

ENTERPRISE AGREEMENT

NO. EA 98/123
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DATE REGISTERED 17-3-98
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PRICE \$ 36-00
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REGISTER OF
ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA98/123

TITLE: Sigma New South Wales Enterprise Improvement Agreement 1997

I.R.C. NO: 98/786

DATE APPROVED/COMMENCEMENT: 1 May 1997

TERM: 31 January 1999

NEW AGREEMENT OR
VARIATION: New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 18

COVERAGE/DESCRIPTION OF

EMPLOYEES: Employees engaged under the Clerks (State) Award and the Storemen and Packers, General (State) Award

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





**NEW SOUTH WALES
INDUSTRIAL RELATIONS COMMISSION**

Industrial Relations Act 1996



FEDERATED CLERKS UNION - NSW BRANCH

and

NATIONAL UNION of WORKERS - NSW BRANCH

and

SIGMA COMPANY LIMITED - PHARMACY SERVICES DIVISION (NSW)

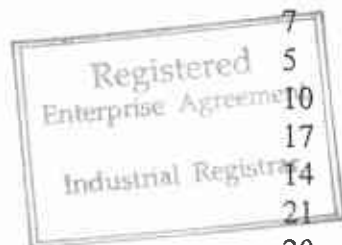
ENTERPRISE AGREEMENT

1. TITLE

This Agreement shall be known as the Sigma NSW Enterprise Improvement Agreement 1997.

2. ARRANGEMENT

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3. APPLICATION

This Agreement shall apply to all employees of Sigma New South Wales who are bound by the terms of the Clerks (NSW) Award and the Storeman and Packers General (NSW) Award

4. PARTIES BOUND

- * Sigma Company Limited - Pharmacy Services Division (NSW) and its employees at Newcastle & Wetherill Park
- * Federated Clerks Union - NSW Branch
- * National Union of Workers - NSW Branch

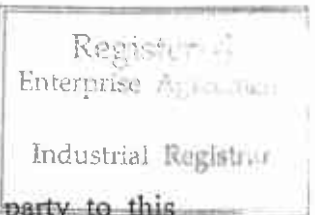
5. DATE AND PERIOD OF OPERATION

This Agreement shall operate from the beginning of the first full pay period on or after the 1 May 1997 and it will remain in force until the 31 January 1999.

Three months prior to the expiry date of the Agreement, discussions between the Company and the Unions will commence to determine an appropriate course of action with respect to the Agreement.

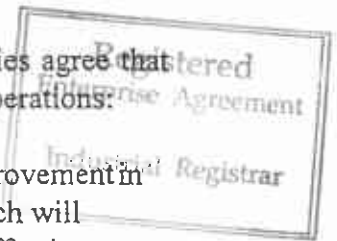
6. AIMS AND OBJECTIVES

The Company management, employees and Unions who are party to this Agreement aim to achieve the following objectives through the development of a "Best Practice" agreement :



- 6.1 The quality of goods and service offered by Sigma New South Wales will become a benchmark for wholesaling and distribution of pharmaceutical products in Australia
- 6.2 The Company has developed a management style based on the empowerment and involvement of its employees.
- 6.3 The objectives of this Agreement are :
 - 6.3.1 To establish profitable and enduring Enterprises through the effective and efficient provision of high quality goods and services for the benefit of the employees, the shareholders, the Company's customers and the Community
 - 6.3.2 To develop a workforce with the skills to enable the Company to provide goods and services of consistent high quality in order to help expand the Enterprise's opportunity
 - 6.3.3 To adopt a skill based pay system with competency standards, that establishes a career path for employees
- 6.4 The Company and the Unions acknowledge that an essential factor in achieving these objectives is the development and maintenance of harmonious and productive working relationships between all employees, management and the Company, so as to ensure that employees are committed to their jobs and to the success of the Enterprise. The parties agree that the achievement of these working relations and commitments requires :
 - 6.4.1 that employees be involved in the making of decisions in their work area
 - 6.4.2 that employees have the opportunity to achieve their full potential within the context of the Enterprise

- 6.4.3 that employees benefit from the success of their efforts
- 6.4.4 the willingness of employees in consultation with management to accept flexibility of jobs and duties, subject to agreed Training and Occupational Health And Safety procedures
- 6.5 To ensure the meeting of objectives of this Agreement, the parties agree that the following measures form an integral part of the Company's operations:
- 6.5.1 The Company and its employees will constantly seek improvement in safety, work organisation, quality and any other areas which will enhance the quality of the working environment and the effectiveness of the Company's operations
- 6.5.2 The avoidance of any action which disrupts or impedes delivery of goods and services by the prompt resolution of employee concerns through effective communication and the agreed processes of consultation in accordance with Clause 7 of this Agreement.
- 6.5.3 The training and development of employees to ensure that they have the opportunity to achieve their potential within the Enterprise and meet the changing needs of the Enterprise
- 6.5.4 The undertaking of work in an agreed flexible and efficient manner
- 6.5.5 The development of working relationships between employees and management to promote mutual trust, open communication of relevant information and ideas and co-operation generally
- 6.5.6 The maintenance of agreed and acceptable standards of conduct and attendance necessary to ensure safe and efficient operations
- 6.5.7 The implementation of a skill-based system of remuneration which gives encouragement to employees to improve their skills, abilities and performance in line with the operational needs of the Enterprise
- 6.5.8 The Consultative Committee will develop a disciplinary action procedure.



7. CONSULTATIVE COMMITTEE

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

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

7.2.1 Six (6) elected employees, who are members of the Unions, representing each of the following areas of the business:

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



7.2.2 Two (2) management representatives

7.3 The Committee has developed its own constitution (see Appendix A).

8. TRADE UNION TRAINING LEAVE

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

9. SICK LEAVE

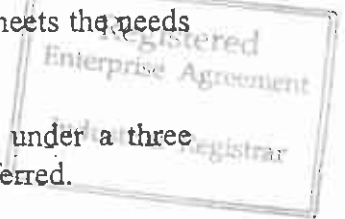
Effective from the date of this agreement any employee taking one day only for sick leave will not be required to provide a medical certificate to prove an illness. Any period of sick leave greater than one day will require a medical certificate for sick leave to be paid from any current accrual of the particular employee.

10. EMPLOYMENT STATUS

Effective from the date of this agreement a new employment status of Permanent Part-Time will be established. A number of changes in the employment relationship will be effected by this new status as follows:

10.1 Permanent Part-Time status will be applicable to an employee that is employed to work more than 20 hours per week but less than the equivalent Permanent

- Full-Time employees hours of 38. To be considered as Permanent Part-Time an employee must have completed a three month probationary period from the commencement of their employment with Sigma.
- 10.2 All existing employees with greater than 3 months continuous service will be offered to move to either Permanent Full-Time or Permanent Part-Time status from 1 July 1997. Each employee will have 3 months from 1 July 1997 to accept the offer of permanent status. If an employee does not accept the offer to move to Permanent status within the three month period they will assume Permanent status from 1 October 1997. Any employee with a Permanent Part-Time status may have their working hours varied up or down by no greater than 20%, providing at least 14 days notice in writing is provided to the employee.
- 10.3 By mutual agreement employees will be permitted to move from Permanent Full-Time to Permanent Part-Time status, and visa versa, if it meets the needs of both Sigma and the employee involved.
- 10.4 All new employees commencing with Sigma will be placed under a three month probationary period before permanent status may be conferred.
- 10.5 Effective from the date of this agreement, all employees will be paid as adults. That is, no employee will be subject to junior rates of pay.



11. OCCUPATIONAL HEALTH AND SAFETY

The parties recognise that Sigma places safety ahead of all other aspects of its operation and supports the following:

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

12. QUALITY

The parties acknowledge the need to achieve, maintain and to seek continuous improvement in the quality system accredited to ISO9002. Management and employees accept the need to co operate to achieve accreditation and to review and improve procedures and work instructions, where applicable.

13. RELATIONSHIP TO AWARD

This Agreement shall be read and interpreted wholly in conjunction with the Clerks (NSW) Award and the Storeman and Packers General (NSW) Award provided that where there is inconsistency between this Agreement and the Awards, this Agreement shall take precedence.

14. NATIONAL STANDARDS

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

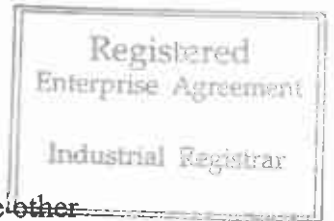


15. AVOIDANCE OF INDUSTRIAL DISPUTES

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

- (a) In order to allow for the peaceful resolution of the dispute, claim or grievance the parties are not to participate in or be responsible for stoppages of work, lockouts or any other bans or limitations on the performance of work while the procedures of negotiation and conciliation as detailed herein are being followed.
- (b) In the event of an employee having a grievance or dispute the employee shall in the first instance attempt to resolve the matter with the immediate supervisor who shall respond to such request as soon as reasonably practicable under the circumstances.
- (c) Should the dispute, claim or grievance remain unresolved the employee may refer the matter to his/her representative who shall attempt to resolve the matter with the relevant supervisor.
- (d) Should the dispute, claim or grievance remain unresolved the Union representative shall consult with site management in order to resolve the matter.
- (e) Should the dispute, claim or grievance remain unresolved the Union representative shall consult with an official of the Union who shall discuss the matter with an appropriate representative of the Company.
- (f) If any matter remains unresolved either party may submit the matter to the Industrial Relations Commission for resolution through conciliation and arbitration.

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



16. WAGE INCREASES

In accordance with the commitment of the Parties to establish a "Best Practice" agreement, it is important that wage increases agreed assist in the establishment of benchmarks in the areas of :

- productivity and efficiency, and
- skill based pay systems with appropriate award relativities and linked to competency standards.

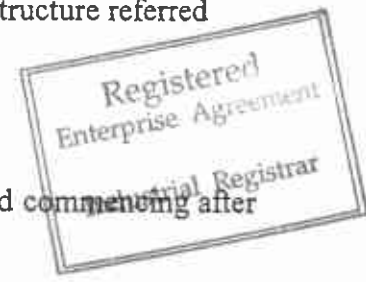
Wage increases during the life of this Agreement shall be applied in three stages.

Stage 1:

A 5% wage increase, to be applied from 1st May 1997 for employees with relevant coverage via the National Union of Workers, and a 5% wage increase, to be applied from 1 September 1997 for employees with relevant coverage via the Federated Clerk Union, will be paid for

- (a) the development of a Disciplinary Action Procedure by 31 July 1997.
- (b) cooperation in establishing quality systems that will enhance continuous improvement referred to in Clause 10 of this agreement.
- (c) the establishment of a Worksite Induction & Code of Practice Procedure Manual by 31 July 1997 that will have coverage over all existing and future employees referred to in Clause 4 of this agreement.
- (d) the establishment of an employee Absenteeism Management System by 30 September 1997.

- (e) a commitment to establishing a skill-based pay system at Sigma. This system will be known as the Sigma Classification Structure referred to in Clause 22 of this Agreement.



Stage 2:

A 2% wage increase, to be applied from the first pay period commencing after 1 February 1998, will be paid for

- (a) the Sigma NSW Consultative Committee developing and testing a Productivity Management System.

Stage 3:

A 2% wage increase, to be applied from the first pay period commencing after 1 September 1998, will be paid for

- (a) the agreement and implementation of a Productivity Management System.

It is envisaged by the parties that in any future Enterprise Agreement one third of all wage increases will be directly linked and dependent upon the achievement of agreed pre-determined productivity indicators as detailed in the Productivity Management System.

17. HOURS OF WORK

- 17.1 The ordinary working hours for employees covered by this agreement shall be 38 hours per week, worked between 6.00am and 5.00pm Monday to Friday. All time worked outside the spread of ordinary hours shall be overtime and paid in accordance with the overtime provisions of the relevant Parent Awards.
- 17.2 Provision for "banking" of RDO for up to 5 days per. RDO to be banked by mutual agreement between individual employee and their immediate supervisor.

18. PERSONAL / CARERS LEAVE

An employee who has been in the employment of the Company in a permanent position for a period of not less than three months shall be entitled to salary continuance for a period of absence due to illness/personal injury of themselves or their immediate family (see definition of immediate family) which is not work related not exceeding five days of working time in the first year and eight days in the second year and subsequent years of employment, subject to the following conditions :

- 18.1 The employee shall inform the Company and specifically his/her supervisor, of his/her inability to attend for the rostered time;

In order to secure proper coverage for such absence, the employee should state the nature of the injury/illness and the estimated duration of absence.

- 18.2 The entitlement to use sick leave for the purpose of caring for another is subject to:

(i) the employee being responsible for the care of the person concerned;
and

(ii) the person concerned being either:
- a member of the employee's immediate family; or
- a member of the employee's household.

(iii) the term "immediate family" includes:

(a) a spouse (including a former spouse, a de facto spouse and a former de facto spouse) of the employee; and

(b) an adult child (including an adopted child, a step child or an ex-nuptial child), parent, grandparent, grandchild or sibling of the employee or spouse of the employee.

- 18.3 An employee shall, if required by the Company, prove to the satisfaction of the Company by statutory declaration or by medical certificate, that he/she was unable on account of personal illness or injury or the illness or injury of the person requiring care, to attend for work on that day or days for which the employee claims to be entitled to such leave of absence.

19: REDUNDANCY PROVISIONS

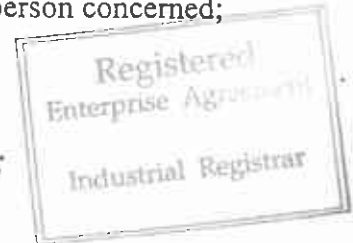
The parties agree to the redundancy provisions reference in Appendix B

20. NOT TO BE USED AS A PRECEDENT

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

21. NO EXTRA WAGE CLAIMS

It is agreed that no extra wage claims will be made against the Company during the life of the Agreement, on issues contained or pertaining to this Agreement.



22. CLASSIFICATION STRUCTURE

A Sigma classification structure for all employees in NSW will be developed through the Consultative Committee and completed by 30 November 1997.

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

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

New classification structures, together with the acquisition of skills at all levels will lead to a multi-skilled, flexible workforce that is capable of delivering desired productivity and efficiency improvements.

- (a) The structure will be subject to further amendment regarding changes to :
- * the industry sector relating to the functions and operations of Sigma
 - * the National Warehousing and Distribution Competency Standards,
 - * the National Clerical and Administrative (Private Sector) competency standards
 - * the National Competencies for Teleworking
 - * ISO9002 quality standards
 - * input from the Consultative Committee
- (b) The Consultative Committee will determine an agreed transition process from the old to the new classification structure.



The framework for the translation process will include:

- (a) Employees are to be classified according to their skills and paid accordingly. No employee shall suffer a decrease in wages as a result of the transfer to the new classification structure;
- (b) Where an employee is paid above the rate applicable to a person of his/her skill level, such employees will be given "catch up" training necessary to qualify them for the higher classification wherever possible.

23. COMPETENCY ASSESSMENT / PERFORMANCE APPRAISAL

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

24. RENEWAL OF AGREEMENT

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



**Sigma Company Limited - Pharmacy Services Division (NSW)
Enterprise Improvement Agreement 1997**

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

Sigma Company Limited

Name : *ANTHONY MURRAY GLOVER*
Title : *OPERATIONS MANAGER - NSW*

Signature : *[Signature]*

Date : *17.11.97*



National Union of Workers
NSW BRANCH

Name :
Title :

Signature : *[Signature]*

Date : *8.12.97*

Federated Clerks Union of
*Australia, New South
Wales Branch.*

Name :
Title :

Signature : *[Signature]*

Date : *17.12.97*

GUIDELINES FOR CONSULTATIVE COMMITTEE

Name: Sigma New South Wales Consultative Committee

Purpose: The aim of the Sigma New South Wales Consultative Committee is to increase job security through the continual improvement in the efficiency and effectiveness of our service and quality, which will lead to improved workplace relations for all. This will be enhanced by the monitoring and maintenance of an Enterprise Agreement.

Terms of Reference:

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



Composition / Structure:

Committee consists of 8 members

The composition for this committee makes sure there is representation from the following areas:

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

Representation in this area means members of the Committee have knowledge of the areas concerned.

Term of Office:

Workforce representatives will be elected by the workforce, and Management representatives will be elected by Management.

Term of office should be 12 months duration.

Quorum:

Quorum should consist of at least 4 workfloor representatives and 1 Management representative.

Meetings:

Meetings will be held on the second Wednesday of every month at 11.00am, or as required. Meetings will be held in the Board Room at Wetherill Park, and be of approximately 2 hours duration.

Agenda:

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

Minutes:



A minute recorder will be selected from the Committee Members.

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

Minutes will be reviewed by the Chairperson, distributed to each Committee Member and posted on notice boards within 3 working days following the conclusion of the meeting.

Role of the Chairperson:

The Chairperson will be elected by and from the Committee. The role and responsibility of the Chairperson will be:

- Chair the meeting
- Review minutes
- Book the venue available
- Ensure agenda is prepared and distributed a

minimum of 3 days prior to scheduled meeting.

- Ensure meeting is progressing and agenda items are covered within a reasonable amount of time.

Decision Making Progress:

All recommendations from this Committee will be made by consensus.

Training:

The Company will provide the necessary training for Consultative Committee representatives.

Key Performance Indicators:

The Committee within the first 3 months of its commencement will establish Key Performance Indicators to measure the effectiveness of the Committee.

Rights and Responsibilities of Member:

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

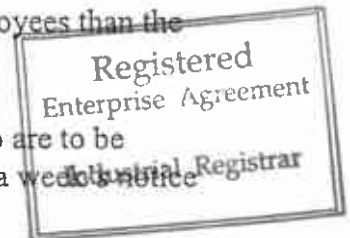


APPENDIX "B" - Redundancy Agreement

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

Years of Service	Loading
10-15 years	5%
16 years	6%
17 years	7%
18 years	8%

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



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

Any employee that has had their employment status changed from casual to permanent part time or permanent full time from 1.10.96 to 31.7.97 will have their original commencement date recognised for calculation of years of service under this appendix.



10. In the case of retrenchments under this Agreement, retrenchments will be made firstly on the basis of voluntary redundancy when the Company will call for volunteers, and then on the basis of the Company retrenching casual employees, then on the basis of permanent part time employees who will be selected on the basis of "first on last off". Both the Company and the Union will be at liberty to refer any problems with this formula to the Consultative Committee for discussion.