

**MCKESSON ASIA-PACIFIC PTY LTD -
OPERATIONS STAFF COLLECTIVE
AGREEMENT 2008**

INDEX

INDEX 2

PART 1 – OPERATION OF AGREEMENT	4
1. Title	4
2. Introduction	4
3. Operation of Agreement	4
4. Application	4
PART 2- DEFINITIONS AND INTERPRETATION	5
5. Definitions and Interpretation	5
PART 3 – EMPLOYMENT RELATIONSHIP	7
6. Permanent staff	7
7. Specified term employment	8
8. Casual employment	8
9. Probationary employment	9
10. Employee duties and Performance	9
PART 4 - SALARIES AND RELATED MATTERS	9
11. Remuneration guidelines and principles	9
12. Salaries	10
13. Agreement commencement salary increase	11
14. Annual Salary Review	12
15. Frequency of Payment	12
16. Superannuation	12
PART 5 - HOURS OF WORK	12
17. Hours	12
18. Breaks	13
19. Overtime	13
20. Shift Work	14
PART 6 – LEAVE	16
21. Annual Leave and annual leave loading	16
22. Personal/Carers Leave	17
23. Compassionate Leave	18
24. Parental Leave	18
25. Long Service Leave	18
26. Public Holidays	19
PART 7 – TERMINATION OF EMPLOYMENT	20
27. Termination of Employment	20
28. Redundancy	22

Mckesson Asia-Pacific Pty Ltd - Operations Staff
Collective Agreement 2008

PART 8 – DISPUTE RESOLUTION.....	24
29. Dispute Settlement Procedure.....	24
PART 9 – MISCELLANEOUS.....	25
30. Relationship with other Industrial Instruments.....	25
31. Availability of this Agreement.....	25
32. No further claims.....	25
PART 10– EXECUTION.....	26
Schedule 1 – Minimum Annual Salaries (full-time employees).....	27

PART 1 – OPERATION OF AGREEMENT

- 1. Title**
This Agreement is known as the McKesson Asia-Pacific Pty Ltd - Operations Staff Collective Agreement 2008.
- 2. Introduction**
 - 2.1** The terms of this Agreement, which was developed by the Agreement Development Team, recognises McKesson's unique business model and its operating arrangements.
 - 2.2** The objectives of the parties to this Agreement include:
 - 2.2.1** building a unified and efficient national telephone based healthcare advisory and assistance business that provides optimal service to clients;
 - 2.2.2** building that business on the foundation of a unified, satisfied and committed workforce;
 - 2.2.3** maintaining a collaborative relationship between employer and employee built on trust and confidence through processes reflecting fair treatment and a desire to treat each employee with respect and dignity;
 - 2.2.4** facilitating the development of, and transition to, uniform terms and conditions of employment for Operations Staff to the extent practicable.
- 3. Operation of Agreement**
 - 3.1** This Agreement comes into operation on the Commencement Date.
 - 3.2** The nominal expiry date of this Agreement is the third anniversary of the Commencement Date.
- 4. Application**
 - 4.1** The Agreement applies to McKesson's Operations Staff.
 - 4.2** This Agreement binds:
 - 4.2.1** McKesson; and
 - 4.2.2** Operations Staff.

PART 2- DEFINITIONS AND INTERPRETATION

5. Definitions and Interpretation

5.1 Definitions

- 5.1.1 Act means the *Workplace Relations Act 1996* (Cth).
- 5.1.2 Agreement means this Mckesson Asia-Pacific Pty Ltd - Operations Staff Collective Agreement 2008.
- 5.1.3 Agreement Development Team means the representatives of management and Operations Staff who jointly developed the terms of this Agreement.
- 5.1.4 Commencement Date means the date on which the Act provides this Agreement comes into operation (currently 7 days after the date on which the Workplace Authority issues a notice stating that the Agreement has passed the No Disadvantage Test).
- 5.1.5 Continuous Shift Worker means an employee employed on a full-time basis who is regularly rostered to work all Evening Shifts and/or Night Shifts, or such shifts in combination with Day Shift.
- 5.1.6 Customer Service Representatives includes customer service representatives, health resource coordinators and enrolment coordinators, the major portion of whose duties is to provide telephone based advisory and assistance services.
- 5.1.7 Day Shift has the meaning given to it in clause 20.3 of this Agreement.
- 5.1.8 Disease Management Nurse means a registered nurse working as a disease management nurse under this Agreement.
- 5.1.9 Fortnightly Ordinary Hours means the fortnightly ordinary hours prescribed in clause 6.1 for full-time employees in the State or Territory in which the relevant employee works.
- 5.1.10 Evening Shift has the meaning given to it in clause 20.3 of this Agreement.
- 5.1.11 employee and employees means an employee or employees of Mckesson to whom this Agreement applies.
- 5.1.12 Health Professional means Triage Nurses, Disease Management Nurses, Other Health Professionals and Intern Health Professionals.
- 5.1.13 Intern Health Professional means an intern psychologist.
- 5.1.14 Mckesson means Mckesson Asia-Pacific Pty Ltd.

5.1.15 **Mckesson@Home arrangement** means where Mckesson offers, and an employee accepts, the opportunity to work from their residence subject to the terms and conditions of an additional agreement to be entered into between Mckesson and the employee. Such additional agreement will be read in conjunction with this Agreement, however this Agreement will prevail to the extent of any inconsistency between them.

5.1.16 **Night Shift** has the meaning given to it in clause 20.3 of this Agreement.

5.1.17 **Operations Staff** means employees who are employed by Mckesson in Australia in a role in which the major portion of whose duties is the provision of telephone based advisory and assistance services whether from Mckesson's premises or under a Mckesson@Home arrangement who fall within the following Mckesson job classifications:

5.1.17(a) Health Professionals, comprising:

- (i) Triage Nurses;
- (ii) Disease Management Nurses;
- (iii) Other Health Professionals and Intern Health Professionals; and

5.1.17(b) Customer Service Representatives.

To avoid uncertainty, "Operations Staff" does not include employees employed by Mckesson in the position of a:

- (i) Team leader;
- (ii) Manager, supervisor or any person predominantly performing managerial or supervisory functions; or
- (iii) Clerical or administrative employee.

5.1.18 **Ordinary Shift Hours** means the greater of one-fifth of the weekly ordinary hours prescribed in clause 6.1 for full-time employees in the State or Territory in which the relevant employee works, or the employee's rostered hours for the relevant shift.

5.1.19 **Other Health Professional** means a social worker, registered nurse (other than a registered nurse working as a Triage Nurse or a Disease Management Nurse), occupational therapist or psychologist working as a health professional under this Agreement.

5.1.20 **salary** means the ordinary time rate of pay (expressed as an annual salary unless the context otherwise requires) for the employee concerned excluding overtime payments, penalty rates, shift allowances, bonuses, superannuation and any other ancillary payments of a like nature.

5.1.21 Triage Nurse means a registered nurse working as a triage nurse under this Agreement.

5.1.22 week, where the context requires, means the 7 day period Monday to Sunday.

PART 3 – EMPLOYMENT RELATIONSHIP

6. Permanent staff

6.1 Full-time employment

6.1.1 In the case of employees working in New South Wales, the Australian Capital Territory, Victoria and Western Australia - a full-time employee is an employee whose ordinary hours of work are 38 hours per week, or 76 hours in a fortnight or 152 hours in 28 days.

6.1.2 In the case of employees working in a State or Territory other than as mentioned above - a full-time employee is an employee whose ordinary hours of work are 37.5 hours per week, or 75 hours in a fortnight or 150 hours in 28 days.

6.1.3 Despite the above, McKesson may on 2 months notice to employees alter full-time ordinary hours of work arrangements for employees working in New South Wales, Victoria and Western Australia so that they align with such arrangements in the other States and Territories as set out above provided that such change will not result in an overall reduction in annual salary for any employee.

6.2 Part time employment

6.2.1 Employees may be engaged to work on a part time basis. A part-time employee is an employee, other than a casual employee, who works predictable hours of work being less than the hours of a full-time employee.

6.2.2 Except as otherwise expressly provided in this Agreement, all salary and conditions set out in this Agreement are stated as those applicable to full-time employees, and part-time employees have a pro-rata entitlement to that salary and conditions calculated on the basis of the proportion that their ordinary hours of work bear from time to time to the ordinary hours of work for full-time employees as at the Commencement Date (or, at McKesson's discretion, the ordinary hours of work for full-time employees as at the relevant time) in the State or Territory in which the part-time employee works.

6.2.3 Part-time employees will be rostered to work a minimum of 3 consecutive hours on any one single attendance unless otherwise agreed between McKesson and the relevant employee.

- 6.2.4 At the time of engagement, McKesson and the part time employee will agree in writing, the ordinary hours of work that will apply to the employee. This Agreement may be varied:
- 6.2.4(a) in writing by mutual agreement; or
- 6.2.4(b) by McKesson giving 14 days notice to the part-time employee, provided there is no significant change in the total agreed number of ordinary hours of work.
- 7. Specified term employment**
- 7.1 Persons who are employed for a specified period of time (specified term employees) will be notified that they are engaged as specified term employees in their letter of appointment which will also refer to their contracted hours and the duration of their engagement. Specified term employees may be employed on a full-time or part-time basis.
- 7.2 The following clauses will not apply to specified term employees:
- 7.2.1 Casual employment (clause 8)
- 7.2.2 Redundancy (clause 28).
- 8. Casual employment**
- 8.1 Persons who are employed on a casual basis will be notified that they are engaged as casual employees in their letter of appointment.
- 8.2 The minimum hourly rate of pay for casual employees will be calculated by reference to the minimum salary in Schedule 1 for the relevant position classification of the casual employee, plus a 20% loading. When calculating the hourly rate of pay from the relevant annual salary figure in Schedule 1, the ordinary hours of work for full-time employees as at the Commencement Date (or, at McKesson's discretion, the ordinary hours of work for full-time employees as at the relevant time) in the State or Territory in which the casual employee works should be used.
- 8.3 The employment of a casual employee may be terminated by either the employee or McKesson at any time on 1 hour's notice. McKesson may elect to make a payment to the employee in lieu of notice or any part of the notice period and if so such payment will be calculated in accordance with the Act.
- 8.4 The following clauses will not apply to employees who are employed on a casual basis:
- 8.4.1 Permanent Staff (clause 6);
- 8.4.2 Specified term employment (clause 7);
- 8.4.3 Probationary employment (clause 9);
- 8.4.4 Annual Leave (clause 21);
- 8.4.5 Personal/carers leave (clause 22);

- 8.4.6 Compassionate leave (clause 23);
 - 8.4.7 Termination of Employment (clause 27); and
 - 8.4.8 Redundancy (clause 28).
- 9. Probationary employment**
- 9.1 Each full-time, part-time and specified term employee will be employed for a period of probationary employment for the purpose of determining the employee's suitability for ongoing employment.
- 9.2 Full-time, part-time and specified term employees will be employed on a period of probation of 3 months from the date they first commence employment with Mckesson. However, the probation period may be extended by Mckesson at its discretion at any time prior to the expiry of the initial 3 months of employment for a further period, provided the total period of probation does not exceed a period of 6 months from the date the employee commenced employment with Mckesson.
- 10. Employee duties and Performance**
- 10.1 **General duties**
- 10.1.1 Mckesson may direct employees to carry out duties which are within the limits of the employee's skill, competence and training.
 - 10.1.2 Employee obligations under this Agreement include the following:
 - 10.1.2(a) to diligently carry out their duties and to act ethically when conducting and discharging their responsibilities;
 - 10.1.2(b) to adhere to Mckesson policies (including policies with respect to occupational health and safety, internet and email use, and use of telephones and mobile phones);
 - 10.1.2(c) to participate in applicable induction and training programs as and when required;
 - 10.1.2(d) to participate in the ongoing performance appraisal program which may be in place from time to time.
- 10.2 **Performance Standards and Expectations**
- 10.2.1 Employees will be required to meet the performance standards and expectations established by Mckesson acting reasonably from time to time.

PART 4 - SALARIES AND RELATED MATTERS

- 11. Remuneration guidelines and principles
- 11.1 The objectives of Mckesson's remuneration policy are to:

- 11.1.1 attract and retain the people Mckesson needs;
 - 11.1.2 ensure internal equity;
 - 11.1.3 reward performance;
 - 11.1.4 focus rewards on outcomes that support Mckesson's business objectives; and
 - 11.1.5 endeavour to compensate Operations Staff at comparable rates to the identified comparison roles in the relevant industry sector, including, but not limited to, the public healthcare sector.
- 12. Salaries**
- 12.1 An employee's salary from the Commencement Date will be no less than the relevant amount determined from the table contained in Schedule 1.
- 12.2 The minimum salary levels set out in Schedule 1 are the minimum entry point salary levels for all new employees possessing the minimum experience requirements of Mckesson commencing employment with Mckesson on or after the Commencement Date. Mckesson will establish and publish from time to time salary ranges for all classifications in the Agreement. The minimum salary levels in Schedule 1 are at the lowest end of that range. No salary of any employee who is employed with Mckesson immediately prior to the Commencement Date will reduce as a consequence of this Agreement being made.
- 12.3 This clause 12.3 operates to avoid any unintentional anomaly resulting in an employee's "Package of Benefits" under this Agreement (calculated as at the Commencement Date) being less generous than the Package of Benefits received by the employee under their pre Commencement Date arrangements. This clause 12.3 will apply to each full-time and part-time employee employed by Mckesson on 28 December 2008 and as at the Commencement Date who provides Mckesson with a written request no later than 3 months after the Commencement Date to apply this clause to them.
- 12.3.1 Using the shift pattern worked by the employee in the 14 complete weeks preceding and including the 28th December, 2008 (or the period the employee has been employed as at 28 December 2008 if that is less than 14 complete weeks) for calculation purposes, Mckesson will determine whether the Package of Benefits received by or referable to that period by the employee ("Old Method") was greater than the Package of Benefits the employee would have received under the terms of this Agreement ("New Method") during that 14 week period or shorter employment period, as the case may be.
 - 12.3.2 If, for any relevant employee, the monetary amount and/or monetary value of the Package of Benefits under the Old Method is greater than under the New Method, Mckesson will determine, in consultation with the employee, the quantum of that difference on an annualised basis and then pay that to the relevant employee from the Commencement

- Date in equal instalments on a fortnightly basis as an allowance in addition to salary.
- 12.3.3 This allowance is not included in the calculation of any of the penalties payable under this Agreement or for leave loading, and will not be included for the purposes of salary review. However, the calculation of superannuation would include this allowance.
- 12.3.4 Any reduction in average hours worked by an employee over any 14 complete week period after the Commencement Date, compared to the average hours worked by the employee in the 14 complete weeks preceding and including the 28th December, 2008, will result in a reduction in the allowance referred to in this clause 12.3 on a proportional basis.
- 12.3.5 For the purpose of this clause 12.3 "Package of Benefits" means, salary, leave loading, shift penalties, overtime and allowances.
- 12.4 At an employee's request they may salary sacrifice part of their salary in line with Mckesson policy from time to time.
- 12.5 All overtime payments, penalty rates, shift allowances that are calculated by reference to a salary amount will be calculated by reference to the relevant employee's hourly rate determined by reference to that salary.
- 12.6 Commuting allowance will no longer be paid to any employee as any such amount previously paid has been incorporated into salary. For employees who were in receipt of a commuting allowance immediately prior to the Commencement Date, this means that their commuting allowance will be added to, and paid as part of, their salary.
13. **Agreement commencement salary increase**
- 13.1 This clause applies only to employees employed by Mckesson on the Commencement Date.
- 13.2 From the Commencement Date the salary received by each employee immediately prior to the Commencement Date will increase by either:
- 13.2.1 3.25% for employees in Victoria, 2.0% for employees in Western Australia, the Australian Capital Territory and New South Wales; 1.50% for employees in South Australia,
- or
- 13.2.2 the amount necessary to take that salary to the relevant minimum amount for the employee determined from Schedule 1,
- whichever constitutes the greater percentage increase in that salary.
- 13.3 The salary increases referred to in clause 13.2 will be paid from the beginning of the first full pay period within which the Commencement Date falls, backdated as required.

- 14. Annual Salary Review**
- 14.1 There will be an annual salary review, with any resulting salary increase becoming effective on the first pay period following 1 July each year. The first annual review will occur so that any salary increase will occur on the first pay period following 1 July 2009. Employees with less than 4 months service at 1st July in the particular year of the relevant review will not be eligible for that year's review but may qualify for an interim review at 1 January the following year.
- 14.2 Any salary increase following the annual review will be delivered through an increase based on the average annual percentage increase across the Operations Staff, and will be applied to a particular employee having regard to the position of that employee in the relevant salary range (i.e. against the market) and the employee's most recent performance rating.
- 14.3 Casual employees are eligible for the annual salary review at McKesson's discretion if they have been working consistently for McKesson for at least 6 months immediately preceding the applicable 1 July date (being the date upon which the relevant salary review will become effective).
- 15. Frequency of Payment**
- 15.1 McKesson's pay period currently operates on a fortnightly basis. Payments are made into an employee's bank account electronically. McKesson may adjust the pay period frequency on reasonable notice to employees.
- 15.2 McKesson may deduct payment for any day an employee cannot be usefully employed because of any strike or through any breakdown of machinery or any stoppage of work by any cause for which McKesson cannot reasonably be held responsible, provided that such stand-down will not be deemed a break in the continuity of employment of the employee.
- 15.3 **Higher duties**
- An employee required to relieve in a higher position attracting a higher salary for a period of more than 5 consecutive full shifts will be paid at the appropriate higher salary from the commencement of their engagement in the higher position.
- 16. Superannuation**
- 16.1 In addition to salary McKesson will make superannuation contributions at the legislated rate (currently 9%) to avoid the imposition of a charge under the applicable superannuation legislation.
- 16.2 Superannuation is paid into a fund of the employee's choice, which is exercisable in accordance with the applicable superannuation legislation.

PART 5 - HOURS OF WORK

- 17. Hours**
- 17.1 The ordinary hours of work for full-time employees are those set out in clause 6.1 of this Agreement.

- 17.2 The maximum number of ordinary hours of work per shift is 10 hours, unless agreed between Mckesson and the relevant employee.
- 17.3 Meal breaks will not be considered time worked.
- 17.4 Mckesson may require employees to work reasonable additional hours in addition to their contracted hours.
- 17.5 Shifts and additional hours will be organised so as to give employees a minimum of 10 hours off duty between successive shifts or periods of work and an employee will not be required to work on the succeeding shift or period of work without such a break. However, an employee may, at their absolute discretion, agree to work successive shifts or periods of work without a minimum of 10 hours off duty.
- 17.6 Attendance at compulsory training and meetings will be counted as time worked by the employee.
18. **Breaks**
- 18.1 **Meal Break**
An employee will receive an unpaid meal break during their shift of not less than 30 minutes duration after no more than 4 hours of work, provided their shift is over 5 hours long. Employees will be entitled to an additional unpaid meal break of not less than 30 minutes if their shift is over 8 hours long.
- 18.2 **Rest Break**
Where an employee works 4 hours in succession (meal breaks are disregarded for this purpose) the employee is entitled to a paid rest break from work of 10 minutes' duration within each such 4-hour period.
All rest breaks will be taken at such times as will not interfere with an employee's continuity of work where continuity is necessary and at a time agreed with Mckesson.
19. **Overtime**
- 19.1 **Reasonable Overtime**
- 19.1.1 Full-time and part-time employees may be required to work reasonable additional hours as overtime, in order to complete their duties, or as directed by Mckesson and will receive such additional remuneration as provided in this Agreement.
- 19.1.2 Payment for overtime shall only be made for overtime worked that is approved beforehand by the employee's manager.
- 19.2 **Payment for overtime**
- 19.2.1 Payment for overtime shall be calculated by reference to the employee's salary. Time worked is exclusive of meal breaks.

- 19.2.2 A full-time employee will be paid at the rate of:
- 19.2.2(a) Time and one-half for the first two hours; and
- 19.2.2(b) Double time thereafter,
- for any time worked by that employee beyond the employee's applicable Ordinary Shift Hours or Fortnightly Ordinary Hours.
- 19.2.3 A part-time employee and a casual employee will be paid their ordinary rate for all hours worked by that employee up to the employee's applicable Ordinary Shift Hours or Fortnightly Ordinary Hours.
- 19.2.4 A part-time employee and a casual employee will be paid at the rate of:
- 19.2.4(a) Time and one-half for the first two hours; and
- 19.2.4(b) Double time thereafter,
- for any time worked by that employee beyond the employee's applicable Ordinary Shift Hours or Fortnightly Ordinary Hours.
- 19.3 **Time off in lieu**
- 19.3.1 Where an employee remains at work beyond the scheduled finishing time for their shift for up to 1/2 hour, at McKesson's discretion and after consultation with the employee, to finish a call or case notes relating to their final call for example, time off in lieu will be granted to the employee.
- 19.3.2 In each such case the time off shall equate with the period of time actually worked beyond the scheduled finishing time for the employee's shift.
- 19.3.3 Time off in lieu must be taken within 6 weeks of working the additional time and McKesson will use reasonable endeavours to facilitate this occurring.
20. **Shift Work**
- 20.1 Employees are required to work shifts and undertake shift work (such shift arrangements may include a combination of Day Shifts, Evening Shifts and Night Shifts or a fixed shift roster), in accordance with McKesson requirements.
- 20.2 McKesson reserves the right to change the shift work hours or its shift work arrangements or patterns of Operations Staff generally or some of them from time to time at its discretion upon giving the affected employees 4 weeks notice of the changes. Without limiting the foregoing it is acknowledged that some Operations Staff currently work fixed shift rosters and such arrangements will be extended to other Operations Staff from 1 April 2009.
- 20.3 The shift arrangements for Operations Staff at the Commencement Date are as follows:

- 20.3.1 Day Shift: hours worked between 7am and 6pm
- 20.3.2 Evening Shift: hours worked between 6pm and midnight
- 20.3.3 Night Shift: hours worked between Midnight and 7am
- 20.4 Shift rates are payable to Operations Staff who work shift work. Where payable, shift rates are calculated on the basis of the relevant employee's hourly salary rate as follows:
- 20.4.1 Day Shift (Monday to Friday): Nil
- 20.4.2 Evening Shift (Monday to Friday): 15%
- 20.4.3 Night Shift (Monday to Friday): 25%
- 20.4.4 Saturday shift (i.e. work between 12.01 am Saturday and midnight Saturday): 50%
- 20.4.5 Sunday shift (i.e. work between 12.01 am Sunday and midnight Sunday): 75%
- 20.5 The shift rates referred to above are payable only on the actual hours worked by an employee. By way of example, if an employee works a shift from 3pm on a Monday to 10pm on a Monday, they will be paid the Evening Shift (Monday to Friday) shift rate only for hours between 6pm and 10pm.
- 20.6 Transition shift allowance
- 20.6.1 In recognition of prior shift arrangements in Victoria and Western Australia, Mckesson will provide a special transition shift allowance to employees (who are referred to in the balance of this clause as the "eligible employees") who during the course of calendar year 2008 worked regular (i.e. at least 20 in the calendar year 2008) Sunday Night Shifts (i.e. midnight Sunday to 7am Monday) in those States for Mckesson.
- 20.6.2 The transition shift allowance will be calculated for eligible employees as follows:
- 20.6.2(a) Using the most recent Sunday Night Shift (i.e. midnight Sunday to 7am Monday) that an employee worked immediately prior to 28 December 2008 for calculation purposes, Mckesson will determine the difference between the amount the employee received as a shift rate (i.e. calculated at the 75% rate) for such shift and the amount the employee would have received if the shift rate for such shift was 25%.
- 20.6.2(b) The difference between these two amounts will be paid whenever the eligible employee works a Sunday Night Shift (i.e. midnight Sunday to 7am Monday) as an allowance in addition to salary.
- 20.6.2(c) This allowance is not included in the calculation of any of the penalties payable under this Agreement or for leave

loading, and will not be included for the purposes of salary review. However, the calculation of superannuation would include this allowance.

20.6.3 The transition shift allowance will continue to be paid to an eligible employee whilst ever they continue to work a minimum of 20 Sunday Night Shifts (i.e. 12 midnight Sunday to 7am Monday) over every rolling 52 week period.

20.6.4 Any transition shift allowance paid under this clause is in addition to the shift rates payable under clause 20.4 of this Agreement.

20.7 Unless otherwise expressly stated in this Agreement, where an employee works hours which would entitle them to payment of more than one of the penalties payable in accordance with clause 20 – Shift Work; 19 – Overtime; and 26 – Public Holidays or otherwise, only one such penalty will be payable which will be the highest of any such penalties.

PART 6 – LEAVE

21. Annual Leave and annual leave loading

21.1 Subject to clause 21.3 of this Agreement, paid annual leave entitlement and annual leave loading accrues for full-time employees on the following basis:

Shift worked by the full-time employee	Annual leave accrual – number of weeks per year	Annual leave loading accrual
Day Shift – worked on a Monday to Friday	5	0%
Weekend shift – that is a Day Shift worked on a Saturday or Sunday	5	20%
Evening Shift	5	20%
Night Shift	6	20%

21.2 The paid annual leave and annual leave loading entitlement referred to above accrues on a pro rata basis each hour, or part thereof, that the employee works on the relevant shift.

21.3 Instead of accruing paid annual leave in the manner set out in clauses 21.1 and 21.2 of this Agreement, any employee employed in Victoria on a full-time basis as a Continuous Shift Worker immediately prior to the Commencement Date will continue to accrue paid annual leave on the basis of an entitlement to 6 weeks paid annual leave for each 12 months worked, for so long as they remain a Continuous Shift Worker working full-time. Any such Continuous Shift Worker will accrue annual leave loading in the manner set out in clauses 21.1 and 21.2 of this Agreement.

21.4 Part-time employees are entitled to a pro rata proportion of the full-time employee entitlement to annual leave. All hours worked by a part-time employee

- during the relevant period that do not attract payment of overtime will be included in the calculation of the part-time employee's annual leave entitlement.
- 21.5 Annual leave accrues during any period of absence in accordance with the Act.
- 21.6 Subject to the Act, annual leave is to be taken at times agreed with an employee's manager. Mckesson may direct employees to take annual leave in accordance with the Act.
- 21.7 Except as otherwise expressly provided in this Agreement, annual leave accrues on a pro-rata basis each 4 week period. Untaken annual leave is cumulative. Employees will be paid out any accrued but untaken annual leave on termination of their employment.
- 21.8 Despite clause 21.1 this clause 21.8 applies for employees working for Mckesson in Victoria and Western Australia on 28 December 2008 and immediately prior to the Commencement Date who had been receiving a 17.5% annual leave loading on all annual leave accrued by them.
- 21.8.1 Using the shift pattern worked by each such employee in the 14 complete weeks preceding and including the 28th December, 2008 (or the period the employee has been employed as at 28 December 2008 if that is less than 14 complete weeks) for calculation purposes, Mckesson will determine whether the employee would have received a monetary amount for annual leave loading under the entitlement calculation method set out in clause 21.1 ("New Method") that was less than the monetary amount for annual leave loading they would have received if their entitlement was to a loading of 17.5% on all annual leave accrued by them ("Old Method") during that 14 week period or shorter employment period, as the case may be.
- 21.8.2 If, for any relevant employee, the monetary amount entitlement under the Old Method was greater than under the New Method, Mckesson will determine the quantum of that difference on an annualised basis and then pay that to the relevant employee from the Commencement Date in equal instalments on a fortnightly basis as an allowance in addition to salary.
- 21.8.3 This allowance is not included in the calculation of any of the penalties payable under this Agreement or for leave loading, and will not be included for the purposes of salary review. However, the calculation of superannuation would include this allowance.
- 22. Personal/Carers Leave**
- 22.1 Personal/carers leave (which includes sick and carers leave) accrues and is to be taken in accordance with the Act.
- 22.2 This means that full-time employees are entitled to a total accrual of 10 days' paid personal/carers leave per annum, fully cumulative, subject to the notification requirements set out in the Act.

- 23. Compassionate Leave**
- 23.1 Employees are entitled to take up to 5 days paid compassionate leave per occasion subject to the eligibility criteria specified in the Act.
- 24. Parental Leave**
- 24.1 Employees are entitled to unpaid parental leave and adoption leave in accordance with the entitlements set out in the Act.
- 24.2 Employees who are entitled to unpaid parental leave and adoption leave in accordance with the entitlements set out in the Act may be eligible to additional benefits as described in clauses 24.3 and 24.4 of this Agreement in certain circumstances.
- 24.3 Parental Leave
- 24.3.1 Unpaid parental leave is granted and is to be taken in accordance with the Act, save that instead of a relevant employee being entitled to a maximum of 12 months unpaid parental leave as provided in the Act, a relevant employee will have an entitlement to a maximum of 24 months unpaid parental leave.
- 24.3.2 Additionally, an employee who proceeds on parental leave in accordance with the Act will be paid their salary for the first six weeks following the commencement of parental leave.
- 24.3.3 Further, if the employee returns to work after an absence from work on parental leave of at least 3 months and the employee completes at least 6 months of continuous service from the date of return ("return of service period"), and during the return of service period they meet their key performance indicators, they will be paid a bonus equivalent to a further 6 weeks salary at the expiry of the return of service period (this 6 weeks salary payment will be calculated on the basis of the average salary paid to the employee during the return of service period).
- 24.3.4 If both parents are employed by Mckesson, only one parent is entitled to the payments and enhanced leave duration referred to above or alternatively the payments and enhanced leave duration may be split between the parents.
- 24.4 Paid short paternity Leave
- Unpaid short paternity leave is granted and is to be taken in accordance with the Act, save that instead of a relevant employee being entitled to one weeks unpaid leave, they are entitled to 2 weeks paid short paternity leave.
- 25. Long Service Leave**
- 25.1 Employees (other than casual employees) are entitled to 13 weeks of long service leave on ordinary pay on completing 10 years of continuous service with

Mckesson and thereafter an additional 6.5 weeks long service leave on the completion of each additional 5 years continuous service.

25.2 Following at least 5 years continuous service, on the termination of an employee's employment by Mckesson for any reason other than serious misconduct, on resignation by the employee due to pressing or domestic necessity or on termination due to the employee's death, the employee will be paid a proportionate amount of amount of long service leave on the basis of 6.5 weeks for each 5 years continuous service, less any long service leave taken by the employee.

25.3 In calculating the period of continuous service of an employee, any interruption or absence of a kind mentioned below will not break the continuity of the employee's employment:

25.3.1 the taking of any annual leave, long service leave, paid sick leave or other paid leave;

25.3.2 any interruption or ending of the employment by Mckesson if such interruption or ending is made with the intention of avoiding obligations in respect of long service leave or annual leave;

25.3.3 any unpaid leave of absence approved by Mckesson;

25.3.4 the dismissal of an employee if the employee is re-employed within a period not exceeding 2 months from the date of such dismissal;

25.3.5 any absence from work of an employee on parental leave as the primary care giver for a period not exceeding 24 months in respect of any birth; or

25.3.6 any other absence of an employee on account of injury or illness arising out of or in the course of her/his employment.

25.4 Any interruption or absence under clauses 25.3.3 to 25.3.5 above inclusive to will not be counted as part of an employee's period of continuous service.

25.5 Payment to an employee in respect of long service leave entitlements shall be made:

25.5.1 in full in advance when the employee commenced her/his leave; and

25.5.2 at the time of the termination of the employee's employment if the employee has any untaken entitlements at that time.

25.6 The employee will be paid for any period of long service leave prescribed in this section at the employee's salary level.

25.7 To avoid any doubt, this clause operates to the exclusion of any laws that would otherwise apply to employees relating to the provision of long service leave.

26. Public Holidays

26.1 Employees may be rostered on public holidays.

26.2 Payments and penalty rates, if any, for public holidays are calculated as follows for employees other than casuals:

26.2.1 Employees who are rostered *and* work on a public holiday will be entitled to be paid at 2.5 times their hourly salary rate for the hours they work or alternatively¹ at the employee's request be entitled to be paid at 1.5 times their hourly rate for the hours they work together with time off in lieu of a period equivalent to that worked on the public holiday.

26.2.2 Employees who are rostered to work on a public holiday but who McKesson does not require to work will be entitled to be paid at their ordinary rate for the number of hours they were rostered to work for that public holiday;

26.2.3 Employees who are not rostered to work on a public holiday and who do not work on that day will receive no payment of salary or any penalty rate for that day.

26.3 If a casual employee is required to work on a public holiday they will be paid time and one half times their casual rate of pay for the hours they are required to work.

26.4 In this clause, public holidays comprise the public holidays gazetted for the State or Territory in which the relevant employee works. To the extent that any State or Territory substitutes another day as a public holiday instead of any or all of 25 December, 26 December or 1 January such substitution day and 25 December and/or 26 December and/or 1 January, as the case may be, will be treated as public holidays under this Agreement.

26.5 There will be no deduction from an employee's annual leave entitlement in respect of a public holiday (as gazetted for the State or Territory in which the relevant employee works and/or as recognised by this Agreement) that occurs during the employee's period of annual leave where that employee would have been or would ordinarily have been rostered to work on that public holiday had they not been on annual leave.

PART 7 – TERMINATION OF EMPLOYMENT

27. Termination of Employment

27.1 *Notice of termination by McKesson*

27.1.1 In order to terminate the employment of a full-time, part-time and specified term employee who has completed their probation period, McKesson will give the employee 4 weeks notice. However if the employee is at least 45 years of age and has at least 2 years of continuous service with McKesson at the time of the giving of such notice, the employee is entitled to 5 weeks notice.

27.1.2 Despite any other clause in this Agreement, during a period of probationary employment, McKesson may terminate the employment of a full-time, part-time and specified term employee by giving the employee one (1) week's written notice.

27.1.3 Payment in lieu of the period of notice prescribed in this section may be made if the appropriate notice period is not given by Mckesson. Employment may be terminated by part of the period of notice specified and part payment in lieu of notice. Payment in lieu of notice will be calculated in accordance with the Act.

27.1.4 Despite any other clause in this Agreement, the period of notice in this section will not apply in the case of dismissal for serious misconduct. In such cases, the employment may be terminated without notice.

27.1.5 For the purpose of this section, serious misconduct includes (without limitation):

- (i) misconduct (including fraud, harassment of a fellow employee, offensive behaviour or consumption of drugs or alcohol while on duty);
- (ii) neglect of duty (including insubordination, refusal to work as directed or refusal to follow set standards of practice);
- (iii) abandonment of employment (where an employee is absent from work for a continuous period of 3 working days without notifying Mckesson or obtaining prior consent to such absence); and
- (iv) the conduct described as serious misconduct in the Workplace Relations Regulations from time to time.

27.2 Notice of termination by employees

27.2.1 In order to terminate his or her employment an employee must give Mckesson the same period of notice as the employee is entitled to receive under this section had the employment been terminated by Mckesson. However, Mckesson and the employee may agree to an alternative notice period and/or Mckesson may elect to pay the employee in lieu of allowing them to work their notice period.

27.2.2 During a period of probationary employment the employee may terminate the employment by giving Mckesson one (1) week's written notice.

27.2.3 If an employee fails to give the required or agreed alternative notice, Mckesson will have the right to withhold monies due to the employee with a maximum amount equal to the employee's salary during the period of notice that the employee failed to give.

27.3 Return of Mckesson property

When an employee's employment with Mckesson ends, the employee must return all material that is the property of Mckesson including documents, keys, notes and memoranda, including confidential information about Mckesson or its subsidiaries, to Mckesson or to such place as Mckesson may direct.

28. Redundancy

28.1 Severance pay

28.1.1 Subject to the provisions below, if Mckesson terminates the employment of an employee due to redundancy, the employee will be entitled to the following:

28.1.1(a) the notice, or payment in lieu of notice set out in clause 27.1.1 of this Agreement, that it intends to terminate the employment, and

28.1.1(b) severance pay, calculated at the employee's salary, as follows:

Years of continuous service	Under 45 years of age	45 years of age and over
Less than 1 year	0	0
1 year and less than 2 years	4 Weeks' Pay*	5 Weeks' Pay*
2 years and less than 3 years	7 Weeks' Pay*	8.75 Weeks' Pay*
3 years and less than 4 years	10 Weeks' Pay*	12.5 Weeks' Pay*
4 years and less than 5 years	12 Weeks' Pay*	15 Weeks' Pay*
5 years and less than 6 years	14 Weeks' Pay*	17.5 Weeks' Pay*
6 years and over	16 Weeks' Pay*	20 Weeks' Pay*

Continuous service will be calculated by reference to clause 25 of this Agreement.

*"Weeks' Pay" means the relevant employee's weekly salary amount.

28.2 Alternative employment

28.2.1 If Mckesson offers employees adequate alternative employment, or it arranges for employees to be offered adequate alternative employment, it does not have to pay those employees the severance pay outlined above.

28.2.2 For the purposes of this clause 28.2, adequate alternative employment:

28.2.2(a) may involve employment with Mckesson, or employment with a successor, assignee or transferee of the business, or part of the business, of Mckesson or with any other person or company;

28.2.2(b) must involve recognition of the employee's prior service with Mckesson for all service related purposes;

28.2.2(c) must involve employment on terms and conditions that are no less favourable in aggregate when considered on an overall basis.

28.3 Exempt employees

This clause 28 will not apply to an employee:

- 28.3.1 whose employment is casual employment (under clause 8);
- 28.3.2 whose employment is specified term employment and their employment comes to an end at the expiration of the relevant specified term (under clause 7));
- 28.3.3 who has less than one (1) year's continuous service with Mckesson; or
- 28.3.4 whose employment is terminated for serious misconduct (which includes serious misconduct as identified in clause 27.1.5).

PART 8 – DISPUTE RESOLUTION

29. Dispute Settlement Procedure

29.1 *How employees and Mckesson will resolve disputes*

The procedure in this clause should be followed to resolve disputes about matters arising under this Agreement:

29.2 *Employees must speak to their manager*

As soon as practicable after a dispute arises an employee must speak to their immediate manager and give the manager an opportunity to resolve the dispute.

29.3 *If that does not work or is inappropriate*

If it is inappropriate for the employee to raise the dispute with their immediate manager, or if the employee tries to do that but it does not resolve the dispute, the employee must as soon as practicable take the matter up with Human Resources.

29.4 *Human Resources*

If the dispute has not been resolved within a reasonable time, or if it is not appropriate for the employee to approach their manager, the dispute should be raised with Human Resources.

29.5 *Representation*

The employee can obtain the assistance of someone of their choice to support them in resolving the dispute.

29.6 *Mediation and conciliation*

If the matter is still not resolved, the employee can ask Mckesson to agree to have a mutually agreed mediator to try to resolve the dispute through mediation. If the employee and Mckesson cannot agree on a mediator or mediation is unsuccessful, either one can ask the Australian Industrial Relations Commission to settle the dispute by conciliation.

29.7 *Work should continue*

Work should continue in the manner required by this Agreement while the dispute is being dealt with unless the employee has a reasonable concern about an imminent risk to his or her health and safety. Subject to relevant provisions of occupational health and safety law, even if the employee has a reasonable concern about an imminent risk to his or her health or safety, the employee must not unreasonably fail to comply with a direction by Mckesson to perform other available work that is safe and appropriate for the employee to perform. The fact that the employee continues to work will not prejudice the employee or Mckesson.

PART 9 – MISCELLANEOUS

- 30. Relationship with other Industrial Instruments**
- 30.1 Subject to the provisions of the Act, this Agreement applies instead of any award, order, Notional Agreement Preserving State Awards (NAPSA), or other workplace agreement that may otherwise apply to McKesson or the Operations Staff.
- 31. Availability of this Agreement**
- 31.1 A copy of this Agreement is available from McKesson Human Resources Department and will be available on a McKesson intranet site from the Commencement Date.
- 32. No further claims**
- 32.1 The amounts payable under this Agreement constitute full payment for, and apply in lieu of, any other entitlement or benefit an employee may otherwise have under any otherwise applicable award, collective workplace agreement or other industrial instrument or laws to the extent permitted by the Act.
- 32.2 The parties agree that there will be no further claims in respect of salary, wages or working conditions whether covered by this Agreement or not during the nominal term of this Agreement.

Schedule 1 – Minimum Annual Salaries (full-time employees)

Classification	Minimum Annual Salary- full-time employees
Triage Nurse	\$50,000
Disease Management Nurse	\$51,000
Other Health Professional	\$53,500
Health Professional Interns	\$44,500
Customer Service Representative	\$37,000