

ENTERPRISE AGREEMENT

NO: E.A. 407 1994

DATE REGISTERED: 14-10-94

PRICE: \$ 102.00

**The Boots Company (Australia) Pty Ltd**

**PRODUCTION**

**AND**

**QUALITY ASSURANCE**

**AGREEMENT**

# TABLE OF CONTENTS

<b>CLAUSE NO.</b>	<b>SUBJECT</b>	<b>PAGE</b>
1	Title of Agreement	1
2	Intention of Agreement	1
3	Term of Agreement	2
4	Coverage	2
5	Duress	2
6	Terms of Engagement	2
7	Mutual Agreement	3
8	Reward Systems	3
9	Classification Structure	3-4
10	Performance Appraisal	4
11	Key Performance Indicators	4-5
12	Work Teams	5
13	Training and Development	5
14	Occupational Health & Safety	6
15	Workers Compensation	6
16	Quality Customer Service	6
17	Equal Employment Opportunity	7
18	Confidentiality	7
19	Problem Resolution Procedure	7
20	Corrective Action	7
21	Termination of Employment	7
22	Company Objectives	8

**CLAUSE NO.****SUBJECT****PAGE**

23	Salary Packaging	8-9
24	Payment of Salary	9
25	Hours of Work	9-10
26	Flexibility & RDO'S	10
27	Public Holidays	10-11
28	Annual Leave	11
29	Long Service Leave	11
30	Parental Leave	11
31	Compassionate Leave	11
32	Personal Business Leave	12
33	Sick Leave	12-13
34	Jury Service Leave	13
35	Study Leave	13
36	Superannuation	13
37	Profit Earning Bonus	13
38	Rest period after overtime	14
39	Transport after Overtime	14
40	Call Back	14
41	Meal Breaks	14
42	Redundancy Provisions	15-16
43	Uniforms	16
44	Union Relationships	17

## **APPENDICES**

- A            COMPANY MISSION STATEMENT**
  
- B1           APMA COMPETENCY STANDARDS OVERVIEW**
  
- B2           APMA COMPETENCY STANDARDS LEVELS AND UNITS**
  
- C            PERFORMANCE APPRAISAL SYSTEM**
  
- D            WAGES SCHEDULE**
  
- E            TASKS PERFORMED BY CLASSIFICATION**
  
- F            PARENTAL LEAVE PROVISIONS**
  - \* MATERNITY LEAVE**
  - \* PATERNITY LEAVE**
  - \* ADOPTION LEAVE**
  - \* PART-TIME EMPLOYMENT**
  
- G            PROBLEM RESOLUTION PROCEDURE**
  
- H            CORRECTIVE ACTION PROCEDURE**
  
- I            INCREASES FOR AGREEMENT**
  
- J            DUST ALLOWANCE**

## 1. TITLE OF AGREEMENT

This Agreement will be known as The Boots Company (Australia) Pty Ltd, Production and Quality Assurance Agreement.

The signatories to this Agreement are, The Boots Company (Australia) Pty Ltd and The N.S.W. branch of The Australian Workers Union in consultation with the consultative committee.

## 2. INTENTION OF AGREEMENT

This Agreement has been reached through consultation with Boots employees and The N.S.W. Branch of the Australian Workers Union, and reflects an ongoing commitment to implement change via consultation.

*This Agreement reflects our commitment to the following:*

- \* To work as a team to enhance the quality of working life for all employees by ensuring the profitable, efficient and ongoing operations of the business.
- \* To accept and adopt the philosophy and practice of "Continuous Improvement".
- \* To assist in the implementation of The Company's strategic plan and objectives, associated with "Value Based Management" principles. (Refer Appendix A).
- \* To enhance employee job satisfaction and provide competitive employee benefits and reward systems that recognise employee contributions to the success of the business.
- \* To develop and maintain a company culture based on trust, that encourages teamwork, employee involvement, and an innovative work approach to the way the business is run.
- \* To undertake continuous training and development in order to create a highly competent and flexible workforce capable of moving with changes that occur in the workplace and in the business.
- \* To keep employee relations at a positive level through the problem resolution procedure contained in this Agreement, ensuring any problem is handled in a timely and fair manner without disruption to the business.
- \* That we acknowledge the need to become further multi-skilled, ensuring all employees are prepared to undertake a broad range of jobs, independent of status, function or position, provided that the work is within the employees ability and can be performed safely.

This Agreement will become one of three registered agreements covering various occupational groups within The Company. It is intended this Agreement form the basis for a future single site agreement, or separate like agreements to the effect of one agreement.

### **3. TERM OF AGREEMENT**

This Agreement shall apply from the date of registration for a period of 12 months.

The rates of pay contained in Appendix D and arrangements concerning agreement increases (Appendix I), annualised salary and fortnightly pay contained in clauses 23 and 24 of this agreement take effect on and from the date of registration. Employees covered by this agreement at the date of registration will be paid the rate of pay and percentage increase in accordance with that in Appendix D and Appendix I from April 1, 1994 and the arrangements contained in clauses 23 and 24 from (4th) July 1994 or the date of employment, whichever is the later.

### **4. COVERAGE**

This Agreement covers employees in the following departments:

- \* Packaging
- \* Manufacturing
- \* Quality Assurance

and replaces all provisions of the Drug Factories (State) Award, New South Wales or any other Award that may apply to those employees covered by this Agreement.

A wages schedule and an outline of the main tasks performed by the employees covered by this agreement is shown at Appendix D.

All employees covered by this agreement are located at 21 Loyalty Road, NORTH ROCKS, NSW, 2151.

### **5. DURESS**

This Agreement was not entered into under duress by any party to it.

### **6. TERMS OF ENGAGEMENT**

The terms and conditions of employment of employees in the above mentioned departments employed by The Boots Company (Australia) Pty Ltd, will be governed by this Enterprise Agreement as of the date of its registration.

## 7. MUTUAL AGREEMENT

Throughout this agreement the term "Mutual Agreement" is used. Mutual agreement can relate to an agreement between a group of employees and the company or an agreement between an individual employee and the company. The parties to this agreement define mutual agreement as follows:-

- \* Where an issue relates to a group of employees mutual agreement is defined as a 65% majority decision between a group of employees and the company or;
- \* Where an issue relates to an individual, mutual agreement is defined as an agreement between an individual employee and the company that is satisfactory to both parties.

## 8. REWARD SYSTEMS

Employees will be remunerated and rewarded for their contributions and achievements under three related systems. Two of these systems are dependant on individual performance, the third dependant on team/department performance.

These three systems are listed below and explained in further detail in separate clauses of this Agreement.

1. **Classification Structures** - Dependant on individual **SKILL** levels. Determines **salary**.
2. **Performance Appraisal** - Dependant on individual performance, Determines **salary**.
3. **Key Performance Indicators** - Dependant on team/department performance. Determines team/department **bonuses**.

## 9. CLASSIFICATION STRUCTURE

A key part of this Agreement is skill acquisition and the career paths associated with this. The current multi-skilling system is to be replaced with the career path developed by the Australian Pharmaceutical Manufacturer's Association (APMA). This system is known as **The APMA Competency Standards** and has been endorsed by both employers and unions representing the industry. TAFE in conjunction with The APMA is currently producing a Pharmaceutical Operators Certificate to assist the training and accreditation process for The Standards.



The APMA Competency standards comprise 5 levels with modules within each level as outlined in Appendix B. Employees salaries will be determined by the level they have reached in the standards.

Progression through each level will be based on acquisition of the required skills, successful completion of appropriate training and assessments, and the needs of the company.

Employees will not be forced to progress to the higher levels of the career paths. This will be an issue of personal ambition and capability.

The parties to this Agreement are committed to the implementation of The APMA Competency Standards and have set up a sub-committee for this task. The task of the committee is to modify the industry standards to develop skill standards and career paths appropriate for Boots. These Boots standards and the corresponding salary levels are due for completion in October 1994.

The parties will also develop a classification structure for Quality Assurance technicians in this time frame.

No employee's salary will decrease as a result of classification under the new structure.

## **10. PERFORMANCE APPRAISAL**

Beyond skills, employees will also be assessed and rewarded, where appropriate, for other important areas of performance, including attitude to safety and customer service. The Performance Appraisal system is outlined in Appendix C.

This Performance Appraisal system will have a trial run October 1994, with the first formal review to take place in February/March 1995. Any salary changes will be effective at the commencement of The Company's financial year, April 1, 1995.

## **11. KEY PERFORMANCE INDICATORS**

A key focus of this Agreement is productivity improvement. In order to measure the success of our Agreement in this area and to reward employees for productivity gains, a system of key performance indicators will be developed.

These indicators will relate to strategic corporate objectives and therefore reflect the contribution of both individuals and teams to the achievement of corporate objectives.

Productivity targets will be set with six monthly bonuses linked to achievement of those targets.

This system will be developed from Company Key Performance Indicators which have not been fully determined as yet. Once complete, they will be used by the parties to develop KPI's at the operator level in 1995.

## 12. WORK TEAMS

The Company and its employees will together work towards the introduction of team based workgroups. This will mean that rather than working in a specific department performing a small specialised range of tasks, most employees will work in product based teams performing a range of tasks - i.e.; cross- functional teams.

The introduction of The APMA Competency standards will assist the introduction of teams.

The change will incorporate a flatter management structure along with cross-functional teams, skilled in process and product operations.

## 13. TRAINING AND DEVELOPMENT

The Company is committed to providing employees with opportunities to build upon their existing skills and to develop their careers. Emphasis will also be placed on reinforcement of existing skills, in particular good Manufacturing Practice and Occupational Health and Safety.

The Company will assist employees in the transition to competency based career paths, performance appraisal and work teams via effective Training and Development. To this end, the parties to this agreement are committed to the following training areas:

- \* Leadership
- \* Teamwork
- \* Coaching
- \* Train the Trainer
- \* Managing People
- \* Performance Management
- \* Problem Solving
- \* Customer Service
- \* Communication Skills
- \* Presentation Skills

## **14. OCCUPATIONAL HEALTH & SAFETY**

The Company and its employees regard their responsibility for the safety of our workforce, our customers and the environment with the utmost importance, and are committed to continuously improving our performance in these areas.

The Company will ensure that it shows due diligence in all aspects of Occupational Health & Safety by clearly defining areas of responsibility, complying with relevant laws, consulting employees on OH&S issues, and maintaining adequate equipment, safety training and procedures.

Employees are responsible to act in a safe manner at all times, report any unsafe incidents or issues to their immediate supervisor, and to comply with Company safety policies and procedures.

One employee from each department covered by this Agreement will be elected by their department peers to represent their interests on the Safety Committee.

The Company shall provide all appropriate protective clothing and equipment, and ensure that employees are fully trained in usage of this equipment.

Occupational Health & Safety will be a key performance indicator for this agreement.

## **15. WORKERS COMPENSATION**

Workers Compensation will apply in accordance with The N.S.W. Workers Compensation Act 1987.

## **16. QUALITY CUSTOMER SERVICE**

Quality Customer Service requires a commitment of ourselves to delivering products at a level of quality and service that exceeds the expectations of both our internal and external customers.

Customer service needs to be at the heart of all our plans, strategies, policies and systems.

We must deal with our customers as valued customers and, if they choose to, could find another source for the services we provide.

Customer service is a key performance indicator for this Agreement, and is an area of assessment in the performance appraisal system.

## **17. EQUAL EMPLOYMENT OPPORTUNITY**

The Company is committed to the provision of Equal Employment Opportunity and this is reflected in all Human Resources policies, practices and procedures. Compliance with Equal Employment and Anti-Discrimination legislation and regulations is continually monitored by a company compliance committee.

## **18. CONFIDENTIALITY**

All employees come into contact with confidential information in the course of their employment with The Company, be it of a personal or corporate nature. The parties to this Agreement acknowledge the importance of, and are committed to, together ensuring the maintenance of confidentiality.

## **19. PROBLEM RESOLUTION PROCEDURE**

In a spirit of good faith, co-operation, and with a view to reaching a solution, the parties will use the Problem Resolution Procedure attached as Appendix G, in the event that a problem should arise.

## **20. CORRECTIVE ACTION**

In the event that an employees performance or behaviour requires disciplinary/corrective action, the Corrective Action Policy and Procedure shall be used. This policy is shown at Appendix H.

## **21. TERMINATION OF EMPLOYMENT**

Employees are required to give the company one weeks notice if they wish to terminate their employment.

Except in cases of summary dismissal and redundancy (Refer Clause 42), the company will give 2 weeks notice of termination, or 2 weeks pay in lieu.

Further guidelines on the termination of employment are outlined in the Corrective Action Procedure. (Appendix H.)

## 22. COMPANY OBJECTIVES

For the ongoing success of the business, it is critical that the overall company plan is achieved. This will be done through working together in teams as referred to in Clause 12 of this agreement.

The implementation of the plan will be greatly enhanced through the efforts of all employees working towards a common goal. To ensure the success of this initiative, all parts of the organisation, including those covered by this agreement, will have access to members of the executive Team, (including Manufacturing Director, Q.A. Manager, H.R. Manager and the Managing Director). Impediments to the success of the plan or ideas and suggestions which may help the implementation should be brought to the attention of the Executive Team.

Issues to be brought to the Executive Team should include global matters and not specific line management or supervision issues which will be dealt with through the problem resolution procedure.

## 23. SALARY PACKAGING

Employees wages will be converted to annualised salaries with the intent of paying employees to undertake a job in a team environment, thereby creating greater equality in salary structures throughout The Company.

Employees who are prepared to work overtime will be paid an annualised salary comprising the following:-

- \* 48 hours of overtime at a factor of 1.8 (Note - 1.8 was a factor agreed to in place of time and one half for the first two overtime hours and double time thereafter).
- \* Meal Allowance of \$150 per annum
- \* EFT Allowance of \$41.60 per annum
- \* Fork-lift allowance of \$427.50 per annum for those who use a fork-lift.
- \* First-aid allowance of \$494.00 per annum for those with a first aid certificate.
- \* One days pay for Picnic day if employees wish to not take their picnic day.
- \* Emergency team allowance for those on Emergency Team of \$494.00 per annum.
- \* Lozenge plant allowance of \$1,664 per annum. (Note - This allowance is for conditions in the lozenge plant including the nature of the work itself and physical conditions such as fumes, heat, air conditioning etc.)

Any overtime worked beyond 48 hours will be paid at time and one half for the first 2 hours and double time thereafter for worked performed Monday to Saturday. Sunday overtime will be paid at double time (\*).

Should casuals work an afternoon shift in the lozenge plant, a 15% shift allowance will apply.

Any employee who works greater than 25 nights overtime where there is at least one hours overtime, will be paid additional meal allowance where appropriate.

Employees who are not prepared to work overtime will still convert to a salary, but with no overtime or meal allowance built in. If for some reason these employees do work overtime, this will be paid in accordance with the above rates (\*). Meal allowance will also be paid where applicable.

Employees must indicate at the commencement of this agreement and each year thereafter if they wish to work overtime and if they wish to take their picnic day so that salaries can be adjusted accordingly.

## **24. PAYMENT OF SALARY**

Permanent employees will be paid fortnightly by Electronic Funds Transfer into a nominated personal bank account.

Casual employees will be paid weekly by the same method.

## **25. HOURS OF WORK**

The ordinary hours of work shall be a maximum of 38 hours per week averaged over a 52 week period.

Hours for each department will be as follows:

**Packaging** - Monday - Thursday 7.00am - 4.45pm

**Manufacturing** - Monday - Thursday 7.00am - 4.45pm

**Quality Assurance** - Employees have a choice of either 9 day fortnight or 4 day week worked Monday to Friday.

Those working a 4 day week will work 7.30am -5.15pm. Those working a 9 day fortnight will work 7.30- 4.15pm Monday to Thursdays and 7.30-3.45pm on the 9th day.

Any changes to hours of work will be reached through mutual agreement.

Where overtime is required, to ensure the health and safety of employees, the following ceilings apply:

- \* Maximum hours per day - 13 hours
- \* Maximum hours per week - 60 hours

These ceilings are inclusive of overtime. They are not standard hours of work.

## **26. FLEXIBILITY AND RDO's**

Through mutual agreement, flexibility with time off in lieu of overtime may be utilised.

Provided work is available, employees may accumulate up to five (5) RDO's within a six month period.

This necessitates a change to the normal working week. Such a change must be by mutual agreement. This mutual agreement may be between an individual and the Company or a group (e.g. a packaging team or lozenge manufacturing) and the Company.

Once such a change has been agreed, it may not be varied without mutual agreement.

Where an RDO is deferred, work done on that day will be paid at ordinary time. Furthermore, this payment will be deferred until the time the accumulated leave is taken.

If an employee leaves the Company before the accumulated leave is taken, payment in lieu of the leave being taken will be paid.

## **27. PUBLIC HOLIDAYS**

The following days will be treated as public holidays for the purpose of this Agreement, provided that they are declared public holidays in N.S.W:

- \* New Years Day
- \* New Years Day Holiday
- \* Australia Day
- \* Good Friday
- \* Easter Saturday
- \* Easter Monday
- \* Anzac Day
- \* The Queen's Birthday
- \* Labour day
- \* Christmas Day
- \* Christmas Day Holiday
- \* Boxing Day
- \* Boxing Day Holiday

Double time and one half will apply for all work performed on a public holiday, should work be necessary.

Where an employees R.D.O. falls on a declared public holiday, they will receive an extra annual leave day in lieu of the extra day off they currently receive, with the aim of maintaining a full production week.

Employees will need to request this leave as per the normal procedures for annual leave.

Leave loading will not apply to this extra annual leave day.

## **28. ANNUAL LEAVE**

Annual leave will apply in accordance with The N.S.W. Annual Holidays Act 1944.

A 20% holiday loading will be paid at the time annual leave is taken, at the employees current base weekly rate of pay.

## **29. LONG SERVICE LEAVE**

Long Service Leave will apply in accordance with The N.S.W. Long Service Leave Act 1955.

## **30. PARENTAL LEAVE**

Parental leave provisions will apply in accordance with The N.S.W. Industrial Relations Act 1991. Appendix F is a summary of these provisions.

## **31. COMPASSIONATE LEAVE**

An employee shall receive paid leave as required on the death of a direct relative which includes, spouse or defacto spouse, parents, parents-in-law, son & daughter in-law, grandparents, brothers and sisters, children, step-children and grand-children. Employees are to discuss the length of leave required with their supervisor or team leader.

A further 10 hours paid compassionate leave per year is available to employees to attend the funerals of friends, relatives etc, who are not direct relatives. Employees are to request such leave via their supervisor/team leader.

Compassionate leave is not accumulative.



## **32. PERSONAL BUSINESS LEAVE**

Given that most employees work a 4 day week or 9 day fortnight, it is expected that where possible personal business, appointments etc will be attended to on employees' RDO's.

However, at the discretion of management, an employee shall receive paid leave where they are required to attend to urgent pressing domestic matters, immediate family sickness, personal business, parent teacher interviews, etc which cannot be dealt with outside normal business hours.

Personal business leave can also be used where employees are unable to attend work due to natural disasters such as floods and fires.

## **33. SICK LEAVE**

### **Normal Sick Leave**

Sick leave will be available to employees upon the commencement of employment.

76 hours sick leave entitlement will apply for each year of service, and will become due on the employees anniversary date. The untaken portion of those 76 hours will be added to the employee's existing sick leave balance. Any sick leave taken will be deducted from the employees existing sick leave balance.

An employee who is not attending work due to genuine personal illness is to notify their supervisor as soon as possible and preferably before 9.30am. The employee is to state the nature of the illness and the estimated duration of the absence.

Medical documentation will be required for absences two days and greater.

Abuse of sick leave will be treated in accordance with the Corrective Action Policy. Committee members and relevant employees may be consulted as to appropriate measures to deal with abuse of sick leave.

### **Extended Sick Leave**

For longer term illnesses employees with at least one years service will be entitled to extended leave of absence with up to three months pay in any one period where they are unable to attend work due to genuine personal illness or incapacity.

Such extended leave must be approved by management and may require a medical assessment by a company nominated doctor.

Extended sick leave is only available for longer term illnesses. Employees are generally not able to extend their normal sick leave entitlements into extended sick leave for single or two day absences, or any other absence of a short term duration.

However, giving consideration to employees past sick leave record, the company may grant additional sick leave. The company will look favourably upon employees with good sick leave records.

If an employees absence extends beyond three months, the situation will be reviewed by management and the consultative committee.

Employees who are contributing (Category B) members of The Boots Company Staff Superannuation Fund will be eligible to apply for temporary disability payments from the fund after three months of incapacity or illness. If temporary disability is accepted by the Trustee after considering the available medical advice, employees will receive 60% of their normal weekly wage for up to two years.

#### **34. JURY SERVICE LEAVE**

An employee shall receive paid leave as required to attend jury service.

A jury summons notice will be required before such leave will be granted.

Any earnings the employee receives for attending jury service must be reimbursed to The Company.

#### **35. STUDY LEAVE**

Study leave will apply in accordance with the company Career Development/Higher Education policy.

#### **36. SUPERANNUATION**

Superannuation will apply in accordance with the Trust Deed of The Boots Company (Australia) Pty Ltd Staff Superannuation Fund and the relevant occupational superannuation statute and regulations.

#### **37. PROFIT EARNING BONUS SCHEME**

Employees with greater than one financial year of service will become eligible for an annual bonus in accordance with The Company Profit Earning Bonus Scheme currently in operation. The structure of this scheme is under review and will change or be replaced during the life of this Agreement.

(Refer Clause 11)

### **38. REST PERIOD AFTER OVERTIME**

For health and safety reasons, any employee who works overtime after their normal daily hours is entitled to a 10 hour rest period prior to the commencement of their next working day. If this necessitates the employee commencing after their normal starting time, the employee will be paid as for a full days work.

If however, for pressing operational needs, the employee does not receive a 10 hour rest period, when they return to work they will be paid overtime until the point that they receive such a 10 hour rest period.

### **39. TRANSPORT AFTER OVERTIME**

Where employees finish work at a time when reasonable means of transport is not available, The Company shall provide them with transport or pay the cost of such transport to the employees home.

### **40. CALL BACK**

An employee recalled to work overtime after leaving The Company's premises, shall be paid for a minimum of 4 hours overtime.

### **41. MEAL BREAKS**

Employees are entitled to a paid 15 minute morning tea break and an unpaid half hour break for lunch. Employees will leave 15 minutes before the end of their daily hours in lieu of afternoon tea, with the aim of maintaining production.

Where employees are required to change out of their uniforms before eating, an additional 5 minutes will apply for each meal break.

Employees working overtime at the end of their normal daily hours may take their afternoon tea break before commencing the overtime, unless it is mutually agreed otherwise.

Normal lunch breaks will be between 12pm and 2.00pm. However, the time of the scheduled lunch break may be extended outside these hours by mutual agreement, for pressing operational needs.

Employees should work no longer than 5 hours without a meal break, unless it is mutually agreed otherwise for pressing operational needs.

## 42. REDUNDANCY PROVISIONS

The parties to this Agreement shall make every effort to avoid the reduction of staff numbers. However, The Company retains the right, following due consultation with employees to apply a redundancy program.

The Company undertakes in the event of a pending redundancy to make attempts where possible to find suitable alternative employment within The Company, giving consideration to the skills, qualifications, performance record, and personal circumstances of the employee.

In the event of an employee accepting an offer to transfer to a new position for which there is a lower rate of pay, the rate of pay for the new job will apply three months from the effective date of transfer.

Offers of alternative employment will be discussed in full with the employee. Wherever possible, the needs of the employee will be met. Areas of disagreement will be referred to the consultative committee, who can make recommendations.

The Company will give employees maximum possible advance notice of the due date of retrenchment. Minimum notice will be 4 weeks, if not, 4 weeks pay in lieu. The employee shall work the period of such notice unless advised otherwise at the discretion of The Company.

Upon retrenchment, 4 weeks severance pay will be paid regardless of length of service. **Pro-rata years of service** will apply for redundancy payments in accordance with the following scale of payment:

Years of Service	Weeks Pay Under 45 yrs	Weeks Pay 45 yrs and over
Up to 12 months	Pro-rata	Pro-rata
1 year	4	5
2 years	8	10
3 years	12	15
4 years	16	20
5 years	20	25
6 years	24	30
7 years	28	35
8 years	32	40
9 years	36	45
10 years	40	50
11 years	44	55
12 years	48	60
13 years	52	65
14 years	56	70
15 years	60	75
16 years	64	80
17 years	68	85
18 years	72	90
19 years	76	95
20 years	80	100

A ceiling of 20 years applies. Where an employee has more than 20 years service, an ex-gratia payment will be considered on a case by case basis giving consideration to issues including; the employees performance, personal circumstances, and the capacity of The Company to make additional payments.

Pro-rata long service leave payments will apply to any employee who has completed at least one years service.

Annual leave loading will be paid on both accrued and pro-rata annual leave entitlements at the time of retrenchment.

Employees with at least one Boots financial year of service will be paid 1/12 of the Profit Earning Bonus entitlement for each completed month of service during the year of the retrenchment. Payment will be based on the share value of the previous year.

Sick leave will be treated in accordance with The Company policy.

Superannuation will be paid out as per the formulae for termination benefits in The Boots Company (Australia) Pty Ltd Staff Superannuation Fund.

Counselling, financial planning and job search assistance will be arranged by the Human Resources department for employees who have been given notice of retrenchment.

During the notice period, employees are entitled to reasonable time off without loss of pay to attend job interviews provided it is established to the satisfaction of The Company that the application for such time off is genuine.

In the event that a redundant employee secures another position outside of the company before the completion of the notice period the following will apply:

- The Company will endeavour at all times to release the employee without any loss of entitlements.
- The parties will seek the assistance of other employees in order to maintain production at optimum levels.
- Where the employee is absolutely essential to production the company may request that the employee serves out the notice period but will provide assistance to the employee in order to secure the alternate position, including a letter to the prospective employer outlining the circumstances. A resolution satisfactory to both parties is to be reached.

In the event of any permanent or casual vacancy, The Company will accept applications for re-employment from retrenched employees in accordance with company employment selection procedures.

#### **43. UNIFORMS**

Employee uniforms and laundry will be supplied as necessary.

## 44. UNION RELATIONSHIPS

### UNION DELEGATES

Before a Delegate/Co-delegate moves away from his/her own area of work on union business, they must first obtain the permission of their Supervisor or Manager. An indication of time away will assist the permission process.

A Delegate/Co-delegate should not enter any other work area on the site on union business unless he/she first notifies the relevant Supervisor/Manager of that area.

A Supervisor/Manager will not unreasonably withhold permission for a Delegate to attend to bona fide union matters or issues affecting the legitimate interests of Union members.

### TRADE UNION TRAINING COURSES/MEETINGS

The company will favourably consider applications by recognised Delegates to attend Trade Union Training and Trade Union Delegate's Meetings on the Company's time subject to prior agreement with the Human Resources Department and the relevant Union.

For the purpose of this clause approved TUTA leave will be three (3) days with pay each calendar year, non cumulative, per Delegate. (Maximum of two (2) delegates per site at any one time).

The parties agree that they will not unreasonably withhold Delegates from attending or press for release of Delegates, in difficult times.

Delegates attending TUTA courses shall receive their normal weekly rate of pay however they will not be paid for courses attended on their RDO's.

## APPENDICES

THE BOOTS COMPANY (AUSTRALIA) PTY. LTD.VISION AND MISSIONVISION FOR THE COMPANY

*Management's vision for Boots Australia is to build value for shareholders by:*

- Being the leading supplier of products in our chosen core segments.
- Delivering these products at a level of quality and service which satisfies the needs of our customers better than our leading competitors.
- Using this strong core as a foundation for profitable growth into adjacent or related segments.
- Establishing and maintaining a culture that is focussed on product innovation and customer-service, and in which employees work together to ensure on-going improvement and learning.
- Ensuring that the company's leadership demonstrates evident respect for employees, for customers and suppliers, and for the organisation and its assets.
- Acceptance of and adherence to the ethical standards of the Group.

MISSION STATEMENT

The mission of Boots Australia is to create value for shareholders by managing a growing portfolio of core products in selected segments of the prescription and OTC pharmaceutical, medical equipment and consumer product markets.

STATEMENT OF STRATEGY

To achieve its mission, Boots Australia will pursue a strategy which will maximise long term cash flow and hence value from the business.

This strategy will comprise:

- Focusing on the company's core, profitable segments;
- Aggressive development of these segments; and
- Identification of appropriate adjacent segments into which to expand.

Key to the successful implementation of this strategy will be:

- *Working together to ensure understanding of and commitment to Boots' new strategic plan.*
- *Effective leadership so that the "value-thinking, competitive orientation and service thrust" inherent in the plan become a way of life, and form a teamwork based, performance-oriented culture.*



OVERVIEWAPMA COMPETENCY STANDARDS

ASF (1)	PHARMACEUTICAL MANUFACTURING INDUSTRY LEVEL	BROAD STRUCTURE OF COMPETENCY LEVELS	LEVEL OF SUPERVISION
4	5	Oversee a Packaging or Production or Warehouse operation	Minimal supervision/ supervises others
3	4	Co-ordinate a production or packaging system. Co-ordinate a section of the warehouse. Apply advanced technical skills	Minimal supervision
2	3	Operate overall packaging process Operate a production process Perform minor routine maintenance (2) Operate forkliftvehicle equipment.	Routine Supervision
	2	Set up and adjust packaging processes Operate a unit of a production process Transfer goods internally	Routine Supervision
1	1	Manual handling operations Operate simple automated processes Assist prepare production process Operate individual packaging processes General duties Induction/orientation	Direct supervision

Note (1): As per Australian Standards Framework (ASF)

Note (2): This function will depend on site agreement as to responsibility of production operator.

COMPETENCY STANDARDS STRUCTURE - PHARMACEUTICAL MANUFACTURING LEVELS AND UNITS.

FUNCTION/ ACTIVITY	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Across Function	(Induction Program) 1.1 Apply basic workplace communication skills 1.2 Apply safe and hygienic work practices	2.5 Assess quality of materials and product 2.6 Print labels and cartons		4.4 Provide coaching and structured training 4.5 Co-ordinate in process quality assurance	5.2 Supervise performance of employees 5.3 Prepare instructions and reports
Manufacturing		2.3 Assist prepare manufacturing filling process 2.4 Process materials	3.2 Prepare and monitor manufacturing process 3.3 Dispense product	4.2 Co-ordinate manufacturing process 5.1	5.1 Oversee operations of section department
Packaging	1.3 Assist with packaging process	2.1 Package product	3.1 Prepare and monitor packaging process	4.1 Co-ordinate packaging process	
Materials Handling	1.4 Manually handle stock 1.5 Assist conduct stocktake	2.2 Transfer goods internally	3.4 Transfer load	4.3 Control movement of raw materials, consumables and finished goods.	

## PERFORMANCE APPRAISAL GUIDELINES

*This Performance Appraisal system comprises 4 stages. Each stage has an associated PA form as outlined below:*

### **STAGE 1: SELF APPRAISAL**

In stage 1, employees will list their skill objectives and appraise their own performance using PA form no:1 .

Once complete, this form is to be sent to the supervisor.

### **STAGE 2: SUPERVISOR'S APPRAISAL**

In stage 2, the employees performance and skill objectives will be reviewed by the Supervisor using PA Form No: 2.

If employee's wish to do so they may take another employee from their department with them. Alternatively they make take a committee member, however, it is preferable that an employee from their department is taken.

### **STAGE 3: THE APPRAISAL INTERVIEW**

During this stage, the employee and their immediate supervisor/manager, will together discuss the employees self appraisal and skill objectives to reach an agreed performance assessment, using PA Form No: 3.

## **STAGE 4: REVIEW**

At stage 4, the outcomes and procedures of the previous 3 stages will be reviewed by the Reviewing Manager to ensure that the appraisal has been conducted fairly and accurately. The Reviewing manager will then sign PA Form No: 3 to signify his/her approval.

## **ASSESSMENT AREAS**

So as to maintain consistency across the 4 stages, each area of assessment includes key areas that should be considered when assessing that particular area.

These areas of assessment are:

### **Attitude to Safety**

- \* Awareness
- \* Attitude
- \* Practice
- \* Concern for the safety of others

### **Organisational Skills**

- \* Planning
- \* Output

### **Adaptability**

- \* Willingness to change
- \* Willingness to be flexible in tasks performed

### **Judgement / Initiative**

- \* Ability to identify and assess situations, take appropriate action and follow up.

### **Customer Service**

- \* Co-operation with, and willingness to assist other departments
- \* Understanding of employees role in providing service to both internal and external customers.
- \* Ability to take a global company view

### **Communication Skills**

- \* Clarity of verbal messages
- \* Clarity and accuracy of written messages/documentation
- \* People skills

### **Attendance/Punctuality**

- \* Self-Explanatory

### **Co-operation**

- \* Fellow Workers
- \* Supervisors/Managers
- \* Other Departments

### **Teamwork**

- \* Ability to work with and give consideration to other team members
- \* Contribution to net goals of team
- \* Utilisation of skills acquired through team training seminars

### **Accuracy**

- \* Attention to detail
- \* Completeness of work
- \* Correctness of work

### **Housekeeping**

- \* Cleanliness
- \* Orderliness
- \* Following of SOP housekeeping procedures

### **Problem Solving**

- \* Ability to diagnose a problem/situation
- \* Ability to work through and solve problems

### **Quality of Work**

- \* Documentation
- \* Desired Output
- \* Completeness

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

- \* Attitude to G.M.P.

**SALARY MEDIANS BY CLASSIFICATION**

**NB:** These medians are independent of any increases associated with this Agreement.

**PACKAGING OPERATOR**

Salary Median = \$432.00 per week

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

**CASUAL PACKAGING OPERATOR**

Salary Median = \$13.02 per hour  
= (Base rate divided by 38) x 17½% x 1/12 holiday loading.

Actual hourly rates fall between 0% and +10% of this median dependant on employee skill and performance level.

**PACKAGING LINE LEADER**

Salary median = \$470.00 per week.

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

**CLEANER**

Salary median = \$442.00 per week

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

**Q.A. INSPECTOR**

Salary median = \$485.00 per week

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

**Q.A. TECHNICIAN**

Salary median = \$559.00 per week

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

## MANUFACTURING OPERATOR

Salary median = \$496.00 per week.

Actual salaries fall between -10% (base rate) and +10% of this median dependant on employee skill and performance level.

**NB:** A \$32 per week conditions allowance applies for manufacturing employees who work in the lozenge plant (Refer Clause 23 for further details).

## CASUAL MANUFACTURING OPERATOR.

Salary median = \$14.95 per hour

= (Base rate divided by 38) x 17½% x 1/12 holiday loading.

Actual salaries fall between 0% and +10% of this median dependant on employee skill and performance level.



## TASKS PERFORMED BY CLASSIFICATION .

### 1. PACKAGING

#### *Packaging Operator*

- \* Understand and carry out all Packaging processes in accordance with G.M.P. and safety standards
- \* Perform general packaging line processes on a variety of lines to ensure multi-skilling
- \* Understand and follow standard operating procedures
- \* Visually inspect quality of finished product and packaging and report any defects
- \* Carry out both verbal and written basic workplace and Packaging communications
- \* Work in a team role in a team environment
- \* Assist in other Packaging areas where necessary

#### *Packaging Line Leader*

Main task is to oversee the operation of a Packaging Line which entails the following:

- \* Supervision and training of operators on the line
- \* Plan work schedule for a specific Packaging line and allocate jobs to operators
- \* Enforcement and monitoring of safety and G.M.P standards
- \* Completion of batch documentation and label reconciliation
- \* Perform line clearances and general line maintenance
- \* Perform in-process quality checks and general quality assurance functions on the line
- \* Perform basic computer functions
- \* All other tasks of Packaging Operator

## *Packaging Cleaner*

- \* Understand and perform all cleaning duties in accordance with standards of G.M.P. and safety
- \* Full cleaning and dismantling of all packaging lines
- \* Undertake general site maintenance within Packaging area
- \* Assist fitters in packaging line set-ups
- \* Conduct cleaning of washbay areas
- \* Perform general maintenance on packaging machine covers and distraction units
- \* Removal of components pallets
- \* Order cleaning supplies
- \* Assist in training of new Packaging Cleaners

## QUALITY ASSURANCE

### *Laboratory Attendant*

- \* Understand and perform all duties in accordance with G.M.P, G.L.P, and safety standards
- \* Physical quality testing of tablets for the following:
  - Hardness
  - Average weight and uniformity of weight
  - Friability
  - Thickness
  - Leak tests
- \* Washing of glassware
- \* General housekeeping in accordance with G.L.P.
- \* Filing of batch documentation and test results

### *Laboratory Assistant (Microbiology)*

- \* Understand and perform all duties in accordance with G.M.P, G.L.P, and safety standards
- \* Sterility testing

- \* Making up of media
- \* Environmental monitoring of the factory for microbiological contamination
- \* Collecting of water samples
- \* Testing products and raw materials
- \* General housekeeping in accordance with G.L.P.

### *Laboratory Technician*

- \* Understand and perform all duties in accordance with G.M.P, G.L.P, and safety standards
- \* Perform finished goods and raw material chemical assays using the following methods:
  - High Pressure Liquid Chromatography (HPLC)
  - Gas Liquid Chromatography (GC)
  - Ultraviolet and Visible Spectrophotometry (UV Visible)
  - Infrared Spectrophotometry (IR)
  - Near Infrared Spectrophotometry (NIR)
  - Dissolution Tests
  - Karl Fischer Titration (KF)
  - Titrimeter Assays
  - Kjeldahl Nitrogen Determinations
- \* Conduct Sterile testing
- \* Undertake general cleaning and housekeeping in accordance with G.M.P. and G.L.P.
- \* Perform computer tasks

### *Quality Assurance Inspector*

*The primary objective of this role is to carry out routine inspectorate procedures as outlined by Boots Quality Assurance Standard Procedures.*

Specific duties include:

- \* Understand and perform all duties in accordance with G.M.P, G.L.P, and safety standards
- \* Line clearances
- \* Manufacturing and Packaging inspection procedures
- \* Sampling
- \* Physical release of passed product/raw material

- \* Maintaining document records where applicable
- \* In-process quality testing

## MANUFACTURING

### *Manufacturing Operator*

- \* Understand and perform all duties in accordance with G.M.P, S.O.P and safety standards
- \* Dispense raw materials
- \* Granulate of raw tableting materials
- \* Compressing of granule into tablet form
- \* Operate, clean and conduct basic maintenance of manufacturing machinery
- \* Complete batch documentation
- \* Relieve operators in Lozenge plant during breaks
- \* Perform in-process testing and quality assurance functions

### *Lozenge Plant Operator*

- \* Understand and perform all duties in accordance with G.M.P, G.L.P, and safety standards
- \* Operate and conduct basic maintenance of lozenge plant machinery
- \* Work in a team role in a team environment
- \* Dispensing of raw material
- \* Cooking of sugars
- \* Kneading of toffee mass
- \* Form toffee rope into lozenges
- \* Conduct grading of lozenges
- \* Perform manufacture of liquid intermediates

APPENDIX F

PARENTAL LEAVE

PROVISIONS

## PARENTAL LEAVE PROVISIONS

### MATERNITY LEAVE

Female employees are eligible for maternity leave after 12 months continuous service. Subsequent maternity leave does not require a further 12 months continuous service.

Maternity leave is unpaid leave unless it is taken as annual leave or long service leave.

Employees do not accrue entitlements such as annual leave and sick leave whilst on maternity leave.

Maternity leave entitlement is set at a minimum of six weeks after the child's birth and a maximum of 52 weeks. This will be calculated from the date of commencement of leave whether it be maternity, long service or annual leave.

The employee is to advise the company of her pregnancy and request in writing to take maternity leave no less than 10 weeks before the expected date of the child's birth. The request is to be accompanied by a medical certificate stating the expected date of confinement.

An employee who is granted maternity leave has the right to return to her previous position or if this no longer exists, to a position as nearly comparable in pay and status.

Hence before a replacement is employed, they must be informed of the temporary nature of the employment and of the rights of the employee who is being replaced.

The employee is to confirm in writing her intention to return to work not less than 4 weeks prior to the due date of return.

The period of maternity leave is reduced by any period of paternity leave taken by the employee's spouse. Excluding the week at the time of the child's birth, maternity leave may not be taken concurrently with paternity leave.

## PATERNITY LEAVE

After 12 months continuous service a period of up to one week of paternity leave may be available to male employees at the time of confinement of their spouse.

An additional unbroken period of paternity leave up to the child's first birthday may be available to male employees if they are to become the primary care-giver of the newborn child. A statutory declaration stating this must be provided.

Paternity leave is unpaid leave. Employees do not accrue entitlements such as annual leave and sick leave whilst on maternity leave.

The employee, no less than 10 weeks prior to the proposed paternity leave is to request in writing to take this leave accompanied by a medical certificate stating the spouse's name and her corrected date of confinement.

The total amount of maternity leave and paternity leave available to a family is 52 weeks.

Paternity leave is reduced by any period of maternity leave taken by the employee's spouse and except for the week at the time of the birth, shall not be taken concurrently with paternity leave.

An employee will confirm his intention of returning to work not less than 4 weeks prior to the due date of return.

An employee who is granted paternity leave has the right to return to his previous position or if this is no longer exists to a position as nearly comparable in pay and status.

Hence before a replacement is employed they must be informed of the temporary nature of the employment and of the rights of the employee who is being replaced.

## ADOPTION LEAVE

Adoption Leave is available to any employee with at least 12 months continuous service, male or female, who is adopting a child under the age of 5 years.

Adoption leave is unpaid leave.

An unbroken period of up to 3 weeks unpaid leave is available to adopting parents at the time of adoption of a child. Such leave is to be requested in writing no less than 14 days before the placement of the child. This period of 3 weeks 'short' adoption leave may be taken by both parents concurrently.

The total period of leave available to parents is 52 weeks. The balance of the 52 weeks may be taken by either parent or both in order to be the primary care giver of the child but may not be taken by both concurrently. Whilst on adoption leave employees do not accrue any entitlements.

An employee will, ten weeks before the proposed date of commencing leave, request in writing to take adoption leave.

In addition employees are entitled to up to 2 days special unpaid leave for the purpose of attending any compulsory interviews or examinations relating to adoption. Where paid leave is available to the employees, the Company has the option of requiring the employees to take such leave in lieu of special leave.

Before acceptance of adoption leave, the employees must produce to the company:

- i) A statement from an adoption agency of the expected date of placement of the child with the agency.
- ii) A statement from the appropriate government authority confirming that the employees is to have custody of the child pending application for an adoption order.

The employees is to confirm in writing to the Company their intention to return to work not less than 4 weeks prior to the due date of return.

An employees who is granted adoption leave has the right to return to their former position or if this position no longer exists, to one as nearly comparable in pay and status.

Hence before a replacement is employed, they must be informed on the temporary nature of the employment and of the rights of the employees who is being replaced.



## PART-TIME EMPLOYMENT

With the agreement of the Company:

- a) A male employees may work part-time in one or more periods at any time from the date of birth of the child until its second birthday, or in relation to adoption, from the date of placement of the child until the second anniversary of the placement.
- b) A female employees may work part-time in one or more periods while she is pregnant where part-time employment is, because of the pregnancy, necessary or desirable.
- c) A female employees may work part-time in one or more periods at any time from the seventh week after the date of birth of the child until its second birthday.
- d) In relation to adoption a female employees may work part-time in one or more periods at any time from the date of the placement of the child until the second anniversary of that date.

An employees working part-time under these provisions will receive pro-rata rates of pay and pro-rata entitlements according to hours worked.

- Part-time work may be worked either in conjunction with or independently of maternity, paternity or adoption leave.
- An employee with 12 months continuous service prior to commencing such part-time work has the right to return to their former position or if this is no longer available one as nearly comparable in pay and status.

This right to return to their former position may be exercised once only. This is however, independent of any right to return to the former position which arises at the end of maternity, paternity or adoption leave.

- Commencement of part-time work under this provision will not break the continuity of service of employment.

**PROBLEM RESOLUTION PROCEDURE**

Both parties have a responsibility to promote the resolution of disputes by measures based upon consultation, cooperation and discussion; to avoid interruption to the performance of work and the consequential loss of productivity and wages. Work shall continue without any industrial action or other sanctions.

This procedure is to be used when an employee has a problem with the Company (if they wish) or when there is a dispute that relates to the Enterprise Agreement. Where the Company has a significant problem with an employee, the Company Corrective Action Policy will be followed.

Every effort to resolve the issue early in the procedure should be made at all times:

- |   | <u>Response Time</u>                     |
|---|--|
| <p>1. Any problem in the first instance shall be discussed between the employee and their immediate Foreperson or Department Manager.</p> <p>In some instances, the employee may prefer either;</p> <p>(a) to have a fellow employee raise the problem on their behalf;<br/><u>or</u></p> <p>(b) to be accompanied by a fellow employee when the problem is discussed.</p> <p>For both (a) and (b), the fellow employee may be a union delegate, an employee or Consultative Committee member. However, the delegate will not act in an official capacity in Step 1.</p> <p style="text-align: center;"><b>IF NOT SATISFIED</b></p> | <p>Same day</p>                          |
| <p>2. Discussions between the employee/s concerned and/or at their request a union delegate <u>or</u> Consultative Committee member, and the department manager <u>or</u> more senior manager. Details of discussions will be entered on the Problem Resolution Report Form (copy attached). Both parties to receive a copy.</p> <p style="text-align: center;"><b>IF NOT SATISFIED</b></p>   | <p>1 work day</p>                        |
| <p>3. Discussions between the same parties as Step 2, plus a Human Resources Department representative.</p> <p style="text-align: center;"><b>IF NOT SATISFIED</b></p>  | <p>2 work days<br/>(where practical)</p> |
| <p>4. Discussions involving a Union official or the Consultative Committee Chairperson and the Human Resources Department, and senior line management.</p> <p style="text-align: center;"><b>IF NOT SATISFIED</b></p>   | <p>3 work days<br/>(where practical)</p> |
| <p>5. If the matter cannot be resolved, the parties may jointly or individually refer the matter to the Industrial Relations Commission of N.S.W.</p>   |  |

It is agreed that there will be no disruption to normal work during the application of the process or following resolution of the problem.

The Company and employees agree to enter into and follow this procedure in a spirit of good faith, co-operation and with a view to reaching a solution.

**PROBLEM RESOLUTION REPORT FORM**

Employee: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

DETAILS OF PROBLEM:

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

ACTION:

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

Signatures:

\_\_\_\_\_  
(Employee)

\_\_\_\_\_  
(Department Manager)

\_\_\_\_\_  
(Committee Member/  
Delegate)

Date: \_\_\_\_\_

Time: \_\_\_\_\_

## HUMAN RESOURCES CORRECTIVE ACTION POLICY

### 1. OBJECTIVE

The objective of this policy is to help maximise the performance and development of employees via the fair and consistent application of The Corrective Action Policy which aims to deal with unsatisfactory behaviour or work, and in doing so improve employee relations, avoid potential litigation and maintain the efficiency of the company.

### 2. PRINCIPLES

Corrective Action will be required where objectives are not being met to required standards.

This policy and procedures are based on the following principles of effective corrective action.

- No employee is to be discriminated against. Corrective action is to be applied consistently and objectively to all employees.
- Corrective action should be taken as soon as possible after the need arises.
- Counselling is to be used to determine any underlying causes of unsatisfactory work or behaviour as well as dealing with the problem itself. Input and commitment will be sought from the employee.
- Employees are to be given an opportunity to explain any reason for the occurrence and except in cases where summary dismissal is required, employees are to be given an opportunity to correct their actions.
- Positive as well as negative feedback will be given. Corrective action is meant to be constructive not destructive.
- All employees should be aware of and understand this policy and its procedures.
- While the Human Resources Department has an important role in advising and monitoring activities under this policy, the relevant line manager maintains full responsibility for actions.

### 3. POLICY

#### 3.1 SCOPE

This policy applies to all enterprise agreement-related and clerical staff of the Boots Company including casuals with more than 12 months' service.

This policy relates to employees whilst at work and whilst attending all work related activities including company conferences and functions.

#### 3.2 RECORDS OF CORRECTIVE ACTION

Records of any formal corrective action, verbal or written, are to be made by the respective manager or supervisor and are to be forwarded to the Human Resources Department to be placed on personnel files.

Records of formal corrective action are to be kept in the files of the relevant department. However, warnings older than 12 months will be removed from personnel files and not be counted towards any further unsatisfactory behaviour or work unless they are serious breaches of conduct.

Employees will be helped to improve within an agreed time frame (refer procedure) and records of improvements will be kept on file.

Employees are to be given notice in writing of the outcome of any counselling or disciplinary interview.

#### 3.3 WARNINGS

Other than in severe cases of unsatisfactory behaviour or work, a verbal warning is to be issued prior to a written warning. (Refer procedure).

Warnings are to be given to the employee who will be requested to acknowledge the action taken, and confirm they understand the repercussions if they persist with the unsatisfactory behaviour or work.

#### 3.4 SEVERITY OF CORRECTIVE ACTION

Prior to taking formal corrective action, the Human Resources Department should be consulted for advice and guidance in determining the severity of the corrective action.

When determining appropriate corrective action, the following factors need to be taken into account.

- Nature and severity of offending conduct.
- The incidence and nature of any previous unsatisfactory conduct or behaviour.
- Previous warnings or action taken over earlier conduct.
- Presence of any provocation or mitigating factors.
- Have Company policies and procedures been consistently applied?
- How have policies and procedures been communicated? Are they clear and reasonable?
- Is the offending conduct in keeping with the employee's normal conduct?
- Does the proposed action 'fit' the offending conduct?

### 3.5 TERMINATION OF EMPLOYMENT

Termination of employment should be considered to be a remedy of last resort and only after careful consideration of all the facts and circumstances and issue of previous warnings. (Summary dismissal exempt - refer 3.5 below)

No employee is to be terminated without prior consultation with the Human Resources Manager. The final recommendation on termination resides with the Divisional Manager or Director. The Managing Director is to be advised prior to any termination.

Whilst the company reserves the right to terminate the services of any employee in accordance with this policy, for award-related/enterprise agreement related employees, such decisions will be explained to the relevant consultative or works committee if either committee asks for information of a non-personal nature.

### 3.6 SUMMARY DISMISSAL

The right to dismiss an employee summarily is to be exercised in exceptional circumstances only after consideration of all the facts and circumstances.

Summary (instant) dismissal may be justified on the following grounds:

- Theft.
- Striking another employee/fighting on the premises or at company functions.
- Falsification of records.
- Gross insubordination.
- Unauthorised consumption of illicit drugs and alcohol.
- Any other action that is so serious as to warrant instant dismissal.

e.g. Deliberate serious breach of GMP  
Deliberate serious breach of safety policy/procedure  
Releasing confidential information to competitors

## CORRECTIVE ACTION PROCEDURE

THIS PROCEDURE COMPRISES A PRELIMINARY INFORMAL STAGE FOLLOWED BY 4 FORMAL STAGES. DURING THE FORMAL STAGES THE FOLLOWING IS TO BE OBSERVED:

- *The Human Resources Department is to be consulted for advice and guidance to ensure all the correct measures have been taken.*
- *The employee is to be given the option of having a 3rd party employee or union delegate (where applicable) of their choice as an observer.*
- *Corrective action is to be constructive, highlighting the positive aspects of employee performance as well as the negative.*
- *Employee involvement and commitment to modify behaviour is to be sought from the employee, especially at stages 1 and 2.*
- *Employees can use the Company Problem Resolution Procedure if they wish to do so.*

### STAGE ONE: PRELIMINARY DISCUSSION

Prior to giving any formal warning, managers are to discuss the alleged problem with the employee on an informal basis.

### STAGE TWO: FORMAL VERBAL WARNING

The supervisor or manager involved is to request a meeting with the employee informing them of the nature of the meeting.

The employee is to be counselled as to the reason for his/her behaviour, clearly told what the problem is and together, the employee and the manager should develop an action plan to help the employee overcome the problem. A time frame for improvement is to be agreed. This action plan is to be given in writing to the employee.

A record is to be made of the meeting and a copy given to the employee and 3rd party (where applicable) to read and sign. The employee must clearly understand that further occurrence of the problem will lead to stage 3 of the procedure and this is to be written into the record.



### STAGE THREE: FORMAL WRITTEN WARNING

The unsatisfactory behaviour has continued and a second meeting is arranged.

Again counselling as to why the problem has recurred is to take place and a new or modified action plan with time frame be agreed to and given to the employee in writing.

However, the seriousness of a second occurrence of the problem and consequences of further occurrences must be clearly conveyed to the employee and included in the record of the meeting.

A record is to be made of the meeting and a copy given to the employee and any 3rd party to read and sign.

### STAGE FOUR: FINAL WRITTEN WARNING

This is the employees last chance to correct the unsatisfactory behaviour.

Less effort is to be placed on counselling and more emphasis is to be placed on discipline.

By this stage the company will have made every effort to determine the cause of the problem and resolve the matter with the employee. Further inappropriate behaviour or performance will leave the company with no option other than to terminate the employee's services. The employee should be placed on probation with a timeframe set for review.

The employee must clearly understand that the next step is termination and acknowledge this by signing the record of the meeting.

### STAGE FIVE: TERMINATION

Prior to any termination, the Human Resources Manager is to be consulted to ensure all correct measures have been taken.

Termination of an employee's services is a remedy of last resort and will be carried out after close examination of all the circumstances and facts.

The final recommendation on termination resides with the Divisional Manager or Director. The Managing Director is to be advised prior to any termination.

## APPENDIX I

### ENTERPRISE AGREEMENT INCREASES

- \* 5% for offsets in the agreement effective April 1, 1994.
  
- \* Annualised salary and fortnightly pay to take effect from July 1994.
  
- \* Increases in April 1995 to be based on skills and performance, with a guaranteed increase for all associates of the market movement which forecast show will be around 2%. Increases above this will be based on individual's achievements in the competency standards and the performance appraisal system. The market movement is not in addition to skill payments. Associates will receive market or skill/performance increases whichever is the greater.

## DUST ALLOWANCE

Currently Granulators receive an interim dust allowance of 32c per hour.

These payments will continue pending the results of the analysis being conducted by The Workcover Authority of N.S.W.

Workcover will assess dust levels in the compressing and granulation areas. They will determine whether the dust levels are acceptable in accordance with *international standards*.

If found to be within international standards the interim dust allowance will cease.

If found to be outside international standards payments will continue and be paid to all operators who work in the areas found to be unacceptable, including relief work. If this is the case, the parties concerned will work with Workcover until the levels are acceptable, at which point all dust payments will cease.

Should dust levels become an issue in the future in any area of the company they will be assessed by Workcover in the above manner.

---

## SIGNATORIES

---



---

**A. G. BAKER**


MANUFACTURING DIRECTOR  
For and on behalf of  
THE BOOTS COMPANY (AUST) PTY LTD



---

**WITNESS**

For and on behalf of  
THE BOOTS COMPANY (AUST) PTY LTD



---

**MICHAEL O'SHEA**

BRANCH SECRETARY  
For and on behalf of  
The Australian Workers Union  
New South Wales Branch



---

**WITNESS**

For and on behalf of  
The Australian Workers Union  
New South Wales Branch