---

For operators, without qualifications, to progress through to Level 7, C stage competency must be achieved within multiple work centres that are interrelated via a particular process. The extent of the process will be dependent upon sufficient C stage points being derived from **related** skill centres to enable 750 points (and thus Level 7) to be achieved. Thus a person must be operating in a C stage capacity in ALL of the multiple skill centres chosen.

**NB:** A minimum of 2 work centres must comprise this interrelated "chain". This proviso **supersedes** those workcentres where a single C stage rating provides sufficient points to achieve Level 7 under other options.

eg. Press + Coater + Pack

OR

Level; 7 may also be achieved by attaining C stage in one operational skill centre eg. Ima's **plus** C stage in one common skill centre eg. planning.

**NB:** Sufficient A, B & C stage points must still have been accumulated for progression to occur in accordance with Level 6 & 7 points ranges/structure.

## C STAGE COMPETENCY

“C” Stage is the highest stage of competency we have in our classification structure. In the past we have not been able to recognise people operating at this level. Now through the development of C Stage we can.

### SO WHAT DO I HAVE TO DO TO BE CONSIDERED OPERATING AT C STAGE?

C Stage is higher level operation than A or B. To make it simple:

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#### **A Basic, routine operation.**

Competency at this level involves the application of knowledge and skills to a range of tasks and roles. There is a defined range of contexts where the choice of actions required is usually clear, with limited scope in the choice.

Competencies are normally used within established routines, methods and procedures, in some cases involving discretion and judgement about possible actions.

The competencies are likely to be applied under routine guidance with intermittent checking, but may take the form of general guidance and considerable autonomy if working in teams. Responsibility for some roles and coordination may be involved if working in a team.

#### **B More complex but still routine operation.**

Competency at this level involves the application of knowledge with depth in some areas and broad range of skills. There is a range of tasks and roles in a variety of contexts, with some complexity in the extent and choice of actions required.

Competencies are normally used within routine, methods and procedures where some discretion and judgement is required in selection of equipment, work organisation, services, actions and achieving outcomes within time constraints.

The competencies are likely to be applied under limited guidance with checking related to overall progress but may take the form of broad guidance and autonomy if working in teams. Responsibility for the work of others and/or team coordination may be involved.

**C Complex and non routine application of range of higher level skills, to our of the ordinary occurrences.**

Competency at this level involved the self-directed application of knowledge with substantial depth in some areas, and a range of technical and other skills to tasks, roles and functions in both varied and highly specific contexts.

Competencies are normally used independently and both routinely and nonroutinely. Judgement is required in planning and selecting appropriate equipment, services, techniques and work organisation for self and others.

The competencies are likely to be applied under broad guidance. The work of others may be supervised or teams guided. Responsibility for the planning and management of the work of others may be involved.

It is difficult to write a task list or checklist for "C" Stage because it is not routine operation.

To really encompass what "C" stage is all about more general competencies are required.

**THE DIFFERENCE BETWEEN PROCESS AND TECHNICAL STAGE?**

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In examining "C" Stage and our skill centres it became clear that there was a big difference between C Stage in process oriented skill centres eg. granulation and C Stage in more technical skill centres eg. packaging areas.

The complexity of skill required in technical areas was greater relative to the skill required in more process area.

For this reason we have split up the competencies and given fair requirements to both process and technical people.

PROCESS COMPETENCIES	TECHNICAL COMPETENCIES
Apply advanced knowledge of Process to Context of Work.	Troubleshoot Machinery and Equipment.
GMP Audit Leader.	Re-engineering Machines/ Equipment
Safety Audit Leader.	Machine Commissioning Installations and Modifications
Action Deviations (Documentation Expert)	

## ASSESSING "C" STAGE LEVELS OF COMPETENCE

---

Because this stage of competence encompasses broad competencies and the non-routine then a "routine" assessment method does not really suffice.

The most appropriate way to assess if someone is operating at C Stage is for them to submit an application for C Stage in the form of a portfolio of evidence.

Over time, each operator will have developed in their career, a great deal of evidence which will be unique to them and their experience. The assessment method we then use involves the operator gathering this evidence in conjunction with their facilitator, in a portfolio and submitting it to a panel of selected experts.

### "A PORTFOLIO OF EVIDENCE: WHAT DOES THIS MEAN"

---

A portfolio of evidence is like a set of records that reflect your competence.

After you have completed activities of C Stage standard over time you will have to document:

The situation  
■  
The actions you took  
■  
The results



You can do this in a number of ways. Below is a list of suggested examples of evidence. Remember that they are only examples and you may choose to use other forms.

- |   |  |
|---|--|
| ■ Minutes of meetings of projects involved in   | ■ Case studies                             |
| ■ Self evaluation                               | ■ Improvement results on process/machinery |
| ■ Peer evaluation                               | ■ Equipment commission reports             |
| ■ Evaluation by facilitators                    | ■ References                               |
| ■ Work samples eg. validation protocols written | ■ Qualifications                           |
| ■ Representation on workplace committees        | ■ Letter of thanks                         |
|   | ■ Awards and prizes                        |
|   | ■ Time Management evidence                 |

**At first this may seem complicated, but it is really like putting a simple resume together. Your team facilitator with strong support from HR will be very instrumental in compiling this.**

# GUIDE TO PORTFOLIO DEVELOPMENT FOR "C" STAGE ASSESSMENT

In the first instance you should:

1. Read through the broad competencies outlined for C stage. Start thinking of evidence you and your facilitator (with help from HR) can gather to support this.
2. Sit down with your facilitator and plan the content of your portfolio. Discuss which evidence you think is suitable and in which format you want to present it.
3. Compile your portfolio. Remember that gathering evidence may take a while and you/your facilitator/HR may need to see several different people to "OK" your examples of evidence.
4. Submit your application to your areas SDO. A panel of people including:
  - a peer
  - subject matter professional
  - classification group member
  - union delegate
  - team facilitator and team facilitator from same pipe different shift
  - representative from HR
  - workplace assessor
  - others as required

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will then be called upon to review your application. The panel is nominated by your Facilitator in consultation with you and the SDO. Once this has occurred and the candidate is deemed "competent" at C Stage then the application process is complete.

## 4. ASSESSMENT

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### **What is Competency Assessment?**

Competency Assessment is the activity of judging someone's actions/performance against some set criteria. This set criteria is very important: everyone is judged against exactly the same standards so there is fair and consistent assessment everywhere.

We have people on site that are accredited Workplace Assessors and have expertise in the area of assessment methods. These Workplace Assessors are competent at predetermining the critical units of competency to be assessed,



## PRE-APPEAL ACTIVITY

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An appeals procedure should only be used if all other avenues have been exhausted. With your team facilitator you should work through any concerns you have with, assessments, training etc. If your team facilitator cannot resolve the issue then you would follow the formal appeals procedure. The procedure is outlined below:

## APPEALS PROCEDURE

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- Step 1: Fill in a formal Appeals Report Form available from Human Resources. Your team facilitator or human resources can help you fill this in if required.
- Step 2: The form should then be lodged with a Classification Committee Member who will distribute the report to the other committee members for review.
- Step 3: The Committee will come together and review the report. The employee lodging the appeal may be asked to attend if required. An appropriate course of action will be decided by the committee and communicated back to the employee.
- Step 4: Should the employee feel unsatisfied with the result further concerns may be handled through Union/Management consultation.

## APPEALS COMMITTEE GUIDELINES

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The Appeals Committee will have the right to make decisions on the basis of information provided.

- An appeal will be heard within one month of the initial appeal being lodged.
- All appeal hearings will be fully documented.

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## WHEN A SKILL CENTRE NO LONGER EXISTS

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As the business and technology changes it may be reality that skill centres no longer exist (e.g. a machine is decommissioned), or a person may move across pipes/work areas permanently. When this occurs, a person who received the points for the respective skill centres will not lose levels or money. They will however, have to make up the points elsewhere in the pipe/work area or in a common skill centre. The team member will have 6 months to make up the points lost for an "A" stage competency, 12 months to make up the points lost for a UB" stage competency, and 18 months to

make up the points lost for a "C" stage competency. If not, the individual will remain at the present level and money until the points are made up. A six monthly skills review will be held to enable this process to be maintained fairly. Similarly, if machines are upgraded in complexity, in the spirit of a living document points can be reviewed.

## HOW ARE ANOMALIES ADDRESSED?

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Some people may think that they are an anomaly within the system. Scenarios that are unique or rare and are considered to be unfair, are to be taken to the Appeals Committee as per other appeals. The committee may have to seek guidance or decisions from the manufacturing management team.

## NEW PEOPLE RECRUITED INTO SMITHKLINE BEECHAM

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### Operators:

Operators joining the business will enter at the entry level (Level 1). With a competency based classification structure, if operators come with previous experience, they can be assessed against our competency standards and given recognition for prior learning and experience.

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### Technical Operators:

Technical operators will join the business at equivalent to level 5 and be given immediate credit under the maintenance skill centre at "A" stage competency. Again they can be assessed against our competency standards for skill centres and be given recognition for prior learning and experience.

### Others:

Other people who join the business and will be operating under the classification structure will also enter at the entry level (Level 1). Like others they can be assessed against competency standards for skill centres and given recognition for prior learning.

All new people entering the business will have met basic literacy, numeracy and behavioural profile criteria set out in the recruitment process.

### Note:

Those people who enter the business and have completed some sort of qualification in regard to the Pharmaceutical Industry certificate will be viewed when the situation arises.



## NOTE:

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In the spirit of a living document should work organisation, machinery, systems etc change, then the classification structure can be examined and revised where necessary. One of the advantages with this structure is that as teams become more mature/skilled and start to take on more things, we can develop additional skill centres to recognise this. Alternatively, if an existing skill centre changes we can review the complexity of skill required to operate in the skill centre and review points accordingly.

## 11. MIXED FUNCTIONS CLAUSE

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There has been a lot of debate in the organisation on the mixed functions clause. The clause comes from Drug Factories (State) Award Section 21 which states:

“Any employee called upon to do work of a higher classification than that in which he is working shall, if so employed for at least one half hour and less than two hours, be paid at the rate for such higher classification for the time so employed. If so employed for two hours or more he shall be paid the rate for the higher classification for the whole day”.

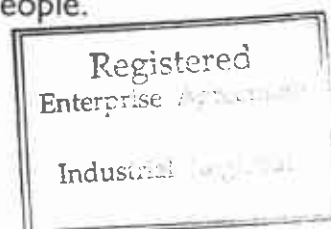
Basically, the clause states that if you need to perform work at a higher skill level you should be rewarded.

The new Classification Structure fits very comfortably with this clause. Under the new classifications if you have the skills at the higher level you can be assessed and receive the points permanently. This is far better than being recognised at the higher level only when you use those skills.

So, if you have the skills at the higher level get assessed and be permanently accredited for them.

Our Manufacturing demands change with the demands of our customers. To meet customers needs team members are sometimes needed to help other teams within or across Pipe or Work Area.

If we have this type of flexibility built into our team structure then as a business we are not vulnerable. Along with Pipe philosophy as pipes and work areas become self sufficient they will have less dependence on other pipes for skilled people.



WHAT HAPPENS WHEN...

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ACCEPT NEW CLASSIFICATION  
STRUCTURE

---

REJECT NEW CLASSIFICATION  
STRUCTURE

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People required to upskill, multiskill  
and develop roles to meet business  
needs.

---

Same will still occur

---

People will maintain at least current  
level on new classification structure.

---

People will stay at current level

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Level may be upgraded to correct  
anomaly/unfairness in current  
classification structure.

---

People will stay at current level

---

Pay increase or transition to new  
structure.

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No pay increases?

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Opportunity for further pay increase  
on development of skill (dependent  
on individual + team needs).

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Same opportunity does not exist in  
current structure

---

Pay increase on correction of anomaly  
(where applicable).

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No correction of anomalies

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## OLD STRUCTURE vs NEW STRUCTURE

OLD	NEW
<ul style="list-style-type: none"> <li>Based on Manufacturing and Packaging Structure with Supervisors etc.</li> </ul>	<ul style="list-style-type: none"> <li>Based on Pipe and Team Structure</li> </ul>
<ul style="list-style-type: none"> <li>Based on upskilling to a level of competence that some people can exceed.</li> </ul>	<ul style="list-style-type: none"> <li>Reflects upskilling to a higher level i.e. the specialist or guru</li> </ul>
<ul style="list-style-type: none"> <li>To move higher than Level 3 an individual had to know lots of workcentres; whether the team needed it or not.</li> </ul>	<ul style="list-style-type: none"> <li>Allows for flexible combinations to meet the needs of individuals, teams and pipes.</li> </ul>
<ul style="list-style-type: none"> <li>Didn't recognise individuals that took on skills outside of their area e.g. in planning, cleaning, quality etc.</li> </ul>	<ul style="list-style-type: none"> <li>Recognises this through off-line skill centres and more comprehensive competency checklists.</li> </ul>
<ul style="list-style-type: none"> <li>Assumed everyone has the same training needs.</li> </ul>	<ul style="list-style-type: none"> <li>Allows for flexibility in determining training on an as needs basis.</li> </ul>
<ul style="list-style-type: none"> <li>Assumed "competent" in one area was equal in difficulty to "competent" in another area.</li> </ul>	<ul style="list-style-type: none"> <li>Gives weighting + relativities to different skill centres.</li> </ul>
<ul style="list-style-type: none"> <li>Assessment was a "flick + tick" in some cases. Not everyone was judged against the same criteria.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment is fairer and everyone is judged against the same standards.</li> </ul>
	<ul style="list-style-type: none"> <li>The new system is not necessarily easier. It does remove some road blocks e.g. core training, and it is definitely fairer!</li> </ul>

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# OPERATIONS STRATEGIC FRAMEWORK 1998-2001

## MISSION

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To provide right first time quality product, at the agreed cost and specified time to our customers in accordance with our values.



## VISION

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Our vision is to develop the Ermington site as a values driven organisation. We will be recognised as regional SB supplier of choice for domestic and export markets. We aim to consolidate the plant, facilities and people as a centre of excellence within SB's integrated global supply chain network and to provide continuous on line processing for bulk manufacture/packaging in our core competency within a highly competitive FMCG's environment.

We believe in training our people and multi skilled, flexible work teams. These work teams will be capable of operating our business 24 hours per day, 7 days per week. Our customers will be demanding quality product to their unique requirements, with minimal leadtimes at the lowest possible cost; thus providing competitive advantage.

Responsible practices and processes will ensure protection of the environment in which we work and live for the benefit of all. Our highly-skilled team members will be continuously aware of regulatory and corporate requirements. This culture will be an integral part of our drive towards this vision.

## 3 YEAR OBJECTIVES 3/1 PLAN 1998-2001

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- 1) Establish Ermington Operations as the regional SB supplier of choice for our core competencies, Solids analgesics, Liquids analgesics and toothpaste with volume growth year on year by business:
  - Solids 5% per annum.
  - Toothpaste 20% per annum.
  - Liquids 5% per annum with Supply Plan Adherence performance of 95%.
- 2) Develop innovative solutions to Ermington product, process and services as a necessity. Product quality improvements will be measured by response from Consumer with performance measured by product related complaints ex plant reducing by 5% year on year.
- 3) Adapt the Ermington Operations cost structure to retain and win business in the markets we serve. This will be achieved by:
  - Focus on our three core manufacturing competencies through complexity reduction.
  - Development of innovative processes.

## OUR ENVIRONMENT

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- Consolidation of SB supply network.
- World economic competition requires high quality, lower costs and increased reactivity.
- Increasingly demanding regulatory standards.
- Inflation at a 20 year low (underlying rate 1.7%)
- Target Asian export markets are in financial crisis.
- Government export promotion incentives for R&D spends (PIIP).
- Increasing government pressure due to inflation of health budgets to reduce product costs.
- Imports from new producing countries with new plants and low costs.
- Introduction of generic product with much lower market price points.
- Increasing number of export destinations making production more complex.

In the next 3/1 plan timeframe (1998-2001) there will be in our industry alliances, mergers, restructuring and divestitures.

In this battle SB Ermington is determined to win as the regional supplier of excellence.



# Leadership Practices

## 1. Personal Performance

Find opportunities for constantly challenging and improving his/her personal performance.

## 2. Team Performance

Work with his/her people individually and as a team to determine new targets and to develop programmes to achieve these higher standards of performance.

## 3. Customer Needs

Identify and continuously implement improved ways to anticipate, serve and satisfy internal and external customer needs.

## 4. Innovation

Stress the importance of developing and implementing more effective and efficient ways to improve SB procedures, products and services through quality analysis.

## 5. Change

Initiate and display a willingness to embrace change in order to obtain and sustain a competitive advantage.

## 6. Reward

Reward and celebrate significant and creative achievements.

## 7. Hi-Performance People

Develop and appoint high performing and high potential people to key positions.

## 8. Empowerment

Help all employees to achieve their full potential by matching their talents with the jobs to be done and through quality performance feedback and coaching.

## 9. Communication

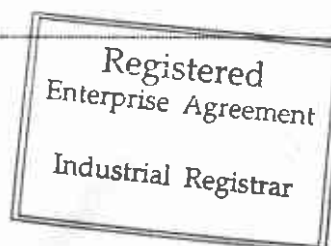
Communicate with all constituents openly, honestly, interactively and on a timely basis.



# OPERATIONS STRATEGIC FRAMEWORK 1998-2001

## THREE KEY CHALLENGES

- Customer
- Quality
- Cost



Our challenge is to meet our Customers unique requirements with Quality product, unanticipated service levels at the lowest possible Cost, thus providing competitive advantage.

## MEASURES OF SUCCESS

PERFORMANCE FOCUS INDEX				
Driver	Wtg	Measure	Target	U/M
Financial	20%	Gross Trading Profit	Zero	\$'000
		Deadstock – Total	\$500,000	\$'000
Customer	35%	Make to Forecast	98%	%
		Make to Order	95%	%
		Average \$ Out of Stock	<\$50,000	\$'000
		S&OP vs Actual (Monthly)	95%	%
Quality	25%	Right First Time (Prod'n, Lab, Doc'n)	95%	%
		Cost of Defect (Cumulative)	\$250,000	\$'000
		Complaints (number/million units sold)	<50	CPM
Innovation	10%	Validated Processes (YTD)	95%	%
People	5%	Training (% Schedule Adherence)	100%	%
Integrity	5%	% Rolling Audits on time	100%	%

## OPERATIONS 3/1 PLAN

### SOLIDS

<b>Key Objective</b>	<b>Customer</b>	To supply our customers with quality product on time.
	<b>Quality</b>	To support market leadership by producing quality produce in accordance with local and corporate compliance standards.
	<b>Cost</b>	To deliver agreed cost reductions through improved performance management.
<b>Measures</b>		<ul style="list-style-type: none"> <li>• We measure the success of our Customer goal by monitoring MTF (98%), MTO (95%) and Customer complaint data.</li> <li>• We measure our success by Process and Documentation RFT (95%), Cost of Defects, Deadstock value and audit ratings.</li> <li>• We measure our success by positive variances in materials, labor and overhead recoveries.</li> </ul>

*"Our strategic intent is to be the supplier of choice achieved through excellence in service, quality and cost."*

### LIQUIDS

<b>Key Objective</b>	<b>Customer</b>	Implement value adding initiatives to selected liquid products while maintaining agreed levels of customer service.
	<b>Quality</b>	Closely monitor all Quality inputs (Customer complaints, RFT, GMP spot audits, deviation reports, EERs), identify root cause and implement preventative action.
	<b>Cost</b>	Achieve budget through the attainment of Workcentre and material usage standards and the avoidance of deadstock.
<b>Measures</b>		<ul style="list-style-type: none"> <li>• 98% MTF, 95% MTO.</li> <li>• Process RFT 95%, customer complaints 5% decrease on 1997, acceptable GMP rating.</li> <li>• Zero overall variance (or better).</li> </ul>

*"Our strategic intent is to achieve and maintain excellence in Customer Service, Quality and Cost associated with the supply of liquid products and in so doing provide our Commercial partners with a genuine competitive advantage to grow the business."*



## OPERATIONS 3/1 PLAN

## TOOTHPASTE

Key  
Objective

**Customer** Maintain critical customer service measures such as MTF, MTO. Provide marketing with results which will provide competitive advantage in the market place.

**Quality** Achieve quality expectations of the Japanese market and extend across all markets.

**Cost** Minimum expectation is to break-even, ie. actual costs match budgeted costs, actual recoveries match budgeted recoveries. Target is to generate profit.

## Measures

- Reduce the toothpaste customer complaint incidence to under 100 complaints per 1,000,000 in 1998 and under 50 per 1,000,000 in 1999.
- Stripe quality protocol acceptance at 80%.
- Achieve MTF 98% and MTO 95%.
- Achieve the 1998 toothpaste budget and in 1998 offset the Solids Sanofi overhead recovery loss of \$2.9 million by the production and sale of an additional 15 million toothpaste units.

*"Our strategic intent is to produce premium quality product at a competitive price for domestic and export markets. This will be achieved through the implementation of robust processes, safe working practices, environmental responsibility and a benchmark facility. The sole intent of the toothpaste manufacturing operation is to provide the local and domestic markets with products and processes which will provide competitive advantage in the marketplace."*

## TECHNICAL

Key  
Objective

**Customer** Ensure that the transfer to RP paracetamol causes no disruption to plant operations.

**Quality** Validate all microdose products, and non-robust processes.

**Cost** Reduce the mounting cost of defects/deadstock through the creation of robust processes.

## Measures

- % validated processes.
- % adherence to VMP timetable
- > 95%

*"Our strategic intent is to fulfill the requirements of the VMP so as to create a plant and its processes in true control."*

## OPERATIONS 3/1 PLAN

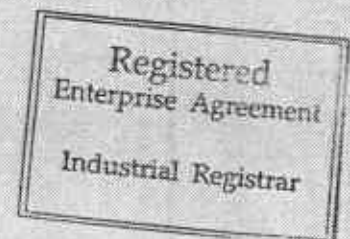
### QA/QC

<b>Key Objective</b>	<b>Customer</b>	Meet predetermined lead times in the supply of starting materials, intermediates, packaging components and finished products.
	<b>Quality</b>	Comply to the requirements of GLP and GMP.
	<b>Cost</b>	Through Supply Development Programme and other innovative measures reduce the cost of testing and inspection of all products.
<b>Measures</b>		<ul style="list-style-type: none"> <li>• % RFT.</li> <li>• % Products achieving leadtime.</li> </ul>

*"Our strategic intent is to provide to manufacturing and distribution quality materials on time and at the lowest possible cost."*

### PLANNING

<b>Key Objective</b>	<b>Customer</b>	To direct the activities of the plant in order to provide adequate stock cover to achieve customer service objective of 98% availability for make to forecast items and 95% for make to order customers.
	<b>Quality</b>	To provide a schedule that is stable and achievable to facilitate the activity of other departments such as QC.
	<b>Cost</b>	To have production directed in such a way as to minimise changeovers and down time, and maximise work centre effectiveness whenever possible. To balance production requirements from month-to-month to reduce the requirement for overtime.
<b>Measures</b>		<ul style="list-style-type: none"> <li>• Achievement to plan (weekly).</li> <li>• MTF (weekly) MTO (monthly).</li> <li>• QA release number.</li> <li>• QA queue outstanding.</li> <li>• Average daily backorders.</li> </ul>



*"Our strategic intent is to maximise customer service simultaneously with setting up the plant for success through stable and achievable production targets."*

# OPERATIONS 3/1 PLAN

## ENGINEERING

### Key Objective

- Customer** To provide production with a high level of machine uptime through regular maintenance, reduced changeover times and reduced rectification times for machine breakdowns.
- Quality** To manage maintenance to site, buildings, equipment and facilities in accordance with TGA and other regulatory requirements.
- Cost** Achieve Engineering budget by monitoring and implementing methods to reduce overall energy consumption, monitor and control spare parts usage and the renegotiation of service contracts.

### Measures

- 100% October shutdown maintenance schedule adherence.
- Zero downtime of critical plant equipment.
- Achieve zero engineering related internal and external regulatory body non conformances.
- Zero overall engineering budget variance or better.

*"Our strategic intent is to achieve and maintain excellence in customer service, quality and cost, associated with the maintenance improvement and replacement of facilities, equipment and utilities necessary for the manufacture and sale of the SB Consumer range of products. In addition, provide security services commensurate with the various business risks."*

## FINANCE

### Key Objective

- Customer** Produce value added management reports in a timely manner that reflects the key performance indicators critical to the Ermington business.
- Quality** Ensure the accuracy of data and the integrity of systems are maintained in order to achieve financial targets.
- Cost** Promptly highlight cost saving opportunities and potential financial exposures to the entire team.

### Measures

- Monthend completed by the 4th workday.
- PFI delivered by the 5th workday.
- Monthly report distributed by the 6th workday.

*"Our strategic intent is to add value beyond the numbers."*



# OPERATIONS 3/1 PLAN

## HUMAN RESOURCES

### Key Objective

- Customer** Deliver reliable HR processes RFT.
- Quality** Continue to assist the 3/1 team and the site to close the gap between policy and its deployment across the site.
- Cost** Deliver the HR programme achieving the HR expenditure inside budget in 1998:

### Measures

- Payroll accuracy 100%.
- 100% LADR plans achieved.
- 100% Shop Floor performance reviews completed.
- 100% Management performance reviews completed.
- Drive for team maturity and flexibility.
- Achieve a Stage 4 maturity rating for 1 team in 1998.
- 100% conformance with GMP audits.
- Lost time injury rate 2
- Lost days severity 2
- Injury and illness rate 2
- 0 lost time due to industrial action



*"Our strategic intent is to be your partner in site development through people development"*

## OPERATIONS BUSINESS DEVELOPMENT

### Key Objective

- Customer** Product sourcing activities are to meet customer launch plans and cost targets.
- Quality** Customer needs are agreed and built into project implementation.
- Cost** Reduce manufacturing costs through complexity reduction and additional demand of core products.

### Measures

- \$2.0M of Y2000 recovery will be derived from new business in core areas over the period 1998-2000. Non-core activities will account for <10% of operations recovery by Y2000.

*"Our strategic intent is to improve our competitiveness by increasing the production volume of 'core' analgesic and toothpaste products and where possible outsourcing 'non-core' products."*

# OPERATIONS 3/1 PLAN

## PURCHASING

### Key Objective

**Customer** To ensure that each department, function, site and business, works together to maximise the positive purchasing power and influence that we can exert on our suppliers.

**Quality** To drive out complexity, improve efficiency, and streamline administration routines. To ensure the progression of preferred suppliers through to the SDP module two sector of quality.

**Cost** To impact the full range of categories of expenditure, both inventory and non inventory, and whilst maintaining a cost/value focus, achieve sustained levels of management support.

### Measures

- Meeting quarterly with Planning to identify improvement opportunities and to build understanding of each others functions.
- Achieve Supplier Development Programme (SDP) accreditation for 20 key suppliers by Q4 1998.
- Deliver the Purchase Price Variance in 1998 of \$1.2 million.
- Our Quality expectations are: Raw Materials NMT 800ppm  
Packaging materials  $\geq$  98%
- Our leadtime expectation is 95% delivered on the day.

*"Our strategic intent is to ensure managed control of expenditure in every area of our business."*

## WAREHOUSE

### Key Objective

**Customer** To deliver material to the factory floor in a timely manner material that is correctly counted, sorted and presented.

**Quality** To maintain a high degree of integrity in the storage of materials incorporating location accuracy, count accuracy, cleanliness, and efficiency of operations.

**Cost** To reduce the cost of deviation through handling the product carefully while in storage or through transfer, and to reduce the financial exposure of stock write-off through the maintenance of accurate records via computer transactions reflecting the movement and usage of material.

### Measures

- 95% Inventory accuracy
- 100% Staging reconciliation
- 95% Pick to schedule

*"Our strategic intent is to warehouse raw, packaging and bulk materials in accordance with GMP obligations and to an exceptional degree of inventory integrity, and to develop highly motivated and trained storemen to supply our manufacturing customers with right first time product, on time."*



## DISTRIBUTION

### Key Objective

- Customer**
- Deliver to all customers – on time – 100%.
  - Deliver to all customers – full order – 100% of stock availability.
- Quality**
- Maintain Distribution Centre in accordance with TGA and GMP standards.
  - Maintain 99% location accuracy.
  - Receive/Despatch product in accordance with both internal and external policies.
  - Provide a safe working environment.
- Cost**
- Reduce stock write-off through rotation of stock, accurate picking/packing, handling and receiving.

### Measures

- Maintain 98% inventory accuracy.
- Stock write-off.
- 100% full order deliveries on stock availability.
- 98% inventory accuracy.
- 100% on time deliveries.

*"Our strategic intent is to provide a superior service to both internal/external customers, whilst maintaining 98% inventory accuracy. Our strength lies in what we value: Customers, Innovation, Integrity, People and Performance."*

## PRIORITIES IN 1998 TO ACHIEVE KEY OBJECTIVES

PRIORITY	KEY Objective	1998 Priority	1999 Priority	OWNER
Enterprise		✓		GC/BB
Deadstock		✓		MR
Rapid Micro			✓	CV
Internal Customer Needs eg. Sales		✓		MT
Deviation		✓		BC
Complaints Process		✓		RN
Workcentre Effectiveness (incorp Entelec and Preventative Maintenance)		✓		AS/IA/SJ/RF
Inventory Accuracy	✓			MS
Material Availability	✓			BB/CV
Supplier Development – Measures and Certification	✓			BC/TC/KC
Reduced Testing (align with SDP)		✓		CV
Low Humidity enhancements		✓		BC/SJ
Project Raise		✓		DS
Stripe Quality		✓		DS
Split seams – Paste Tubes		✓		IA
ACI Tubes		✓		MH
VMP – To identify	✓			BC
Enterprise Agreement		✓		HL
Complexity Reduction	✓			DS
Customer Service	✓			MT
Compliance (Mgt Action Plan)		✓		JG/BC
Lab OOS		✓		CV
Contractor Management			✓	DS
Campaign/Batch sizes			✓	SJ/RF/IA
Yields			✓	SJ/RF/IA
Waste		✓		CK
Pharmasyst – Dispensary Mgt System	✓			AS
Training Program		✓		HL
Tamper Evidence (Liquids)				RF
Processing Times – Paste				MH

✓ Registered  
Enterprise Agreement  
✓ Industrial Registrar

## PERSONNEL AND TRAINING

### RATIONALE

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300. The establishment and maintenance of a satisfactory system of quality assurance and the correct manufacture of medicinal products relies upon people. For this reason it is important that there is a sufficient number of qualified and experienced personnel to carry out all the tasks which are the responsibility of the manufacturer. Individual responsibilities should be clearly understood by the individuals and recorded. All personnel should be aware of the principles of good manufacturing practice that affect them and receive initial and continuing training, including hygiene instructions, relevant to their needs.

### GMP

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301. Personnel should have the education, training, experience and skills or any combination of these elements that will ensure that they can perform assigned duties and functions at an acceptable level.

302. Key personnel, responsible for managing and supervising manufacture, quality assurance and quality control, should be adequate in number. They should have the managerial and professional or technical skills and ensuring that the goods manufactured consistently meet standards and specifications.

Suitable persons should be deputed to carry out the duties and functions of key personnel in their absence.

303. By means of job descriptions and organisational charts, the areas of responsibility and lines of authority of key personnel should be identifiable. Organisation charts job descriptions and the names, qualifications and experience of key personnel and their deputies should be available.

There should be no gaps or unexplained or conflicting overlaps in the responsibilities of those concerned with GMP. The responsibilities placed on any one person should not be so extensive as to compromise the effective execution of assigned duties in relation to good manufacturing practice.

304. Persons in responsible positions should have adequate authority to discharge their responsibilities.

305. The persons in charge of production and of quality assurance respectively should usually have studied a relevant science (e.g. pharmacy, chemistry, chemical engineering, microbiology, food technology) at university or technical

institute level and have had practical experience under professional guidance in the manufacture and control of therapeutic goods made under GMP. They should be different persons, neither of whom is responsible to the inspecting authority are made, yet each should have a responsibility for the achievement of product quality.

Appointees with less than the indicated qualifications or experience should be provided with a training program designed to make up deficiencies.

306. Only in exceptional circumstances should persons engaged part-time or in a consultative capacity be appointed to key positions.

Where, in exceptional circumstances, there is no person wholly engaged in quality assurance, an annual external audit of quality specifications, tests and procedures should be commissioned.

Where the manufacturer does not employ a qualified microbiologist (see Glossary), an annual external audit, by such a person, should be commissioned.

Written reports of audits should be furnished. Evidence should be available that audits have occurred essentially as programmed and that follow-up action occurred where recommended.

The requirement for microbiological audit may be waived by the licensing authority.

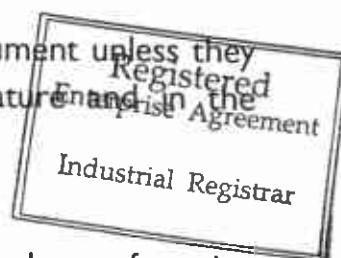
307. Operators should be sufficiently fluent in spoken English and sufficiently fluent in written English to respond to training, accept and implement instructions exactly and, where their duties require it, fill out forms correctly.

308. Where appropriate, operators should be tested for colour-blindness and the results made known to supervisors under whom they work.

309. Operators should understand and be trained to follow standard operating procedures relevant to their work and in the principles and practice of tasks assigned to them.

310. Operators should not be permitted to sign or initial a document unless they have been trained in the task associated with the signature and in the significance of the signature.

A Register of signatures and initials should be maintained.



311. Training of manufacturing personnel in the principles of good manufacturing practice should be carried out as an induction exercise and at regular, planned intervals in accordance with a formal training program. Records, specific for each member of staff, should be made and specific and retained. Casual or contract personnel (including cleaners) should also receive appropriate induction training in GMP.



■ ANNEXURE H ■

## TEAM MATURITY INDEX

The intent of the stages of maturity is to give teams greater authority and responsibility as they prove they are capable of taking on responsibility. The incentive for teams to progress is that they can gain greater satisfaction from better, more interesting jobs with much greater freedom to act. The stages should serve as goals for teams to strive for.

In the following pages is a description of responsibilities of stage 1 through to stage 5, which is required for the team so it can become truly self managing.



INVOLVEMENT	PERSONNEL	TRAINING	BUSINESS PERFORMANCE	MAINTENANCE
<p><b>STAGE 1</b></p> <ul style="list-style-type: none"> <li>Minimum 15% of team members involved in ceded groups.</li> </ul>	<ul style="list-style-type: none"> <li>Discipline issues referred to management/union.</li> <li>Team and management discuss employment of new team members.</li> </ul>	<ul style="list-style-type: none"> <li>Team works towards consistent training standards.</li> <li>Team participants in off the job training as required.</li> <li>Operational training is carried out without disruption to production, quality goals.</li> </ul>	<ul style="list-style-type: none"> <li>Team works to the company values.</li> <li>Team achieves – Production, Quality and Customer goals in most cases.</li> </ul>	<ul style="list-style-type: none"> <li>Fork lifts are maintained regularly, eg: water, oil.</li> <li>Maintenance personnel are notified by the team when maintenance duties are required.</li> </ul>
<p><b>STAGE 2</b></p> <ul style="list-style-type: none"> <li>Minimum 30% of team members involved in ceded groups.</li> </ul>	<ul style="list-style-type: none"> <li>Discipline issues handled with management assistance.</li> </ul>	<ul style="list-style-type: none"> <li>Team helps to set and identify standards and works to these standards.</li> <li>Team allocates time for training with management assistance.</li> </ul>	<ul style="list-style-type: none"> <li>The team is aware of profits and losses.</li> </ul>	<ul style="list-style-type: none"> <li>Team uses contractors when necessary and ensure work standards are high.</li> </ul>
<p><b>STAGE 3</b></p> <ul style="list-style-type: none"> <li>Minimum 40% of team members involved in ceded groups.</li> </ul>	<ul style="list-style-type: none"> <li>Team conducts interview &amp; selection with team leaders assistance.</li> <li>Team takes disciplinary action, notifying management prior.</li> </ul>	<ul style="list-style-type: none"> <li>Training is standardised.</li> <li>Process improvement used to modify procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Team understands and works to improve balance sheet.</li> </ul>	<ul style="list-style-type: none"> <li>Team implements preventive maintenance program.</li> </ul>



INVOLVEMENT	PERSONNEL	TRAINING	BUSINESS PERFORMANCE	MAINTENANCE
<p><b>STAGE 4</b></p> <ul style="list-style-type: none"> <li>■ Minimum 50% of team members involved in ceded groups.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team takes on responsibility for discipline and notifies management of action taken.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team sources external training with assistance from management.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team works with finance developing the budget.</li> <li>■ Team has expenditure budget allocated, it is spent with assistance from others.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team helps to develop preventative maintenance schedules.</li> </ul>
<p><b>STAGE 5</b></p>	<ul style="list-style-type: none"> <li>■ Team fully responsible for discipline recommendations.</li> <li>■ Team panel conduct interviews &amp; selection independently.</li> <li>■ Team contributes to the selection of management.</li> <li>■ Team independently conducts performance appraisals.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team identifies and organises their own external training.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team takes on active role in setting and achieving budgets.</li> </ul>	<ul style="list-style-type: none"> <li>■ Team takes full responsibility for all maintenance requirements.</li> </ul>

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Industrial Registrar



**SmithKline Beecham**

## PROBATION/EMPLOYEE PERFORMANCE REVIEW

THIS FORM MUST BE COMPLETED FOR ALL WEEKLY PAID EMPLOYEES BEFORE THEY ARE MADE PERMANENT.

NAME:	DATE OF REVIEW:
DEPARTMENT:	REVIEWED BY:
JOB CLASSIFICATION:	POSITION:
START DATE:	EMPLOYEE'S SIGNATURE:
MANAGER/FACILITATOR'S SIGNATURE:	

Above each skill dimension tick the box which you feel best to describe the skill level reached by the employee. You must provide examples based on past employee behaviour.

### SAFE WORK PRACTICES

Safe work practices.

- 4 Always observes and promotes rules.
- 3 Works in a safe manner.
- 2 Requires extra safety supervision.
- 1 Well below acceptable stand.

COMMENTS:

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### JOB MOTIVATION

Extent to which employee demonstrates interest in and obtains personal satisfaction from job activities and responsibilities.

- 4 Satisfaction/interest in job consistently exceeds level required.
- 3 Demonstrates full satisfaction/interest in job.
- 2 Demonstrates some satisfaction/interest in job.
- 1 Demonstrates little/no interest satisfaction in job.

COMMENTS:

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## INITIATIVE/DRIVE

Self starting. Taking action to achieve job requirements.

- 4 Actively attempts to influence events and originate action.
- 3 Demonstrates some examples of originating actions.
- 2 Needs some prompting to take action.
- 1 Needs to be prompted to take action.

COMMENTS:

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## WORK STANDARDS

Meeting job performance standards.

- 4 Exceeds the performance standards.
- 3 Meets all performance standards.
- 2 Meets some performance standards.
- 1 Does not meet performance standards.

COMMENTS:

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## MACHINE OPERATIONS

Using the relevant machine or technology to the standard required by management or the process.

- 4 Consistently above standard of operation required.
- 3 Fully acceptable level of machine operation.
- 2 Less than acceptable level of machine operation.
- 1 Unacceptable standard of machine operation.

COMMENTS:

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## TEAM IMPACT

Initial and ongoing team impact. Ability to get along with others.

- 4 Excellent ability to get along with team members.
- 3 Able to get along with team members.
- 2 Some ability to get along with team members.
- 1 Unable to get along with team members.

COMMENTS:

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## PROBLEM ANALYSIS

Ability to locate root cause of a problem and generate data/ideas and action for solution.

- 4 Obtains relevant information and makes relevant solutions beyond requirements.
- 3 Obtains relevant information and makes appropriate decisions.
- 2 Obtains some relevant information and often able to reach appropriate conclusions.
- 1 Does not obtain relevant information and reaches inappropriate conclusions.

COMMENTS:

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## PRACTICAL LEARNING

Obtaining and applying job related information.

- 4 Consistently learns and applies more job related information than required.
- 3 Learns and applies all required job related information.
- 2 Able to learn and apply some job related information.
- 1 Unable to learn and apply job related information.

COMMENTS:

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## WORK HABITS

Work habits consistent with company policy eg. punctuality and attendance.

- 4 Consistently exceeds work habit requirements.
- 3 Always meets work habit requirements.
- 2 Usually meets work habit requirements.
- 1 Does not meet work habit requirements.

COMMENTS:

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## ADAPTABILITY/FLEXIBILITY

Maintains effectiveness in different jobs and areas.

- 4 Consistently exceeds requirements.
- 3 Always maintains effectiveness in different job and areas.
- 2 Sometimes maintain effectiveness in different jobs and area.
- 1 Unable to maintain effectiveness in different jobs and areas.

COMMENTS:

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## ORAL COMMUNICATIONS

Uses effective communication. Able to express ideas and thoughts clearly and concisely.

- 4 Consistently able to be understood and express ideas and thoughts clearly.
- 3 Usually able to be understood and express ideas and thoughts clearly.
- 2 Sometimes able to be understood and express ideas and thoughts clearly.
- 1 Frequently has problems being understood through poor expression.

COMMENTS:

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## GMP

Effectively complies to GMP standards.

- 4 Always complies and promotes GMP.
- 3 Fully acceptable level of compliance.
- 2 Less than expectable level of compliance.
- 1 Unacceptable level of compliance.

COMMENTS:

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## TOTAL SCORE

12 < \$0

30-41 - \$250

13-18 - \$50

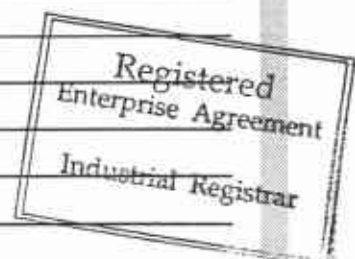
42-48 - \$375

19-29 - \$150

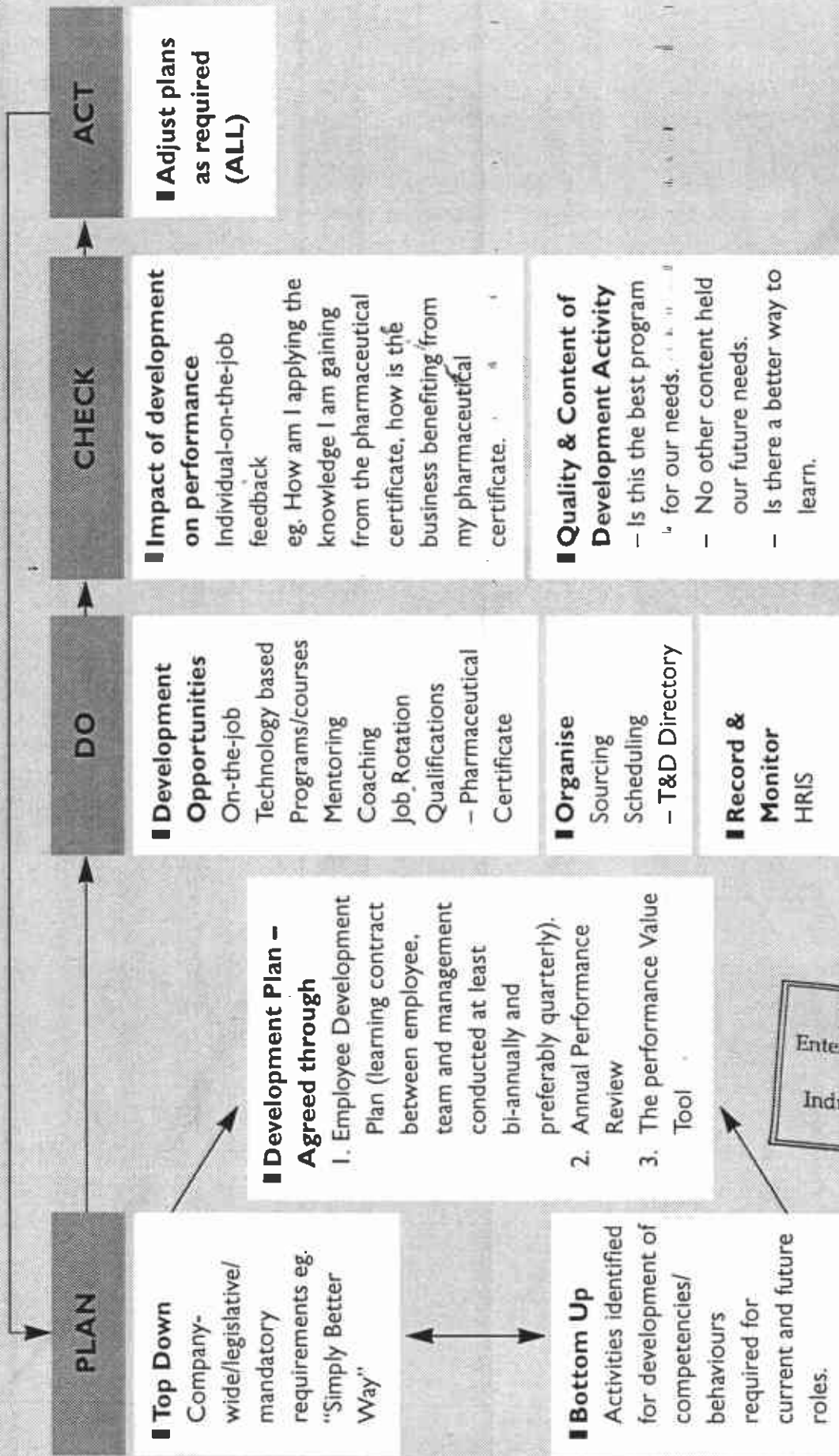
**OVERALL COMMENT ON  
PERFORMANCE TO DATE**

**POTENTIAL**

(Make a judgement of the employees future  
potential to the company)



# TRAINING & DEVELOPMENT FRAMEWORK





■ ANNEXURE K ■

## PERFORMANCE VALUES

### OUR COMPANY IS PERFORMANCE DRIVEN

To continuously improve our performance, we need to ensure that all employees develop and value the behaviours that will help us to be the best.

### WHAT BEHAVIOURS DO WE VALUE?

#### CUSTOMERS:

We value improving the service we provide to all our customers— both external and the next person in the process.

#### PEOPLE:

We value working together as an effective team – showing mutual respect and appreciation of each other efforts.

#### INNOVATION:

We value continuous improvement through being open to and contributing to new and better ways of working.

#### INTEGRITY:

We value working in a responsible manner – with a commitment to meeting business needs and achieving company goals.

#### PROBLEM SOLVING:

We value minimising errors and sharing our experiences in helping to solve problems as they arise.

#### SAFETY, HEALTH & ENVIRONMENT:

We value safe work practices and are committed to providing a safe and healthy work environment.

#### LEADERSHIP:

We value effective leadership in organising and co-ordinating our team efforts.

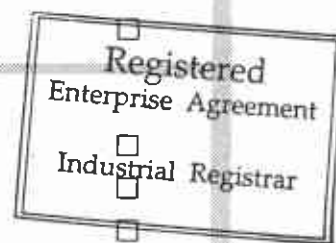
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## CUSTOMERS

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>C1</b>	<b>UNDERSTANDS CUSTOMER'S NEEDS</b>			
	■ knows who internal and external customers are	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ understands needs of customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ gets feedback on service provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ shows concern for service delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ communicates well with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C2</b>	<b>MEETS CUSTOMER'S NEEDS</b>			
	■ tries to complete work right first time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ delivers quality work on time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ shows concern for service delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ anticipates future customer needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ looks for better ways to meet needs of customers – seeks customer input	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## PEOPLE

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>P1</b>	<b>PARTICIPATES IN TEAM ACTIVITIES</b>			
	■ pulls own weight in the team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ contributes in team meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ accepts team goals as own	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ lets others know what is happening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ acknowledges efforts of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>P2</b>	<b>SHOWS RESPECT FOR OTHERS</b>			
	■ listens carefully to others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ talks in a positive way to others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is sympathetic to difficulties of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ respects individual differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is open and honest with others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>P3</b>	<b>HELPS AND SUPPORTS OTHERS</b>			
	■ happy to train others in new skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ helps prepare for the next person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is approachable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is friendly & co-operative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

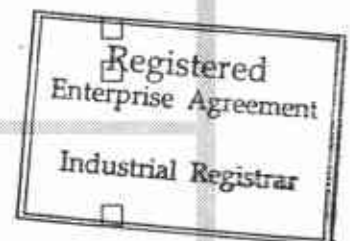


# INNOVATION

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>i1</b>	<b>IMPROVING METHODS AND PROCESSES</b>			
	■ questions the way things are done	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ contributes new ideas and methods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is open to suggested improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is positive towards change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is willing to experiment with new ways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>i2</b>	<b>IMPROVING SKILLS</b>			
	■ keen to develop own skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ seeks opportunities to be flexible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ keen to develop other's skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ strives to improve own work targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ seeks feedback on own performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# INTEGRITY

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>INI</b>	<b>RESPONDS TO NEEDS OF BUSINESS</b>			
	■ fast to react to urgent work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ priorities work according to needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ thinks ahead and organises what is needed to keep process going	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ asks for help when required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is positive about company initiatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>IN2</b>	<b>ACTS WITH RESPONSIBILITY</b>			
	■ understands own responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ takes initiatives, self-starting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ accepts consequences of actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is consistently committed to performing to best of ability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ follows things through to completion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is accountable for own work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## PROBLEM SOLVING

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>PS1</b>	<b>IDENTIFYS AND SOLVES PROBLEMS</b>			
	■ checks details leading up to problem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ is alert to recurring problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ looks for symptoms of problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ thinks problem through before acting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ seeks assistance if necessary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ considers range of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ passes on experience to others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>PS2</b>	<b>WORKS SAFELY</b>			
	■ works in compliance with GMP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ knows and applies safety procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ wears PPE when required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ lets others know when they are doing something unsafe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ brings safety issues to attention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## LEADERSHIP (where relevant)

DIMENSION	TYPICAL BEHAVIOURS	Need some development	Generally displays this behaviour	Consistently displays this behaviour
<b>L1</b>	<b>DEVELOP OTHERS</b>			
	■ encourages others to express ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ helps people to develop ownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ shows appreciation of other's efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ provides a source for consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ handles conflict in a sensitive manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ provides constructive feedback	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>L2</b>	<b>ORGANISES RESOURCES</b>			
	■ ensures smooth shift changeovers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ communicates often with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ priorities to meet business needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ plans ahead to reduce errors, delays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ takes initiatives to work "smarter"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	■ shares responsibility to meet targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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## ■ ANNEXURE L ■

# GOOD MANUFACTURING PRACTICE (GMP)

The Ermington plant of Smithkline Beecham is a pharmaceutical goods manufacturing site, and as such is licensed with the Australian Therapeutic Goods Administration (TGA). This licence is offered at the TGA's discretion. The TGA conduct periodic audits to assess the worthiness of the site to retain its licence.

During the life of this agreement, the GMP standards will be improved significantly, in accordance with the intentions of the TGA. (Refer Annexure G – Australian Code of Good Manufacturing Practice for Therapeutic Goods – Medicinal Products. August 1990).

The Quality Assurance Manager will implement the pharmaceutical standards for the pertinent areas in our site development following appropriate consultation and training.

The focus on GMP will be directed into the following areas:

- a) everyday maintenance of GMP
- b) consultation
- c) training
- d) modification to existing work practices so as improve standards of GMP

## MAINTENANCE OF GMP

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Those existing GMP practices, and those practices to be introduced following consultation and training are seen as must haves, and will be need to be enforced. Such action may include disciplinary measures.

## CONSULTATION

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All new/revised work practices will be devised in consultation with persons concerned. The essential element of all changed work practices derived from consultative processes will be to achieve increased levels of GMP compliance.

## TRAINING

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All changes will be accompanied by appropriate levels of training.



## MODIFICATIONS TO EXISTING WORK PRACTICES SO AS IMPROVE STANDARDS OF GMP

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In accordance with TGA requirements, the standard of GMP compliance will be improved.

For example, the site will be implementing a three tiered GMP standard for pertinent work areas as follows:

- black areas (lowest standard of GMP compliance for example outside the factory)
- grey areas (intermediate GMP standards)
- white areas (the highest GMP pharmaceutical standards where products are made and packed).

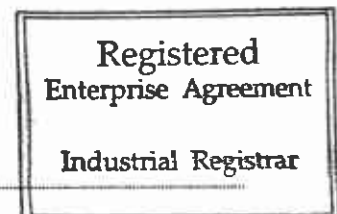
The practical implications of these policies may see some employees needing to change their garments several times a day as they leave a black area to enter a white area. Additionally, some jobs descriptions may need to be varied to reflect such changes.

GMP compliance is critical to both the short and long term future of the operations. It will be actively improved through consultation and training.

Brett Cuttance  
Quality Assurance Manager  
October 1998

## GMP AND OCCUPATIONAL HEALTH AND SAFETY

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It is recognised that compliance to the cGMP and OHS is a 'must have' and is integral to the continued running of the Ermington site. It is further recognised that production, customer service, GMP and OHS are **not** mutually exclusive and must go hand in hand.

Both management and operators must comply to the requirements of the cGMP and OHS. It is expected that both management and operators are versed with the requirements.

## MINIMUM EXPECTATIONS

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### EXPECTATION

It is expected that SB will provide the skills/resources and equipment required to allow operators to comply to the cGMP on the day to day basis.

It is expected that employees agree to co-operate in monitoring programs designed for the maintenance of well being, such as, but not inclusive to, spirometry, audiometry and dust monitoring. As a result of monitoring, there will be times when additional testing will need to be performed. If this is the case, a full explanation of why this needs to be performed is to be provided and no invasive investigations will be considered without the written consent of the individual.

All injuries/illness must be reported. Any open lesions, infectious diseases and insect infestations, should be reported to OHS personnel and a decision will be made on a case by case basis as to whether this contravenes any OHS or GMP regulations.

### EDUCATION

In order to facilitate this, a formal internal training programme has been implemented covering 11 core GMP modules and core OHS topics. This training schedule is prepared by the HR department and will cover a two year period. The schedule is formalised at the beginning of the year and authorised by the Quality Council.

### GMP TRAINING

---

The 11 core GMP modules are:

- Induction
- Quality Management
- Documentation
- Cleaning and Sanitation
- Hygiene
- Starting/Dispensing
- Process Control
- Contamination
- Equipment
- Building and grounds
- GMP for Managers

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Additional formal GMP training may be requested as required through consultation with the Quality Control.

## OHS TRAINING

---

OHS training is to be made up of baseline OHS modules and Applied OHS modules.

### BASELINE OHS TRAINING

---

- Accident Reporting
- Personal Protective equipment
- Signs
- Manual Handling & Ergonomics
- Hazard Identification
- Eyes
- Hand and Skin
- Respiratory system
- Accident Investigation
- Workers' Compensation
- Rehabilitation
- Pregnancy
- MSDS
- Evacuation
- Hearing Conservation
- Environmental Spill Control
- Hazardous Waste
- Dangerous Goods

### APPLIED OHS

---

3 Hrs Legislation

3 Hrs Auditing by hazard identification, assessment and control

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### NEW EMPLOYEES

---

New employees must undergo induction training with regards to the cGMP and OHS. It is expected that training be implemented prior to employee coming into contact with Therapeutic products.



## CASUAL EMPLOYEES

---

Casual employees must have a minimum understanding of the cGMP Modules 1 and 3 of the "Forestaff" computer training is the minimal requirement.

An introductory tour must be provided by the facilitator or the GMP compliance officer detailing the gowning requirements.

Casual labour who have not performed the minimum Modules for Forestaff cannot be employed to perform any tasks that involve direct contact with therapeutic product. Additionally, all casuals MUST be supervised by an experienced operator.

Casuals who are on site for more than 4 weeks must attend the core GMP modules training.

As internal induction of casual employees is completed, they are to sign an internal "Casuals signature register".

## ENCOURAGEMENT

---

Feedback to the operators of GMP audits, internal audits and spot checks is to occur in the form of information sessions in the team meetings by either Facilitators the GMP compliance officer or the EHS manager.

## ENFORCEMENT

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Breaches of the cGMP OHS may elicit the Disciplinary process.

Both operators and management may be disciplined.

## MODIFICATION OF EXISTING WORK PRACTICES SO AS TO IMPROVE STANDARDS OF GMP & SAFETY

---

It is recognised that during the course of this agreement, certain practices may be revised/updated in order to improve compliance to the cGMP and OHS.

All new/revised work practices related to GMP is to be performed in consultation with the Quality Council (or designate) or the change control group. All new/revised work practices related to OHS is to be performed in consultation with the EHS manager.

All changes will be accompanied by appropriate levels of training. "Appropriate" levels of training is to be assessed in consultation with the Quality Council (or designate), the ESH manager and the relevant Skills Development Officer.



## ENSURING THAT GMP ISSUES ARE RESOLVED

---

It is recognised that during day to day production, operators shall detect perceived compliance issues or occupational health and safety issues.

The maintenance of GMP and OHS within Work Centres is the responsibility of the individual work areas.

## RESOLUTION OF GMP/OHS ISSUES

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1. Recognition of an issue by the "initiator"
2. The initiator completes the GMP/OHS document in consultation with either the facilitator (or designate) or directly to the owner. The GMP/OHS documentation will be in the form of a triplicate sheet. Time frames shall be agreed and copies forwarded to the "owner" the "Initiator/Team" and the GMP compliance officer or ESH manager.
3. If issues cannot be resolved to the satisfaction of both parties within the required time frames, the GMP compliance officer or the ESH manager will then become involved in order to attempt to resolve the issues.
4. If issues cannot yet be resolved, the issue is forwarded to the Quality Council (for GMP related issues) or the EOH&S Manager or the 3/1 team for safety.

Any issues must be fed back to the individual by either the GMP compliance officer the ESH manager or the facilitator.

## GOWNING

---

All employees entering into GMP areas must be gowned with GMP garments. These garments consist of marone, blue or yellow garments.

Hair nets MUST be worn over ears and beard covers for persons with facial hair.

Dedicated shoes must be worn. If this is not possible, then shoe covers must be worn.

Specific details are included in the "Gowning and Hygiene" policy (SOP-S31099).



■ ANNEXURE M ■

## REDUNDANCY

### 1. INTRODUCTION

---

This Agreement will cover the terms and conditions of employment (while not jeopardising any coverage under Award or other legislation) having application to employees who are deemed to be redundant or retrenched.

### 2. DEFINITIONS

---

“Redundancy” shall mean, and shall be deemed to exist where -

- i. the employer has ceased, or intends to cease to carry on the business;  
or
  - ii. the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish;
- (b) “Business” includes part of a business.
- (c) “Ordinary Rates of Pay” means the normal weekly payment received by the employee at the date of retrenchment.
- (d) “Employee” includes weekly or part-time employees.
- (e) Retrenchment shall mean terminating the services of an employee with the Company because of redundancy.
- (f) Seniority shall be determined taking into account all service with the Company and not age.

### 3. NOTICE

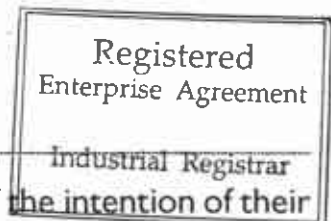
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Employees will be provided with three (3) weeks notice of retrenchment plus one (1) weeks notice of pay in lieu of notice.

### 4. VOLUNTARY LEAVING DURING PERIOD OF NOTICE

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Retrenched employees shall have the option of either working out notice or leaving at any time during the period of notice and receiving full benefits of this agreement.



5. TIME OFF

The Company will allow paid time off, with evidence, to permit employees to seek and be interviewed for alternative employment.

6. ANNUAL LEAVE LOADING

Annual Leave Loading will be paid on all accrued Annual Leave including current pro-rata entitlements.

7. ACCUMULATED SICK LEAVE

All accumulated sick leave will be paid on termination and will include full current year entitlement.

8. SENIORITY

Retrenchment will take place by classification within a section or department on the basis of volunteers first, then seniority i.e. last on first off. An excess of volunteers will be resolved by giving preference to employees over the age of 55 and then by ballot.

9. ITEMISED STATEMENT OF ALL WAGES DUE

Redundant employees shall be given an itemised statement of all termination monies during the weeks notice of intention of retrenchment referred to in Clause 3. above.

10. CERTIFICATE OF SERVICE

All redundant employees will be supplied with a Certificate of Service prior to termination. A separate Reference will be issued upon request.

11. SUPERANNUATION

Rules of the SmithKline Beecham Superannuation Fund covering retrenched members to apply.

12. PREFERENCE OF EMPLOYMENT

For a period of 12 months from the date of retrenchment, all retrenched employees shall have preference of re-employment with the Company should suitable positions become available – preference to be according to seniority – proof of notification to be available to delegates. This clause will not apply to voluntary redundancies.

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13. ALTERNATIVE EMPLOYMENT WITHIN THE COMPANY

---

If available, suitable alternative employment will be offered. This will be done in order of seniority and if declined redundancy payments will apply.

14. PREVIOUS RETRENCHMENT

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No periods of service will be taken into account for which Retrenchment benefits have previously been paid by the Company.

15. LONG SERVICE LEAVE

---

The Company will pay pro-rata Long Service Leave to employees for all years of service.

16. AGE ALLOWANCE

---

Retrenched employees 45 years of age or over will receive 1.25 times both pay in lieu of notice and severance allowance.

17. SERVICE ALLOWANCE

---

For each completed year of service with the Company, redundant employees shall be paid four (4) weeks at current rate. Pro-rata will be paid for a period less than 12 months on the following basis:-

3 months but less than 6 months – one week

6 months but less than 9 months – two weeks

9 months but less than 12 months – three weeks

18. DEATH OF EMPLOYEE

---

Should any employee die before the intended date of retrenchment shall be paid directly to his or her Estate.



■ ANNEXURE N ■

## ERMINGTON PRODUCTIVITY MATRIX -EXAMPLE-

The productivity and efficiency matrix is objective and combines important productivity measures into one inter-related format. The matrix provides a meaningful group of measures and reduces the risk of linking wage increases to a productivity measure which is heavily influenced by outside factors a brief description of the matrix and its use follows:

### ATTACHMENT I

---

- A. This section contains the performance measures that have been selected as being the key factors that contribute to productivity performance.
- B. This section has the facility to contain eleven rows of numbers. The numbers represent specific objectives which become increasingly challenging as performance improves. In determining the present performance we consider the previous twelve months or the current level of performance.

When the performance has been determined the figure is entered in the performance column at level 3. This is the base or benchmark from which performance improvement commences.

The long term objectives/targets are then entered into the row corresponding with the score of 10.

Progressive objectives/targets are then entered in columns between 4-9.

It must also be recognised that there will be periods when there is no improvement and the matrix also provides for this and consequently no wage increases.

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- C. The numbers 0-10 in the performance matrix are the objectives/targets to be achieved for overall performance improvement.
- D. The last step is to put a weighting to each of the performance measures which reflect the relative importance of each measure. To determine a base index the following calculations occurs:

Each performance measure base score of 3 is multiplied by its weighting thereby achieving a value. The value of each performance measure is combined giving an index. This index is the base from which all wage increases are measured.

# ERMINGTON PRODUCTIVITY MATRIX -EXAMPLE-

## ATTACHMENT II

---

Indicates the matrix to be used. The example shows:

- A. Productivity measures
- B. Short and long term objectives/targets
- C. Base or benchmark – using the previous 12 months
- D. Weighting of each measure
- E. Base Index – indicating “0” wage increase

## ATTACHMENT III

---

In calculating the matrix the following method will be used:

1. At the completion of the designated time frame the formula for the specific performance measure is used. The result of this calculation is then entered onto the matrix.
2. The circled result is then checked against the corresponding 0-10 number.
3. This number is then placed into the score position on the matrix.
4. The score is multiplied by the weighting thereby giving a value. This value is placed into the value position on the matrix.
5. Once all productivity measures have been calculated in this manner all the values are totalled. This becomes the ‘to date index’.
6. The ‘base index’ is then taken from the ‘to date index’ giving a ‘actual index’. Wage increases are based on the actual index.

## ATTACHMENT IV

---

The calculations of the individual performance measure weighting and the increase calculations are shown.

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ATTACHMENT 2 EXAMPLE ONLY

PRODUCTIVITY	ABSENTEEISM	QUALITY	PACKAGING	SAFETY	PERFORMANCE
			WASTAGE		
			REDUCTION		A
Total Units	Sick Leave Hours divided by	Reject Forms plus Justifiable	Total Required material minus	Safety Formula	
Produced divided by	Number of Employees	Customer Complaints	Total Used Materials		
Total Paid Hours					TO DATE
					10
80.28	18.48	0.00	0.00	0.00	9
78.37	20.52	11.38	0.80	1.50	8
76.46	21.48	22.75	1.50	3.01	7
74.55	23.52	34.12	2.20	4.52	6
72.64	25.50	45.49	2.90	6.03	5
70.73	26.52	56.86	3.60	7.54	4
68.62	28.50	68.23	4.30	9.05	3
66.91	30.48	79.60	5.00	10.56	2
65.00	32.52	90.97	5.70	12.07	1
63.09	34.50	102.34	6.40	13.58	0
61.18	36.48	113.71	7.10	15.09	SCORE
3.00	3.00	3.00	3.00	3.00	WEIGHT
58.72	9.05	6.99	20.59	4.64	VALUE
176.16	27.15	20.97	61.77	13.92	
	TO DATE INDEX =				
	TO DATE INDEX =	300.00	E		

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PRODUCTIVITY	ABSENTEEISM	QUALITY	PACKAGING	SAFETY	
			WASTAGE		
			REDUCTION		
Total Units	Sick Leave Hours divided by	Reject Forms plus Justifiable	Total Required material minus	Safety Formula	A
Produced divided by	Number of Employees	Customer Complaints	Total Used Materials		
Total Paid Hours				PERFORMANCE TO DATE	
66.82	26.52	68.23	4.30	7.54	
80.28	18.48	0.00	0.00	0.00	10
78.37	20.52	11.38	0.80	1.50	9
76.46	21.48	22.75	1.50	3.01	8
74.55	23.52	34.12	2.20	4.52	7
72.64	25.50	45.49	2.90	6.03	6
70.73	26.52	56.86	3.60	7.54	5
68.62	28.50	68.23	4.30	9.05	4
66.91	30.48	79.60	5.00	10.58	3
65.00	32.52	90.97	5.70	12.07	2
63.09	34.50	102.34	6.40	13.58	1
61.18	36.48	113.71	7.10	15.09	0
4.00	5.00	4.00	4.00	5.00	SCORE
58.72	9.05	6.99	20.59	4.64	WEIGHT
7234.88	45.25	27.96	82.36	23.20	VALUE
	TO DATE INDEX =	413.65			
	BASE INDEX =	300	E		
	ACTUAL INDEX =	113.65			



# ERMINGTON PRODUCTIVITY MATRIX -EXAMPLE-

## MEASURE: PRODUCTIVITY

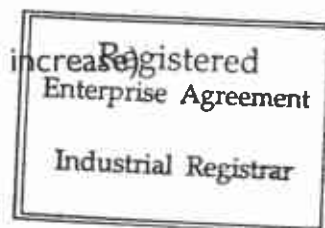
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Who collects information:	To be agreed
Matrix team members & responsibility:	
Information comes from:	1. Total Paid Hours: Payroll 2. Total Number of Units: Costing (BPCS) Units per Paid Hour
Definition:	Total number of units produced divided by the Total paid hours
Explanation:	Total Paid Hours: Normal hours plus overtime hours at double time of all EBA members
Not Included:	Sick Leave, Annual Leave, Workers Compensation, Long Service Leave, RDO's Days off without pay
Total Number of Units:	Total number of product units booked into BPCS each month from the Packaging floor

### EXAMPLE ONLY

1000 units divided by 100 Paid hours = 10 units per Paid hour

1100 units divided by 100 Paid hours = 11 units per Paid hour (10% increase)



# ERMINGTON PRODUCTIVITY MATRIX -EXAMPLE-

MEASURE: ABSENTEESIM

---

Who collects information: To be agreed

Matrix team members & responsibility:

Information comes from: 1. Sick Leave Hours: Payroll  
2. Total Number of Employees: EBA members

Units of Measure: Paid sick leave hours per employee

Definition: Total number of sick leave hours divided by Total number of employees

Explanation:

Sick leave Hours: Paid sick leave hours

Not included: Annual Leave, Workers Compensation, Long Service Leave, RDO's, Days off without pay

Number of employees: EBA members

Formula used to determine number of employees

Total normal hours divided by Average employee hours per year

Normal hours: Normal hours worked excluding overtime

Average employee hours per year = 201 days x 8.22 hrs per

## EXAMPLE ONLY

Sick leave hours = 246

Number of employees = 121

Paid sick leave hrs per employee = 2.03

Reduce sick leave hrs to 105

Paid sick leave hrs per employee = 0.87



# ERMINGTON PRODUCTIVITY MATRIX -EXAMPLE-

## MEASURE: PACKAGING MATERIAL WASTAGE

---

Who collects information: To be agreed

Matrix team members & responsibility:

Information comes from: Packaging Tickets & BPCS

Units of Measure: Percentage

Definition: Total number of materials that should have been used divided by the Actual usage expressed as a percentage

Explanation: Packaging materials include all materials used to pack product .  
eg Bottles, Caps, Cartons, Labels, Leaflets, Tubes, Foil, PVC, Shippers etc

### EXAMPLE ONLY

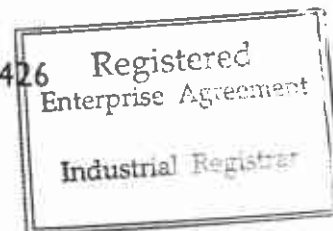
Packaging material that should have been used = 4646426

Actual usage = 48421541

Wastage = 4.08%

Reduce Actual usage to 47421541

Wastage = 2.06%



## MEASURE: SAFETY

---

Who collects information: To be agreed

Matrix team members & responsibility:

Information comes from: 1. Normal & Overtime Hours: Payroll  
2. Lost time incidents : EHS Manager

Units of Measure: Safety Frequency Rate

Definition: Lost time incidents divided by Normal plus Overtime hours multiplied by 200000

Explanation:

Lost time incidents: An accident that requires an employee to be absent from work for 4hrs or more

Normal hours: Normal payroll hours

Not Included: Sick Leave, Annual Leave, Workers Compensation, Long Service Leave, RDO's, Days off without pay

Overtime hours: Overtime hours worked NOT hours paid

### EXAMPLE ONLY

Incidents = 3

- x 200000 = 2.02 Safety Frequency Rate

Hours = 296757

Reduce to 2 incidents then Safety Frequency Rate = 1.35



■ ANNEXURE O ■

# SAFETY/GMP NON CONFORMANCE

## SAFETY/GMP NON CONFORMANCE REPORT (Circle One)

This agreement establishes a range of employee rights but the agreement also establishes employee responsibilities. Employees are responsible for the detection and, wherever safe, legal and logical the correction of GMP and OHS non conformances. This form provides the system for employees to action GMP and OHS problems.

In the event that a GMP/OHS non conformance is not actioned and corrected in the agreed time frame then that non conformance becomes an action item on the relevant Quality Council/Risk management meeting.

Name (Print) \_\_\_\_\_ Area (Circle One) : QA/QC/W'House/Liquids/Solids/Toothpaste/Distribution

Shift (Circle One) : Day/Afternoon/Night      Date of Finding: \_\_\_\_\_

**DISTRIBUTION:**

White: GMP Compliance Officer/OHS Manager

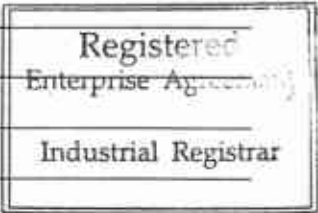
Pink: Initially kept by Teams. Forwarded to GMP Compliance Officer/OHS Manager

Blue: Initially kept by Resource. Forwarded to GMP Compliance Officer/OHS Manager

i) Describe Safety/GMP Non Conformance "What is the problem"

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Where: \_\_\_\_\_



ii) Can the issue be fixed immediately? Yes/No (Circle One)

If "yes" complete "Final decision" and forward to GMP Compliance Officer/OHS Manager

iii) To whom Reported to? (Circle One)

GMP Compliance Officer/OHS Manager/Facilitator/Ops Manager/Engineering/QA/Other: \_\_\_\_\_

iv) Priority (to be discussed with Resource/Facilitator/QA/OHS Manager)

High - Immediate Action

Med - 1 Day to 1 Week

Low - 1 Week to 1 Month

Agreed Date for completion: \_\_\_\_\_

v) Final Decision

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed \_\_\_\_\_

# DECLARATION OF AWARD

## A. DECLARATION

This Enterprise Agreement has been negotiated through extensive consultation between the Company, the Unions and the Employees. The content of the Agreement has been canvassed with all parties. All parties are entering into this Agreement with full knowledge as the content and effect of the document.

The Parties declare that this Agreement:

- (a) Is not contrary to public interest;
- (b) Is not unfair, harsh or unconscionable;
- (c) Was at no stage entered into under duress, and;
- (e) Reflects the interests and desires of the parties.

## B. SIGNATORIES

This certified Agreement is made at Ermington, NSW on this

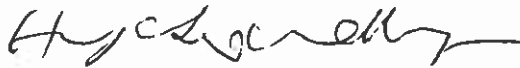
17<sup>TH</sup> day of NOVEMBER 1998.

Signed for and on behalf of  
SMITHKLINE BEECHAM  
INTERNATIONAL



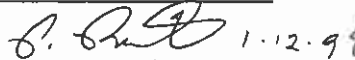
MICHAEL TYLER - OPERATIONS DIRECTOR  
SB ERMINGTON

In the presence of



HUGH LEWELLYN - HUMAN RESOURCES  
MANAGER  
SB ERMINGTON

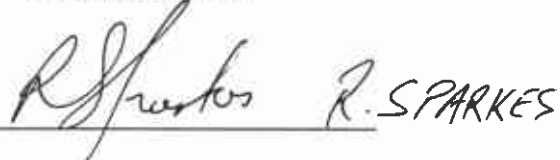
Signed for and on Behalf of  
the SHOP, DISTRIBUTIVE  
AND ALLIED EMPLOYEES'  
ASSOCIATION

 1/12/98 1.12.98

In the presence of



Signed for and on Behalf of R. K. COLLISON  
SECRETARY  
the AUSTRALIAN WORKERS UNION

 R. SPARKES

In the presence of

