

ENTERPRISE AGREEMENT

NO: E.A. 148 /1996

DATE REGISTERED: 31-5-96

PRICE: \$ 16-00

"API BRANCH ENTERPRISE DEVELOPMENT AGREEMENT #2"

An Enterprise Agreement, made pursuant to the
NSW Industrial Relations Act, entered into between:

Australian Pharmaceutical Industries Limited

102 Briens Road
Northmead NSW 2000

and
its NSW Branch employees

and
the Unions which are involved with API Employees, which are:

Federated Clerks Union of Australia New South Wales Branch
377-383 Sussex Street, Sydney NSW 2000

and
National Union of Workers, New South Wales Branch
3 Bridge Street, Granville NSW 2142

and
Shop Assistants and Warehouse Employees' Federation of Australia,
Newcastle and Northern, New South Wales
17 William Street, Hamilton NSW 2302

and
Transport Workers Union of Australia, New South Wales Branch
388-390 Sussex Street, Sydney NSW 2000

It is agreed by the Parties as follows:

1. (a) THIS AGREEMENT is to be called the "API Branch Enterprise Development Agreement No. 2". The parties to the Agreement are:

Australian Pharmaceutical Industries Limited ("the company"), its employees located at each of its six country branches at Newcastle, Wollongong, Kempsey, Tamworth, Orange and Wagga Wagga and the unions who represent a number of them ("the union"), those unions being the National Union of Workers, New South Wales Branch, Shop Assistants and Warehouse Employees' Federation of Australia, Newcastle and Northern, New South Wales, Transport Workers Union of Australia, New South Wales Branch, Federated Clerks Union of Australia, New South Wales Branch. It has not been entered into under duress by any party.

(Refer Part 4: Schedule of Industrial Organisations)

1. (b) INCIDENCE PROVISION: This Agreement applies to personnel employed by Australian Pharmaceutical Industries Limited at the Company's country branch locations, in weekly paid warehouse, driving and clerical occupations under the following Awards:

Clerks (State) Award

Section 11 Agreement with NUW (ex Storemen & Packers Union) which has as its parent Award the Storemen & Packers (Wholesale Drug Stores) State Award
Transport Industry - Mixed Enterprises Interim (State) Award

1. (c) COMMITMENT

- (i) This Agreement gives effect to the intention of the parties to establish significant improvement in efficiency and performance. The improvements will be achieved through improved workplace relations and employment practices to ensure major benefits to the Customer, the Company, Employees and the Community generally.
- (ii) There will be increased emphasis upon flexible working arrangements and team work to enhance performance resulting from a highly motivated, productive and multi-skilled workforce.
- (iii) The scope of this Agreement includes issues such as the continuing development of improved classification structures, career paths and training (undertaken in Enterprise Agreement No. 1, or the "Stage One" Agreement) as well as the removal of demarcations and improved flexibility, to encourage greater customer service quality and job satisfaction, together with the development of performance indicators (benchmarks) to measure efficiency levels and improvements in various aspects of the operation. These performance indicators may include items such as safety, attendance, quality (issues such as reduction of picking errors, damages, etc.), customer service, waste management (including power and general resources) and other issues that may arise by mutual agreement.
- (iv) So that issues may be addressed which affect workers and management and to explore ways of improving efficiency, productivity and customer service ongoing consultation will take place between the branch manager and staff. A consultative process will be established which meets the needs of the branch manager and staff. This consultative process will be structured to include meetings on a regular basis.

2. UNION/MANAGEMENT CO-OPERATION

The Union recognises its responsibilities as representatives of employees and realise that in order to provide maximum opportunity for continuing employment and good working conditions, the Company must first function effectively.

The Company and the Union will endeavour to work together in a spirit of cooperation in order to attain maximum efficiency, quality customer service and dependability recognising the essential nature of the business as a provider of medicines to pharmacies and hospitals.

3. GRIEVANCE & DISPUTES RESOLVING PROCEDURE

In order to ensure grievances are settled promptly, sensibly and fairly, the following procedure has been adopted. The parties acknowledge that an effective settlement can only be achieved when there is an obvious and genuine sincerity and integrity involved.

- (i) Employee to try and resolve problem by discussion with his/her immediate supervisor/manager;
ANSWER WITHIN 8 WORKING HOURS.

IF UNRESOLVED:

- (ii) Employee should refer the matter to the branch manager if this is a different person to that referred to in (i) above.
ANSWER WITHIN 8 WORKING HOURS.

IF UNRESOLVED:

- (iii) Employee should discuss the matter with Personnel after seeking the help of the union delegate if the employee is a member of a Union.
ANSWER WITHIN 24 HOURS.

IF UNRESOLVED:

- (iv) Personnel will have discussions with both the employee and the branch manager, and with the union organiser and union delegate if the employee is a member of a Union.
ANSWER WITHIN 24 HOURS.

IF UNRESOLVED:

- (v) Personnel will have discussions with the General Manager: Operations as well as the employee, and with the union organiser and the union delegate if the employee is a member of a Union;
ANSWER WITHIN 24 HOURS.

IF NO SOLUTION IS REACHED AT THIS STAGE:

- (vi) The union organiser will refer the dispute to the union secretary, and the Company will refer the dispute to its employer association and the union secretary, or their nominee, will take up the matter with the employer association.
- (vii) Subsequent to this it may occur that if no solution is reached either the Union, the Company or the employee will seek the assistance of the Industrial Relations Commission of New South Wales.

DURING THE DISCUSSIONS THE STATUS QUO SHALL REMAIN AND WORK SHALL PROCEED NORMALLY. "STATUS QUO" SHALL MEAN THE SITUATION EXISTING IMMEDIATELY PRIOR TO THE DISPUTE OR THE MATTER GIVING RISE TO THE DISPUTE. NEITHER THE COMPANY NOR THE EMPLOYEE SHOULD TAKE ANY ACTION WHICH WOULD AGGRAVATE THE PROBLEM.

4. HOURS OF WORK

- (i) The ordinary hours will be an average 38 per week over a 4 week period, Monday to Friday, worked between the times of 6.00am and 6.00pm.
- (ii) Once having fixed the time for commencing and ceasing work it shall not be altered without at least seven (7) days notice to the employees concerned, or by mutual agreement between the employer and such employees. Where the majority of the employees in a plant or section and the employer so agree, the commencing/ finishing time may be altered to meet the needs of the operation and its customers.
- (iii) An unpaid meal break of 30 minutes between the times of 11.30am and 2.00pm shall apply. A rest break will be allowed of ten minutes in the morning and ten minutes in the afternoon with the afternoon rest break for warehouse employees commencing ten minutes before finishing time. An employee will not be expected to work for a period exceeding 5 hours without a break, either meal break or 10 minute rest break except a 6 hour part timer.
- (iv) The sick leave provisions are standardised for all employees at one week (five days) during the first year of service and two weeks (ten days) during the second and subsequent years of service; Family Leave is available as defined in clause 7.

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5. STANDARDISED CONDITIONS FOR BRANCH EMPLOYEES

The parties agree that conditions listed below, together with hours of work set out in clause 4 (above) will apply to all API Branch employees covered by this Enterprise Agreement.

- 1. Flexibility of RDO 1 day per month may be taken other than as one day - i.e. 2 half days, or 4 short days per month by mutual agreement
- 2. Meal Allowance \$7.60, payable after first hour overtime
- 3. Overtime First 2 hours at time-and-a-half, thereafter double time. Sunday double-and-a-half time & minimum 4 hours on Sunday.
- 4. Sick Leave one week (5 days) in the first year and two weeks (10 days) per subsequent employment year (see separate clause 7. re family leave & proofs).
- 5. Casual loading 17.5% + 1/12
- 6. Bereavement Leave up to 3 days; sufficient proof of death of spouse, defacto, parent/foster/parent-in-law, brother, sister, brother/sister-in-law, child, stepchild, grandparents. Outside Australia spouse, parent brother/sister, child.

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6. REMOVAL OF DEMARCATATIONS:

The parties agree to improve the position which over time has seen the removal of some demarcations. Therefore, no occupational or locational limits will prevent an employee carrying out any temporary duties that are within the limits of the employee's skill competence and training. The intent of this clause is that any branch employee will undertake any duty required so as to enable best efficiency of available staffing in meeting the needs of the business.

This provision is not intended to be used as a punitive step with any employee. Its intent is to meet the needs of the business through an employee temporarily undertaking duties other than their regular duties. It is intended that such use of this provision is for a limited time only.

The parties acknowledge that there are adequate consultative and grievance procedures existing through which any issue or difficulty can be heard. Any employee who is required to undertake other than their regular duties and is unhappy about this will follow the grievance procedures already in place. Any issues surrounding such temporary duties of a branch employee may be the subject of consideration under the consultative processes described in Clause 1(c)(iv) of this Agreement.

7. SICK LEAVE, INCLUDING FAMILY LEAVE

- (i) An employee shall be entitled to five days absence on sick leave during the first year of service and ten days during the second and subsequent years of service; a part-time employee shall be entitled to a proportional amount of sick leave pro rata to the hours worked. An employee shall be entitled to be paid at ordinary time rates of pay for the time of such absence subject to the following:-
 - (a) An employee shall not be entitled to paid sick leave for any period in respect of which he/she is entitled to Workers' Compensation.
 - (b) The employee shall prove to the satisfaction of the company that he/she was unable on account of illness or injury, to attend for duty on the day or days for which sick leave is claimed. Satisfactory evidence shall mean a medical certificate or other satisfactory evidence (which may include a statutory declaration). Such evidence will be required on the following occasions:
 - (i) - SHORT ABSENCES:
The employee may need to take a short absence of an essential medical nature (that is, an absence of less than one day). The employee shall be allowed up to four separate short absences totalling no more than 15.2 hours (or two days) in any one service year.
 - (ii) TWO DAY ABSENCES:
The employee shall be allowed a two day absence without the need to produce satisfactory evidence once only in any one service year, however, all subsequent 2 day absences will require satisfactory evidence.

(iii) SINGLE DAY ABSENCES:

The employee shall be allowed two single day absences in any one service year without the need to produce satisfactory evidence; however all subsequent single day absences will require satisfactory evidence.

- (c) An employee shall, wherever practicable before the commencement of absence, or within a minimum of four hours of the commencement of absence, inform their supervisor, or in their absence another suitable officer of the company, of such employee's inability to attend for duty and, as far as possible, state the nature of the injury or illness and the estimated duration of the absence.
 - (d) The payment for any absence on sick leave in accordance with this clause during the first three months of employment of an employee may be withheld by the company until the employee completes such three months of employment at which time the payment shall be made.
 - (e) Sick leave entitlement for part day absences shall be paid on an hourly basis at the ordinary hours rate proportionate to the total number of hours absent.
 - (f) Sick leave entitlements not claimed in any one year, shall accumulate from year to year, so long as the employment continues with the company.
 - (f) Service before the coming into force of this Agreement shall be counted as service for the purpose of qualifying for sick leave absences described in this clause, with the exception of Family Leave as described in part (ii) of this Clause, which becomes available from the date of this Agreement.
- (ii) (a) Where an employee has unused sick leave entitlement and produces satisfactory evidence, leave on ordinary pay of up to half the yearly entitlement shall be granted to an employee who finds it necessary to be absent from work in the event of the illness of spouse or child or parent. This leave shall be known as "Family Leave". This leave shall not impact upon the terms of clause 7(i) which provides for a minimum of one week's (five days) sick leave.
- (b) Such leave shall be treated as though it was due to the employee's own illness and shall be taken subject to the conditions for sick leave as set down in this clause 7.
- (c) The joint consultative committee will review the new family leave provision at six monthly intervals during the life of the agreement with a view to dealing with any "teething troubles" in its application.
- (d) It is agreed by the parties that it is appropriate for a supervisor or manager to discuss openly with an employee any circumstance which may be considered overuse or misuse of the provision. Similarly, any employee who has a special family health need, the circumstances of which may require further flexibility, may discuss this with his/her supervisor or manager.

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8. FLEXIBILITY

It is agreed that Family Leave provided in Clause 3 is expressly for medical reasons. However, the parties acknowledges that there is a need for flexibility in the workplace where small

amounts of time off may be required for unavoidable reasons, such as solicitor's appointment, urgent home repair, interview with teacher etc. The parties agree that where an employee has such a need (which can't be met outside work hours or on an RDO etc) and where it is possible, the employee will be able to make up time at an agreed time acceptable to the Company. This time should be made up within the same pay period as the time taken, wherever possible.

9. BONUS PAYMENT FOR REDUCTION OF SICK LEAVE

The parties acknowledge that the reduction of absences due to sick leave has a direct positive impact on productivity and the overall efficiency of the site. In this regard an incentive payment will be made to any employee who works a full quarter (three months) with no sick/family leave absence. The payment is 1% of earnings for the quarter and will be paid to eligible employees on the second or third pay period after the end of each quarter.

This arrangement will be reviewed at the end of the term of the Agreement to measure the effectiveness in the payment delivering an improvement in absenteeism rates across the sites.

10. CLASSIFICATION/GRADE STRUCTURE & TRAINING

This Agreement will allow the establishment of a job classification grading structure within the organisation. Consultation will take place with employees in the development and application of the grading structure. Training will be in accordance with the needs of the enterprise with emphasis on current skill and competency levels, career development and potential.

11. FLEXIBILITY ARRANGEMENT

To meet the requirements of our customers and service the needs of the community in relation to prescription drugs and health related products and services provided by API, the parties agree that where a "local" holiday applies to employees this entitlement will be handled as follows: The employees will work on that day as required by the branch manager and take time off in lieu for the hours worked on that particular holiday on another day which is mutually agreed between the employee and the manager. (An example of "local" holiday is Newcastle Show Day where employees are required to work a number of hours on that day and take off those hours on another day which is mutually agreed between the employee and the branch manager.

12. TERM OF THE AGREEMENT

This Agreement shall have a term of two years from the date of Registration.

13. WAGE INCREASES

There are two increases under the Agreement plus the payment of an attendance bonus, paid quarterly. This increase shall be paid in addition to the Award rate of pay. These payments are set out below:

- (i) The 5% first increase to rates of pay takes effect on and from the date of registration. Employees covered by this agreement at the date of registration will be paid this increase of 5% in addition to the Award rate of pay, on and from the first full pay period after the date of signing by all the parties of the API Branch Enterprise Development Agreement No. 2, or in the case of a new employee the first full pay period upon commencement of employment, whichever is the latter.
- (ii) The 4% second increase in addition to the Award rate of pay takes effect 12 months from the first increase referred to above.

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- (iii) The payment of the quarterly attendance incentive operates within the registered term of the Agreement and takes effect from the first full pay period after the date of signing by all the parties of this API Branch Enterprise Development Agreement No. 2. This incentive payment is payable as set out in Clause 9.

14. NO EXTRA CLAIMS

The parties agree that for the duration of the Agreement there will be no pursuit of any extra claims, award or over-award, except when consistent with the terms of this Agreement.

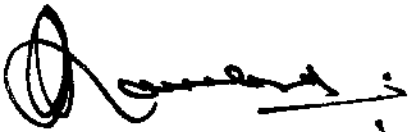
15. RELATIONSHIP TO PARENT AWARDS

Apart from clauses specified in this Agreement all other clauses of the Award governing employment of the various employees shall apply, including:

Clerks (State) Award

Section 11 Agreement with NUW (ex Storemen & Packers Union) which has as its parent Award the Storemen & Packers (Wholesale Drug Stores) State Award
Transport Industry - Mixed Enterprises Interim (State) Award

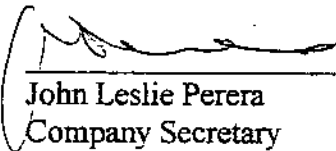
WITNESSED BY THE PARTIES this 13th day of December 1995



Ronald John Rowland
Group Managing Director



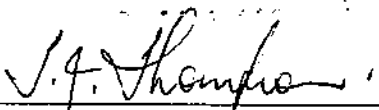
National Union of Workers, New South
Wales Branch



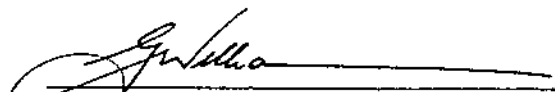
John Leslie Perera
Company Secretary



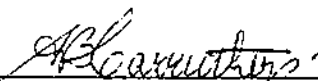
Federated Clerks Union of Australia,
New South Wales Branch



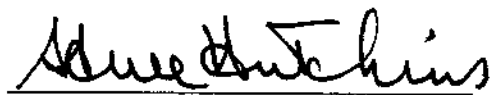
Terry Thompson, Branch Manager Newcastle
Branch representing Branch Managers



Shop Assistants & Warehouse Employees'
Federation of Australia, Newcastle and
Northern, New South Wales



Member of Newcastle Branch Joint
Consultative Committee representing
Branch employees



Transport Workers Union of Australia,
New South Wales Branch