

## **SPECIAL SIGNAL No. 555** 22 July 2008

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### **THE TELSTRA EBA TELSTRA HR'S DECEPTION FALLS FLAT.**

**Telstra's HR Department is seeking to cover up its real position and objectives by trying to con the Telstra workforce and the general public.**

It is trying to convince everyone that the reason the EBA talks in Telstra are not proceeding is because the unions have been pursuing a so-called "side agreement" before an EBA, and that the unions were insisting on "illegal" content in the "side agreement".

**Nothing could be further from the truth.**

#### **TALKS HAVE BEEN RUNNING SINCE MAY**

The talks began in May, and in a few weeks of meetings (generally about one day per week), HR had presented their options and requirements for change, including major reductions in conditions of employment.

**They had made it clear that a fundamental principle guiding their position was there was going to be "nothing for nothing". That meant without "trade-offs" of major conditions of employment any pay rise would be low.**

**Looking at the graphs and other information they provided they seemed to be "hinting" at about 3% per annum.**

For the unions part we made it clear that:

- all conditions must be protected (including the redundancy agreement)
- any wage rise must be equivalent to the cost of living plus a recognition of the employees' contribution to productivity etc
- there must be a proper regulation of the Performance Management Systems
- there must be a dispute settling/prevention clause which provides employee access to compulsory arbitration when fair treatment was required
- we need to agree on a list of principles for a better working relationship between employees, and management to improve employees rights at work. (HR is now calling this a "side agreement" – the unions call it a Memorandum of Understanding [MoU]).

**We have, in those several negotiating sessions, presented considerable material and research information to back up the above claims including on the MoU, and we have yet to present information on other issues that members have told us they require.**

**In addition we told HR that we were giving consideration to a number of issues that Telstra Managers had presented to us, which they saw as a need for their business requirements.(eg incentive pay, banking of RDOs, facilitative/flexibility clauses, classification/banding systems change etc).**

#### **SIDE AGREEMENT NONSENSE**

**The unions have never demanded a so-called "side agreement". This is an HR invention because it suits their campaign of deception.**The ACTU and the Telstra unions framed a document which contained measures to improve Telstra Employees' rights at work. The document called a Memorandum of Understandings, was based on the hugely successful rights at work campaign that unseated the Howard government.

**The MoU simply enshrines the "rights at work" principles, and it is no more controversial than that. That HR want to create such a hysteria about the MoU is a true indication of what Howard era dinosaurs Telstra HR really are.**

The MoU is available for download on [www.cepuconnects.org](http://www.cepuconnects.org) (under Telecommunications Workers) and [www.yourrightsatwork.com.au/campaigns/gobacktothetable](http://www.yourrightsatwork.com.au/campaigns/gobacktothetable) or contact the Branch 9349 4411

#### **HR CLAIMS "UNION POWER"**

**Telstra HR claims that the so-called side agreement is only about "union power". Doesn't this sound so similar to the Howard Government and its ministers in the previous government as they tried to weaken and undermine employee rights at work?**

**It is interesting is it not, that they don't want so-called "union power" in the workplace for members, but they want "union power" to support Telstra's NBN bid.**

We have not insisted on a separate agreement on any of our claims. We would be happy to have any agreed provisions relating to employee rights at work within the EBA. If there is to be a separate agreement or agreements on any subject matter or matters (which often happens with EBA agreements in many industries) then we would believe as a matter of principle that they should be voted on by Telstra employees along with the EBA.

### **SO-CALLED "ILLEGAL CONTENT" NONSENSE**

The so called threat to Telstra's capacity to win the National Broadband Network(NBN) contract through so called "illegal content" is another fiction by HR.

In discussing the memorandums provisions for improving employee rights at work, unions offered on many occasions for both parties to take the content to the Minister for Workplace Relations and Deputy Prime Minister for a view regarding the content, and any provisions which proved to be "illegal", the unions would drop. HR refused to be involved.

Even more pointedly when union representatives asked HR if they would agree to the memorandum if it proved to be "legal", they said no.

**It doesn't get more two faced than that does it?**

### **WHY SUCH DECEPTION?**

Now you might ask why would HR embark on such a campaign and cancel the EBA talks.

**Answer? Because in our view HR had never had any desire to enter into talks for a new EBA right from the start, and had only done so because the current EBA required them, legally, to commence negotiations for a new EBA in May of 2008 and therefore they had no choice.**

However, unfortunately there is nothing in the EBA, or the current laws, which require employers to bargain in good faith to COMPLETE an EBA. (The Federal Labor Government has promised to legislate soon to compel good faith bargaining).

**Telstra's HR Department has merely been going through the motions over the last few weeks, and has now used the unions' attempts to improve Telstra Employees rights at work, as an excuse or an opportunity to get HR where they wanted to be right from the beginning. That is, no new EBA.**

### **HR REFUSING TO NEGOTIATE A NEW EBA**

We provide correspondence from HR about their intentions regarding EBA negotiations back in 2007 (4<sup>th</sup> October).

**"The Telstra Enterprise Agreement expires in September 2008. Telstra does not have a 'position' on the making of a further collective agreement with the CEPU or other unions.**

**Telstra's stance on a collective agreement will depend on a range of factors, including productivity and customer service benefits arising from a new collective agreement, the competitive and regulatory environment in which our business operates, and the bargaining position of the CEPU (and other unions). Without detail about any of these matters, further comment on Telstra's position would be premature."**

This correspondence from HR was in the context of not then knowing which party would form the federal government, and was a response to a letter from CEPU. This letter from CEPU said:

***"We are seeking to clarify Telstra's position regarding the making of a further Enterprise Agreement to replace the current Agreement, after the expiry of the current Agreement. In particular, can you please confirm whether:***

- 1 Telstra has decided that it will not make a further Enterprise Agreement with the CEPU, CPSU, POAV and APESMA.***
- 2 Telstra has decided that it will make a further Enterprise Agreement with the CEPU, CPSU, POAV and APESMA***
- 3 Telstra has not yet decided whether it will or will not make a further Enterprise Agreement with the CEPU, CPSU, POAV and APESMA"***

This letter from the CEPU to Telstra, was prompted by the fact that we were receiving many reports from Telstra employees, that managers, in order to pressure staff into signing "WorkChoices" AWAs, were saying categorically to employees that they should sign an AWA because there wasn't going to be a new EBA in Telstra.

HR's response printed above says it all doesn't it?

For even more evidence that HR weren't really interested in the negotiations, we also put on record the following.

At the encouragement of Senior Telstra Management, the unions proposed a full four days of talks in June, in order to push things along. Senior Management proposed that we work around the clock if necessary. The unions agreed and proposed the 17th to the 20th of June. HR refused. The unions proposed talks on the 24th and 26th June and HR again refused. They broke off the talks on July 1st without formal discussion. How does HR get away with it?

### **WHAT IS THE REAL PROBLEM?**

You see, the problem with the leadership of Telstra's HR Department, is that they retain a longing for a return to the Howard era of Industrial Relations.

They want to retain all of the employer weapons which reduce employees' rights at work and they want to avoid like the plague, any chance of a return to compulsory arbitration for employees grievances, or any improvement in the rights of employees to regulate the misuse of the PICM (performance management process), or any wage increases that properly compensate the workforce for their efforts etc.

These are the real reasons why Telstra HR has pulled out of the talks.

**After all if the real reason was the so called "side agreement" wouldn't they be proposing that they would return to the talks once the unions drop their demand for a side agreement?**

Telstra HR have used the MoU as an excuse to cancel the talks, which leaves their expressed "concerns" over employee conditions as extremely hollow doesn't it?

### **TELSTRA'S BID FOR THE NATIONAL BROADBAND NETWORK (NBN)**

The other issue HR is making much about is their claim that the unions have refused to support Telstra's NBN bid. This is another blatant lie. The unions have not taken any such decision.

**What we have done is to make it clear that the NBN rollout is not just about bigger profits for the company and even more enormous remuneration for the Corporate Managers. It should also be about Telstra employees and the public. Therefore we are awaiting answers from Telstra on major issues of importance to Telstra employees.**

*Does Telstra plan to invest in our future as employees, or will the company keep cutting jobs?*

*Are Telstra employees going to do the work of the roll -out, or will the company outsource our jobs like it has done in many areas?*

*If Telstra is talking about phasing out large sections of its copper network, what will that mean for the thousands of Telstra employees whose jobs are based on that infrastructure?*

*Is Telstra going to adequately invest in training and upgrading our skills to meet the opportunities and challenges of the fibre-optics future?*

*Is Telstra willing to agree that employees on AWAs have a right to move off the AWA before the expiry date and without disadvantage?*

*Will Telstra continue to try to reduce employees' conditions and wages?*

*Is the company going to uphold its responsibilities to the community to provide access to people with disabilities, remote Aboriginal communities, people with low incomes, small business owners, and people in rural areas?*

*Given that Telstra has neglected its responsibility to adequately invest in the CAN by \$2-3 billion, resulting in over 14% of lines in the network being faulty can we trust Telstra to invest in the infrastructure necessary to support a flourishing industry?*

*Are Telstra's plans fairly priced to promote competition that spurs innovation, ensures consumer quality, and fair prices for all parties?*

*Does Telstra support the principle, that beneficiaries of the promised government's \$4.7 billion broadband investment have good industrial relations environments?*

**Aren't unions entitled to seek answers to these questions on behalf of Telstra's employees' future, rather than sign a blank cheque?**

**A big campaign will be required for Telstra to overcome the self inflicted problems it faces with the NBN rollout, which sees it offside with the regulator, current and previous governments, opposition, the media, shareholders and the public.**

**If they want the workforce onside in this campaign, surely they need to supply some answers and quickly, don't they?**

## **TELSTRA'S HR DEPARTMENT HAS OFFERED NOTHING**

Another false claim by HR, which adds to their attempts to deceive the Telstra workforce and the public, is the claim that Telstra offered the unions a way forward to protect conditions for current employees.

**HR has offered nothing. It was supposed to provide a document explaining its position, in preparation for the next round of talks, but they failed to deliver. All they have delivered so far is talk and rhetoric.**

Their favoured position in the talks, put verbally only, is for an EBA in two parts. Part A and Part B

**Part A:** for current employees, without any explanation of the pay rise on offer, or of other conditions, but which they claim will protect the "status quo" – whatever that means. Does it mean all conditions or some conditions? Do we get a pay rise and how much? When do we get something in writing so we can make a judgement?

**Part B:** for all new employees and anyone coming off an AWA with poorer conditions than Part A.

This proposal is similar to the non-negotiated offer to call centre employees prior to December 2007 which was rejected by nearly 80% of the workforce, because it was so bad. Do they ever learn?

**Who do we think will be pushed out of their jobs first if Part A workers are on better conditions and higher wages than Part B workers?**

## **DANGEROUS GAME BY HR**

Telstra HR is playing a dangerous game. They want the support of the Telstra employees, their unions and other unions to win the NBN rollout on the one hand, but they show contempt for them on the other. Does one hand know what the other hand is doing in Telstra?

## **TELSTRA HR SAYS IT WILL PROTECT YOUR CONDITIONS – WHAT A JOKE!**

One of HR's little deceptive "gems" in the wake of walking away from the EBA talks is that they infer that they want to protect the current conditions of employment for Telstra EBA staff.

This is HR nonsense.

Telstra employees' current conditions of employment are protected in the 2005-2008 EBA which continues until it is replaced by a new EBA. Telstra has no choice in that regard.

The redundancy agreement is protected because the CEPU convinced the Federal Labor Government to remove the WorkChoices provision which scrapped the redundancy agreement by March 2009.

The Labor Government legislated this change in its transitional industrial relations bill in federal parliament in May 2008. This followed extensive lobbying and submissions by the CEPU in the months following the November federal election.

Do not be conned by Telstra HR. They are not protecting your conditions. The conditions are protected by the current union-negotiated EBA and the union political action over the redundancy agreement. Whether they agree to protect them in the new EBA is yet to be tested. Further, they have not told people on AWAs the full story.

In meeting one of the claims of the unions in the current EBA talks, Telstra said it would agree to allow AWA staff to transfer (although Ms Grant says "revert" in her document), to the collective arrangements without disadvantage.

What they haven't told you is that AWA employees can only "revert" after their AWA expires and for most, that is not until 2012.

The unions are pressing for the right to transfer at **ANYTIME**, without disadvantage.

## **WHAT NOW?**

The unions will continue to mobilise the members, other Telstra employees and other unions, and will continue to talk to influential people in the political process. We will continue to press for the EBA talks to resume quickly. A resumption of talks is in the best interests of employees and the company isn't it?

**In the final analysis the law provides for a formal bargaining period after the EBA expires in September, and provides the option of legal, protected industrial action.**

Let's hope Telstra's HR comes to its senses before that. In the meantime we will keep you informed of developments.

## **GILLARD SLAMS TELSTRA FOR ENDING EBA TALKS**

We quote from an article in The Age of the 17<sup>th</sup> July 2008 under the above heading, by Deputy Prime Minister and Minister for Employment and Workplace Relations, Julia Gillard.

In the article she said:

*"The National Code and Guidelines for the Construction Industry do not in any way prevent a company subject to their operation from negotiating a collective agreement with their employees or their employees' representatives," Ms Gillard said in a statement. "Any claims to the contrary are incorrect."*

*"AWAs are not part of this nation's future because the Australian people voted at the last election to get rid of Work Choices and unfair AWAs," Ms Gillard said. "It is in the interests of co-operative workplace relations for proper negotiations to occur in an environment of respect."*

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