

REGISTER OF
ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA99/5

TITLE: Parke Davis Enterprise Agreement 1998-2000

I.R.C. NO: 98/5239

DATE APPROVED/COMMENCEMENT: Approved 12 October 1998 and commenced 10 August 1998

TERM: 24 Months

NEW AGREEMENT OR
VARIATION: New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 9

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees engaged at the Company's Manufacturing Operations Plant situated at Caringbah

PARTIES: Parke Davis Pty Limited -&- National Union of Workers, New South Wales Branch, Shop, Distributive and Allied Employees' Association, New South Wales, The Australian Workers' Union, New South Wales





PARKE DAVIS ENTERPRISE AGREEMENT: 1998 -2000

1. INTRODUCTION

This agreement has been negotiated through a single bargaining unit, comprising the three unions identified in 2.1 Parties to the Agreement, and representatives of teams engaged in the Company's Manufacturing Operations plant at Caringbah.

This agreement forms part of a process of continuous improvement and ongoing consultation to improve the efficiency, flexibility and effectiveness of work arrangements in order to enhance the competitive position of the Company and enhance the job satisfaction of employees. The commitments and principles contained in this agreement will provide a facilitative framework within which employees can jointly develop arrangements for their mutual benefit.

Furthermore, it is intended that parties to this agreement will cooperate to implement mutually beneficial proposals developed by teams within this framework.

The proposed increases to wage rates, contained in Attachment 1, will be subject to application of the arrangements and principles contained in this agreement. Payment of the proposed increases will be subject to approval by the Industrial Relations Commission of New South Wales (the Commission) that this agreement satisfies The Principles of the State Wage Case.

2. FORMAL MATTERS

2.1 Parties to the Agreement

This Enterprise Agreement (this agreement) was made 10th August 1998 between Parke Davis Pty Ltd (the Company), The Australian Workers' Union New South Wales (the AWU); the National Union of Workers New South Wales Branch (the NUW); and the Shop, Distributive & Allied Employees' Association New South Wales (the SDA).





2.2 Application of Agreement

This agreement is to be read in conjunction with the Parke Davis Consolidated Award, and the following awards;

- (i) Drug Factories (State) Award
- (ii) Metal and Engineering Industry (New South Wales) Award
- (iii) Storemen and Packers, Wholesale Drug Stores (State) Consolidated Award

The terms of this agreement shall prevail over the terms of these awards to the extent of any inconsistencies.

2.3 Scope and Persons Bound

This agreement applies only to the Company's Manufacturing Operations plant situated at Caringbah, and employees of the Company engaged at this plant under the classifications set out in the relevant awards, set out in Clause 2.2 above.

2.4 Period of Operation

This agreement will take effect from 10 August 1998 for a period of two years. There will be no further adjustments of wages or other conditions of employment during this period other than as provided in Item 5, Gradings Review of this agreement.

3. SUCCESS OF TEAMS

Teams are an important strategic initiative for Parke Davis. Started in 1997, it is recognised that this is a long term project needing support from all parties involved to succeed. Feedback on progress at individual and team level will be sought at regular intervals.

As our business and customer needs change, we may need to change elements of the current team structure. However, the fundamental aim remains to provide an environment that fosters involvement and commitment.

To date, teams have been restricted to the Rack-to-Rack teams, but a group in the Warehouse has begun to meet to discuss improvement projects and gain support and feedback on these ideas. We wish to continue this venture in this area, as it is consistent with our approach elsewhere.

3.1 KPIs

Each team will establish agreed KPIs (including quality, safety and output) to be reviewed and communicated on a monthly basis.

Additional specific goals should be set and agreed at the beginning of each calendar year in line with the business plan.

Teams should establish a code of conduct, detailing how individuals will treat each other, and how the teams will interact with their customers and other teams.

Teams should have regular meetings to discuss their KPIs, projects and other important issues.

3.2 Training, Development and Multi-skilling

For teams to function efficiently and effectively, a range of skills are needed and individuals should be given opportunity to multi-skill within teams, and in the case of new employees joining the organisation, multi-skilling is a condition of employment.

As well as training in functional job skills, we need to provide development of essential interaction and communication skills and problem solving techniques. This will assist teams in resolving personal differences and support the Code of Conduct.

Individuals may complete a Personal Development Plan (PDP) every 12 months, identifying agreed development and skill needs. Responsibility for meeting these needs rests jointly with the individual and his/her supervisor.

Training and development are important activities, however there may be circumstances where plans need to be changed or delayed due to pressing business needs.



3.3 Two-way Familiarisation

Establish a program for job familiarisation and understanding throughout the plant. This program will be used as part of our approach to problem solving and will facilitate understanding and communication, building a better relationship between individuals and departments. It will be voluntary and include an optional element of 'hands-on' work. Also it would be subject to the company's responsibility to provide a safe and healthy working environment and the need to ensure product quality.

The duration of any job familiarisation will be limited to a maximum of two working days in any one area and it is understood that familiarisation will not provide full training to enable individuals to achieve competence in the role. A record of participants, including the areas in which they have worked as part of this program, will be maintained. The program is a genuine approach to resolving problems and improving understanding; it is not intended to be used to provide alternative labour.

4. CUSTOMER SERVICE / COG'S REDUCTION

4.1 Introduction

Maintaining competitiveness as a strategic supplier within Warner Lambert is essential as WL moves towards global sourcing. The ability to change quickly to suit internal and external customer requirements and concurrently maintain a competitive cost of goods structure is extremely important.

4.2 Customer Service

Customer Service KPIs will be established reviewed and communicated regularly within each team. KPIs' are designed to be a measure of team performance and are not to be used as a means of penalising individuals.

Teams should respond to, and support changing customer requirements (both internal and external) in a manner that reflects the requirements of the customer. Examples are the commitment to meeting the needs of month end production/delivery requirements or tender/export supply contracts.

Commitment to improve customer service through

- better planning, organising and communication both within teams and between teams and departments (eg purchasing/warehouse, planning/production)



- Better understanding of business processes eg warehouse knowledge of production system and marketing requirements



4.3 Cost of Goods

Commitment to involvement in continuous improvement groups, projects (eg raw material changes, packaging changes) focused on savings. Cost improvements will be measured and recorded as a team KPI.

Commitment to participate in and support projects and activities that can significantly improve cost of goods (eg modernised plant)

Commitment to reducing reworks by eliminating errors and increasing "right first time" through training and awareness of processes and responsibility for actions. This would form part of a company wide program.

5. GRADINGS REVIEW

A working party should be developed as soon as possible (August) to make recommendations for the ongoing work of the Grading Review and Gradings Appeals Groups. Commitments should be forthcoming within 3 months of the signing of the EA.

One of the basic features of the grading systems is that they should remain flexible and should be able to change with the needs of the organisation and the people involved. To this extent ongoing discussion and agreement will take place, ie the systems are not "set in concrete." We recognise that the three systems in place have some differing fundamentals, which need to be ironed out. We believe that throughout the structures, people need to be treated equally. This would apply across the three grading systems. We recognise that due to the differing size of the three groups some ongoing differences may be required.

The Gradings Review Group should be held accountable for the ongoing development and flexibility of the three grading systems. They should communicate openly to all constituents of the three grading systems on the work and progress made. The purpose of the group and its members should be displayed in a prominent position.

The basic philosophy of the grading systems should be that the systems should be mutually beneficial. The individuals should be able to develop, to learn a variety of jobs and to earn reward for adding more value. The company needs to be better off by virtue of flexibility and higher skill levels.

Any review of the gradings systems will be cost neutral and will not a mechanism for unwarranted pay rises. The assessment and regrading decisions in all areas must take account of competence demonstrated over a period of time, not just a one off demonstration. The Gradings Review Group should determine suitable criteria for the appropriate period of time.



6. ALTERNATIVE HOURS OF WORK AND SALARIES

Our business will inevitably undergo changes during the next two years. Global rationalisation and harmonisation presents opportunities and challenges for manufacturing. In order to remain open in the medium to longer term we must obtain substantial additional volume to cover the additional overhead costs resulting from the Plant Modernisation Program. To do this we must compete with other Warner-Lambert affiliates to retain existing volume and win new customers by securing new products through competitive COGs and customer service: that is, demand or price considerations may lead to loss of sales and production of some of our existing products.

It is likely that some lines, teams or departments may need to consider alternative working hours to match our production capacity to the market demand. As our teams continue to develop there is a need to provide a framework of basic principles applying to hours of work. This framework would enable teams to develop appropriate arrangements to benefit themselves and the business.

It is understood that changes to working hours have great significance to individuals and their family/social lives. Any changes will be made only after full consultation and agreement with the team or department and every effort made to accommodate individual preferences.

Any proposal for 12-hour shifts would require consultation and agreement in writing with affected employees and the appropriate union(s). The parties would be guided by the occupational health and safety provisions of the "ACTU Code of Conduct on Twelve Hour Shift Work".

6.1 Span of Hours

Day work from 6:00am to 6:00pm, Monday to Friday

Afternoon shift finishes after 6:00pm but not later than midnight

Night shift finishes after midnight but not later than 8:00am.

If the majority of employees in a section or team agree to a work cycle involving more than eight ordinary hours on any day an employee who cannot work as such, because of personal circumstances, will not be compelled to do so. The team would make reasonable efforts to accommodate the employee; however, if a reasonable solution is not possible that employee may be transferred to another section or team.

Different arrangements may apply to various sections or teams to meet the needs of the section or team and the needs of the business. A full range of options will be considered.



7. GRIEVANCE SETTLEMENT PROCEDURE

(i) Continuing good employee relations is recognised by the parties as integral to joint prosperity and therefore the mechanism to minimise conflict is essential. The aim of this procedure is to ensure that, wherever possible, grievances are resolved promptly and in an atmosphere of mutual trust and co-operation.

(ii) Depending on the nature or complexity of the issue involved, the parties agree that the following graduated procedure, if carefully followed, is the most desirable and effective way of resolving grievances:

- Discussions between the employee(s) concerned and the immediate supervisor and the relevant union delegate when requested.
- Discussions involving the employee(s), the union delegate and more senior management.
- Discussions involving the relevant union official and appropriate senior management.
- Referral to the Industrial Relations Commission of New South Wales.

Opportunities within these stages will exist for either of the parties to request, without prejudice, acceleration of the procedure.

- (iii) There will be a commitment by the parties to achieve adherence to the procedures. This will be facilitated by the earliest possible advice by one party to the other of any issue or problems which may give rise to a grievance or dispute.
- (iv) Throughout all stages of the procedure all relevant facts shall be clearly identified and recorded.
- (v) Reasonable time limits will be placed on the completion of discussions throughout the procedure.



ATTACHMENT 1

PARKE DAVIS ENTERPRISE AGREEMENT

Increases to base wage rates:

4.5 percent effective 6 August 1998

4.5 percent effective 6 August 1999

Note

The payment of these increases is subject to satisfactory application of the provisions of this agreement.

Signed for and on behalf of Parke Davis Pty Ltd

Paul Cotterill

Paul Cotterill

Signed for and on behalf of the Australian Workers' Union New South Wales

Russ Collison

Russ Collison

Signed for and on behalf of the National Union of Workers, New South Wales Branch

Frank Belan

Frank Belan



Signed for and on behalf of Shop, Distributive and Allied Employees' Association New South Wales

Greg Donnelly

Greg Donnelly