

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA04/296

TITLE: Jurox Pty Ltd Factory and Warehouse Agreement 2004

I.R.C. NO: IRC4/4983

DATE APPROVED/COMMENCEMENT: 23 September 2004/16 June 2004

TERM: 24 months

**NEW AGREEMENT OR
VARIATION:** Replaces EA01/214

GAZETTAL REFERENCE: 19 November 2004

DATE TERMINATED:

NUMBER OF PAGES: 4

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees employed by Jurox Pty Ltd, located at 85, Gardiners Road, Rutherford NSW 2320, who fall within the coverage of the Drug Factories (State) Employees Award and the Drug Warehouse (State) Employees Award

PARTIES: Jurox Pty Limited -&- The Australian Workers' Union, New South Wales

JUROX PTY LTD FACTORY AND WAREHOUSE AGREEMENT 2004

1. The Parties to the Agreement

This Agreement represents the third Agreement between Jurox Pty Ltd as the enterprise (hereafter called "JUROX"), the Australian Workers Union (hereafter called "AWU"), and the Factory and Warehouse Employees of Jurox. This Agreement will be applicable to the JUROX premises (hereafter called "the site") at 85 Gardiners Road, Rutherford, NSW.

The Agreement is made in accordance with:

- (a) The provisions of sections 32-47 of the *Industrial Relations Act* 1996, and
- (b) The principles for approving Enterprise Agreements as provided by Section 33 of the Act, and
- (c) Section 8 of the Drug Factories (State) Award, and
- (d) Section 18 of the Warehouse Employees - Drug (State) Award

2. The Objective

It is intended that this Agreement will continue to partially replace the two Awards covering the site, ie - The Drug Factories (State) Award, and The Warehouse Employees - Drug (State) Award. Apart from the clauses specified in this Agreement, all other clauses of the two aforementioned Awards will apply.

The core of this Agreement evolves around a Skills Acknowledgment System (hereafter called "SAS"). The SAS has been designed in consultation with Jurox Employees and Managers.

3. The Skills Acknowledgement System - SAS

The major skills required in the Factory and Warehouse have been listed as skills and assigned "available points". These range from 2 - 100 and have been allocated based on the following criteria: skill/task difficulty/complexity, skill/task responsibility, and equipment used. The skills list has been updated from last Agreement to ensure that new equipment and skills are properly reflected. The skills list, while not exhaustive, is accurate at the time of the Agreement.

The SAS involves available points (see SAS as attached) which will be converted to credit points upon competency levels being assessed and determined for each skill. The credit points are accumulated by an Employee to produce a total credit point tally. This will then relate to one of the seven wage levels as described in part 5.

Each wage level corresponds to a band of accumulated points. An Employee whose credit point tally lies within one of the seven bands becomes eligible for the corresponding wage.

The SAS in summary:

- (a) Remuneration - The SAS will contain seven wage levels, with competency within each level rated skill by skill.
- (b) Job Rotation - The SAS allows for all listed skills to be acknowledged progressively (at review time each January and July), regardless of which Factory area they exist in or the order under which an Operator progresses. The SAS also accommodates the notion of matching an individual's ability to the job functions they are more proficient in, and an Operator must be actively working in an area (at least every 6 months) to retain rated credited points. Under this Agreement, if an employee does not remain active in an area, an 'expert' rating (if achieved for that area) would be re-assessed to a 'competent' rating after 6 months, and then further re-assessed to a 'developing' rating after another 6 months which would then be maintained. If an Employee is currently rated as 'competent', then they will be re-assessed to a 'developing' rating after 6 months which would be maintained. This will acknowledge

skills previously obtained, but also acknowledge that the skills will need to be re-evaluated to cover changes in procedures and equipment over time.

- (c) Skills Acknowledged and Rated - The SAS will now allow for each listed skill to be rated as Developing, Competent and Expert. Available Points will be multiplied by a factor of 1 for a skill that is assessed as Developing, by 2 for a skill that is assessed as Competent, and by 3 for a skill that is assessed as Expert. The definitions of Developing, Competent and Expert are listed below.

Developing (APx1) - Experience is basic and is developing towards competent skill level	Competent (APx2) - Experienced enough to be proficient in most aspects of required skill level	Expert (APx3) - Advanced skill level, very proficient. Able and prepared to train others to competent
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- (d) Incentive to Progress - The SAS provides an in-depth and flexible platform from which an individual may enhance their skill set to enable movement into higher wage levels. The credited points attainable by all current Employees over time are dependant upon their personal objectives and determination.

4. The Period of the Agreement

The Commencement date of the Agreement is 16th June, 2004.

The Expiry date of the Agreement is 15th June 2006, with an option to extend this Agreement by a further year to 15th June 2007. This option must be nominated as accepted in writing by 15th January 2006.

The Term of the Agreement is 2 years (with an option for a 3rd year).

5. The SAS Remuneration (Wage Rates) During the Period of This Agreement (Unless Award Rates Become Higher Than Any Wage Rate During the Period)

Wage Level	Credit Points Accumulated	Wage Rate from 16th June 2004	Wage Rate from 16th June 2005	Wage Rate from 16th June 2006 (if 3rd year option accepted)
Level 1	0 - 199	\$26,052	\$26,834	\$27,639
Level 2	200 - 299	\$27,745	\$28,577	\$29,435
Level 3	300 - 399	\$29,548	\$30,434	\$31,347
Level 4	400 - 499	\$31,469	\$32,413	\$33,385
Level 5	500 - 599	\$33,514	\$34,519	\$35,555
Level 6	600 - 699	\$35,692	\$36,763	\$37,866
Level 7	700+	\$38,012	\$39,152	\$40,327

There is a 6.5% differential between each Wage Level as per above table.

All Employees subject to this Agreement will continue to receive the benefit of a Wage Protection Insurance Scheme, at a cost to Jurox of approximately 1% of Gross Wage. A number of Schemes will be assessed during 2004 to ensure that the best cover is obtained.

Should any Employee be made redundant during the term of this Agreement, Jurox will abide by Clause 10 (Redundancy) of the Drug Factories (State) Award and Clause 8 (Redundancy) of the Warehouse Employees - Drug (State) Award, where Application, Introduction of Change, Redundancy, Termination of Employment and Severance Pay are referenced.

6. Wage Rates, Working Hours and Review During the Period of This Agreement

Reviews will be conducted through January and July while this Agreement is in force. The review will not only reassess skill competency (to allow a wage level to be calculated), but it will also allow discussion and feedback between each Employee and their immediate Manager. Employees immediate Supervisor or Manager will conduct the review.

The Wage Rates as presented in the above table will be applied at the listed date for each level over the term of the Agreement.

Furthermore, those Employees who move wage levels via credit point recalculation at review times, and thus warrant a move in wage level, will be moved to their new wage level each 30th January and 30th July.

Currently, the 38 hour week is worked to generate one Company nominated RDO per month for the Formulations and Packaging areas. This will continue, and will apply to the Warehouse Employees also - new to this Agreement. (The Warehouse Employees will have staggered RDO days to enable the Warehouse to still operate 5 days per week - the RDO days for each Warehouse Employee will be nominated by the Company in conjunction with the Employee with consideration given to the needs of the area).

Should both Jurox and the Employees wish to modify the current work hours, the work hours may be modified by mutual consent during the period of this Agreement (eg- a 9 day fortnight, or other arrangement, may be considered and deemed more attractive to both Jurox and Employees after discussions).

7. Adjudication of Skills Assessed and Review Time

Employees will attain credit points for each skill after each skill has been assessed. In all cases, these are determined by the Employees immediate Managers at review time.

Once credit points have been granted, Employees are to actively maintain their competency levels and knowledge in each skill. Skills will be randomly checked/tested at review time to ensure that skill competency is accurately reflected. If competency levels have fallen, a re-training program will be initiated.

Should an Employee no longer be capable of a particular skill due to medical reasons, they are required to give suitable verification. Upon endorsement, their credit points will be removed and they are no longer under obligation to continue that skill. However, the Employee is obligated to pick-up the removed credit points in alternate skills before the next review period if the wage level is to be maintained.

In the event of a disputed review, a committee of two people will be formed, comprising the Organiser from the AWU and the Manufacturing Manager of Jurox. An investigation will be carried out by the committee to determine the fairness of assessment. Reasonable time will be allowed for discussion, and normal work will continue while the procedure is in progress.

8. Job Rotation and Skill Interpretation

To ensure the viability of the Company during seasonal (summer/winter product ranges) and unseasoned events (drought/floods) as well as unforeseen circumstances (sick leave, termination of employment, holiday leave, etc), Employees are required to maintain a degree of flexibility in the "Factory". The "Factory" is defined as the Packaging, Manufacturing (Formulation) and Warehouse departments, including like tasks in bulk liquids. In regards to workplace flexibility, Factory Employees will also need to consider the Company's requirements and policies.

Where an Employee mis-interprets or requires clarification of skills listed under the SAS, the Manufacturing Manager will provide an explanation (of the skill item in question) to the Employee. The Organiser of the AWU will be notified if the explanation is not to the Employees satisfaction. Whilst this procedure is taking place, normal work will continue.

9. Parts of the SAS Explained

Concept of 'Previous Pharmaceutical Experience' as cited in the SAS

Credit points will be acknowledged in advance to attract new Employees with relevant pharmaceutical experience. These credit points will not accumulate, are temporary, and will be absorbed as the new Employee learns skills in the acknowledged area. This will prevent new Employees as acknowledged with previous experience from maintaining an unfair advantage over current Employees who can demonstrate an equivalent level of skill.

Classification of Skills

The skills listed in the SAS have been classified into various categories to best reflect the needs of each area. Different areas have different focuses and skill requirements. GMP aspects have been referenced in many of the skills as they are essential in establishing and maintaining 'Good Manufacturing Practices' in the Factory environment.

Accumulation of skill credit points and training intentions

The SAS has been designed to ensure that Employees are able to move to the higher levels of the Wage Rate structure.

Due to available credit points for each skill being doubled for a "competent" assessment or tripled for an "expert" assessment, skill development can be rewarded in each particular area without the need for an Operator to have to work in every area of the Factory to progress in Wage Level. This is a new feature, with the intention being to potentially allow an Employees' wage to increase while decreasing the need to rotate through every work area (which is impractical for both Employees and Jurox in the longer term).

Jurox Skills Acknowledgement System (SAS) forms part of this document - see attached.

Signed for and on behalf of Jurox Pty Limited

Date:

Witness

Signed for and on behalf of Australian Workers Union, Newcastle, Central Coast, And Northern Regions Branch

Date:

Witness