

**REGISTER OF  
ENTERPRISE AGREEMENTS**

**ENTERPRISE AGREEMENT NO:** EA03/258

**TITLE:** **Pfizer Caringbah Enterprise Development Agreement 2003-2005**

**I.R.C. NO:** IRC3/4656

**DATE APPROVED/COMMENCEMENT:** Approved 2 September 2003/Commenced 1 August 2003

**TERM:** 24

**NEW AGREEMENT OR  
VARIATION:** Replaces EA00/128

**GAZETTAL REFERENCE:** 23 January 2004

**DATE TERMINATED:**

**NUMBER OF PAGES:** 8

**COVERAGE/DESCRIPTION OF**

**EMPLOYEES:** The agreement applies only to the Company's (Pfizer Pty Limited) manufacturing operations plant situated at Caringbah, and employees of the Company engaged at this plant who fall under the classifications, and within the coverage of, the Drug Factories (State) Award; Metal and Engineering Industry Award; Storemen and Packers, Wholesale Drug Stores (State) Consolidated Award

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

# PFIZER CARINGBAH ENTERPRISE DEVELOPMENT AGREEMENT: 2003 - 2005

## 1. Introduction

This agreement has been negotiated through a single bargaining unit, comprising the three unions identified in subclause 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 within this framework.

The proposed increase to wage rates, contained in clause 13, Wage Rates Increases, 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 Development Agreement (this agreement) was made 9th July 2003 between Pfizer Pty Limited (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 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 1 August 2003 for a period of 2 years. There will be no further adjustments of wages during this period.

### 3. Success of Teams

Teams are an important strategic initiative for Pfizer. 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 team structure. However, the fundamental aim remains to provide an environment that fosters involvement and commitment.

#### 3.1 KPIs

Each team will establish agreed Key Performance Indicators (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.

#### 3.4 Production Teams Arrangements

3.4.1 In context of continuous operation no processes will stop for the traditional toilet breaks. Operators needing the toilet facilities can do so as required but the line will continue to run.

3.4.2 Meal breaks will be staggered and co-ordinated by the team ie, the process continues to run.

3.4.3 Acknowledging that a more significant afternoon shift presence will be needed in the future, and in addition some night shift presence the following method will be used to select employees to transfer to shift work:

the Company will identify the operational requirements (including the skills and number of people) for the appropriate shift;

the work team will make a recommendation as to how to meet the operation requirements;

whenever practicable the Company will accept the recommendation; and

the Company will make all reasonable efforts to accommodate the circumstances of individuals who do not wish to transfer to shift work.

Permanent allocation to shift may not be necessary, however it will be at least long enough to enable initial start up and training of new operators hired for the shift.

It is expected that in this scenario day shift positions would first be offered amongst the employees on the afternoon and night shift before recruiting outside the business. Skill requirements would however, be taken into consideration.

3.4.4 Training programs will need to address team needs and skill shortfalls identified by the teams in relation to continuous running requirements.

3.4.5 Parties acknowledge that the current applicable awards provide for operational flexibility; (eg, spread of hours, transfer between departments, etc) and the unions recognise the Company's right to implement changes in accordance with the award conditions. Examples include the following:

In the event of a need, an operator can be moved within the factory, eg Solids to Liquids, Make Up to Packaging etc, giving due regard to that person's grading, ability and skill level to suit the task.

In the event of the majority of a team wishing to trial alternative working arrangements and having met the award criteria and gained the Company's acceptance then the Company would firstly seek alternative areas for those not wanting to be part of the trial or secondly direct them with appropriate notice to work under the new trial arrangement.

3.4.6 In order to keep processes running continuously a handover is required at the start and end of each shift. Employees should therefore be at the site of work in uniform at the start of the shift.

3.4.7 All wash-up times will be 5 minutes, at the end of each day/shift.

There will be 5-minute overlaps between the Day, Afternoon and Night shifts to provide hand-overs

The Company acknowledges that a number of jobs require the employee to clean thoroughly after the job is completed, either during or at the end of the shift. This right is in addition to the 5 minutes wash up time at the end of each shift and will include jobs such as dust extraction, cooling towers, boiler house, etc or any other job which impacts on GMP requirements. When such additional cleaning is necessary near the end of a shift, the employee will ensure he or she is back at the work area to complete the handover to the incoming shift.

3.4.8 On the job training of other employees (where capable common sense applied) will be accepted as part of normal duties for all employees.

3.4.9 Production teams will be arranged to include a specialist maintenance tradesperson as part of the team. The role would be designed so that maintenance persons would have responsibility for all ongoing maintenance issues affecting the plant area. This would include:

Advising the team and its leader of any technical necessities the line may have;

Setting up/modifying planned maintenance tasks and schedule;

Carrying out planned maintenance tasks including major overhauls (where appropriate);

Recording and reporting using planned maintenance system;

Minor modifications/fine tuning;

Specialist advice for operators and management staff;

Training of operators on machine operation and changeover, tooling care and good practice.

Day-to-day reporting would be through the team leader to Production management. There will be a strong technical link to Maintenance management and support staff, and to Engineering for technical help, design issues and major problems.

In terms of the requirement to do Production work, the intention is that, as now, operators carry out all changeover and operational work: exceptions are complex machinery, where mechanical expertise is required for changeovers. Production work may be required to complete packaging, etc in emergency situations for short periods of time; not on repeated frequent occasions.

Training Will be Provided in All Areas to Provide Maintenance Employees With the Necessary Skills and Competencies to Discharge Duties, Referred to in This Section.

### **Customer Service/COG'S Reduction**

#### 4.1 Introduction

Maintaining competitiveness as a strategic supplier within Pfizer is essential as Pfizer Global Manufacturing continues the move 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 will be achieved through:

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

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. Flexible Working Arrangements**

- 5.1.1 Employees may be utilised in both Production and Warehouse functions, subject to this clause, in the following circumstances:

unforeseen work demands which are beyond the capacity of the employees in the area concerned in the time available;

unforeseen absences of employees which may need to be covered; and

unique or emergency circumstances.

- 5.2 The Distribution Manager and the relevant Production Manager, or their nominee, will consult and agree with the union (NUW and SDA) delegates prior to movement of employees under the provisions of this arrangement. Common sense will be applied in terms of the operational needs of the business.
- 5.3 Employees engaged by the Company before November 1994, will have the option to accept or decline an offer to work under the terms of this arrangement. Employees engaged from November 1994, would be utilised.
- 5.4 Employees agree to undertake the necessary training to enable them to perform the broader job functions provided by this arrangement.

## **6. Warehouse/Production Issues**

- 6.1 Selected Warehouse operators (packaging and finished goods) will be required to liaise strongly with Production operators and their team requirements. Thus, these Warehouse operators will, by virtue of this, be part of the operations team although they may well spend much of their time performing other warehouse tasks. They will not be expected to spend time on either the feed end or the packaging end of the Production line as Production operators. The exception to this last point would be "flexible operators". This exception is addressed as a separate point [see point 5.1)
- 6.2 Picking of components for a batch which (currently) requires specific Warehouse machinery, eg double deep fork shall be performed by Warehouse operators, including flexible operators if competent. Components will be therefore taken by these Warehouse operators to a point in the production process such that no double handling shall occur. (Accepting that GMP and uniforms will have some bearing on that point and that the new modernised factory layout may facilitate this point).
- 6.3 The final packaged product from the Production operation team (Packaging Floor) will be taken by a production operator to the entry point of the Finished Goods Warehouse, ie the receiving racks for the turret truck. Whilst it is envisaged that the most likely form of transport for this task is a BT it will also be acceptable for a Production operator to use a forklift truck for this task.
- 6.4 The receiving of bulk packaging, etc in the new factory layout may take place at a new rear loading/unloading dock. The Warehouse operators would perform this task and place the materials on the second floor by forklift truck.
- 6.5 In the event of production which is to be immediately containerised the Production operator who has picked up the pallet at the end of the line, will place it directly in the container rather than the Warehouse entry racks. Appropriate lifting equipment (including a fork lift truck) may be used for this task. Loading of containers for New Zealand will remain the responsibility of Warehouse operators.
- 6.6 It is likely that an AGV will, at some stage be used for the transportation of items from one area to another. In this instance a Warehouse operator would likely put items on that AGV in the Warehouse and a Production operator would take them off at the Production area.

## **7. Alternative Hours of Work**

Our business will inevitably undergo changes during the term of this Agreement. 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 Pfizer 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".

### **7.1 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.

## **8. Grievance Settlement Procedure**

8.1 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.

8.2 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.

- 8.3 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 that may give rise to a grievance or dispute.
- 8.4 Throughout all stages of the procedure all relevant facts shall be clearly identified and recorded.
- 8.5 Reasonable time limits will be placed on the completion of discussions throughout the procedure.
- 8.6 During the steps outlined in subclause 8.2 all work will proceed normally and the consideration of the enterprise will remain a priority.

### **9. Continuous Improvement**

It is agreed that all issues of on-going continuous improvement, other than those which involve major technological advancement which may justify immediate consideration, are covered by this agreement. Additional skill issues considered to be of significance should be addressed by the grading system.

### **10. Redundancy**

- 10.1 If an employee's job ceases to exist the company will make every attempt to make alternative employment available for which the person is reasonably suited by education, training or experience.
- 10.2 One month's notice or one month's pay in lieu of notice (5 weeks if over 45 years of age).
- 10.3 Four months pay for the first year of completed service or part thereof, and one month's pay for each year or part year of service with the Company thereafter (5 weeks if over 45 years of age)
- 10.4 Pro-rata long service leave on the basis of years and months worked, if completed years of service is less than the minimum period stipulated under the relevant Act. All other long service leave payments will be provided in accordance with the relevant Act.
- 10.5 Payment of accrued annual leave in accordance with the relevant Act.
- 10.6 Payment of annual leave loading paid on accrued leave.
- 10.7 Superannuation as per Trust Deed.
- 10.8 Selection Guidelines: Primarily based on the need to retain required knowledge, skills and experience within the business, with due regard for the length of service of the employees involved. Voluntary retrenchments may be invited by the company from employees working in the same or related areas, but will only be accepted if equivalent skill/knowledge retention is assured.
- 10.9 An employee whose position is made redundant will be provided with a relevant outplacement program. Details of outplacement programs are available from the Human Resources Department.

### **11. Transmission of Business Provisions**

The provisions of clause 10 Redundancy are not applicable where the business, or part of the business, is before or after the date of this agreement, transmitted from the company (in this subclause called "the transmittor") to another employer (in this subclause called "the transmittee"), in any of the following circumstances:

Where the employee accepts employment with the transmittee which recognises the period of continuous service which the employee had with the transmittor and any prior transmittor to be continuous service of the employee with the transmittee; or

Where the employee rejects an offer of employment with the transmittee:

in which the terms and conditions are substantially similar and no less favourable, considered on an overall basis, than the terms and conditions applicable to the employee at the time of ceasing employment with the transmitter; and

which recognises the period of continuous service which the employee had with the transmitter and any prior transmitter to be continuous service of the employee with the transmittee.

## **12. Enterprise Development Process**

The parties have committed to an approach to develop the enterprise to the mutual benefit of all stakeholders, as part of a culture of continuous improvement, based on the following principles:

Integrate the enterprise development agreement with the overall strategic direction of the organisation

Provide flexibility to respond to changes in the environment to meet the requirements of customers

Focus on the areas for longer term development of the enterprise and the people

Move towards an environment of shared objectives and shared rewards

Replace detailed prescriptive terms and conditions of employment to statements of principle and intent

Investment in employees' understanding and development so they can contribute to and support an agreement which is appropriate to the business.

The details of the process will evolve during the term of this agreement

## **13. Wage Rates Increases**

Wage rates paid by way of the Pfizer Caringbah Enterprise Development Agreement: 2001 - 2003 will be increased by 4.5 percent, effective from 7 August, 2003 and a by a further 4.0 percent, effective 5 August, 2004.

Signed for and on behalf of Pfizer Pty Limited

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Greg Fisher

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David Pearce

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

Russ Collison

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

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Derrick Belan

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

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