

S.The Signal

Issue No. 565
5 November 2008

■ In this issue:

1. CEPU Applies For Protected Action Ballot
2. Telstra Tries Another ECA While Executive Earnings Skyrocket
3. The Best Policies For A Down turn
3. Who are They Lying To Now?
3. Union Claims Telstra Sacked Whistleblower
4. Unions Go After Telstra Investors
4. Proxy Votes: Make Employees' Voices Heard At Telstra AGM
4. Don't Forget Your Discount – Join Now

■ Contact a CEPU Official:

LEN COOPER
Branch Secretary
0438 389 302

JOHN ELLERY
Assist Secretary
0419 823 580

WOODY
Member Service Officer
Ph. 9349 4411

SUE RILEY
CSO Call Centres
0439 762 455

GREG CABANOS
CSO – Contractors
0415 154 352

COMMUNICATIONS UNION (CEPU)

Main Office

Ph: 03 9349 4411

Fax : 03 9349 3488

Email

cdtsvic@victs.cepu.asn.au

Clayton Office

Ph: 03 9545 1503

Fax: 03 9561 5599



CEPU APPLIES FOR PROTECTED ACTION BALLOT

The CEPU has formally moved to hold a ballot for taking protected industrial action in Telstra.

The Australian Industrial Relations Commission, (AIRC), will begin hearing the application at 11 AM on Thursday 6th Nov.

Wake-up call

As members know, the union has been trying for months to get Telstra back to the negotiating table after they walked away from EBA talks in July. But Telstra's response has been to roll out non-union, non-negotiated Employee Collective Agreements (ECAs) which don't guarantee real wage increases (less than cost of living), and threaten conditions.

Telstra employees have consistently rejected this strategy but Telstra management just don't seem to want to listen to the message those employees are sending.

Telstra say they are moving on. In fact they are sleep-walking.

They have left us with little choice other than to send a wake up call by initiating an industrial action campaign

Voting in the ballot

Once the union's application for a ballot has been approved, all eligible employees will receive a ballot paper in the mail.

- To be eligible to vote you will have to be a member of the union and be employed either on the current EA or on a time-expired AWA.
- For the ballot to be successful, at least 50% of eligible members must vote in it and more than 50% of those who vote must vote YES.

What you can do now

It usually takes a couple of weeks between the time an application

for such a ballot is made and the time the ballot actually opens. It could take longer if there is any hold-up in the AIRC.

The union will inform you when the ballot is actually going to take place.

In the meantime there are things you can do to help the campaign for a fair union-negotiated agreement in Telstra:

- **Make sure your state branch has all your correct contact details.** If you have any doubts on this score (e.g. you have not been receiving any union mail at home) contact your state branch immediately.
- **Encourage any non-members in your workplace to join the union.** Let them know they can only vote for and take industrial action if they are union members. Remember, the more members signed up, the stronger we all are and the more chance we have of getting a better EA
- **Hold a lunchtime meeting or discussion** – or after hours catch-up – with members to get everyone's support to vote YES. Contact your state branch if you need material to help you

The campaign to resist Telstra's non-union negotiated agreements and its long-term plan to reduce wages and conditions has been successful so far.

Now we have to take it forward to get a fair agreement.

TELSTRA TRIES ANOTHER ECA

If at first you don't succeed.....

Having been knocked back three times so far – once last year and twice this year – Telstra is having another go at getting employees to sign up to its Part A/Part B

non-union negotiated Employee Collective Agreement (ECA).

According to Telstra, management have listened to what employees are saying and have responded by making changes to the offer.

But they just haven't listened hard enough. While the new ECA certainly contains improvements for Part B employees, such as an 80 weeks redundancy payout, it still does not guarantee a wage rise that is in line with inflation.

And in fact it creates an even lower floor for future wages in Telstra. In the new Part B, the guaranteed minimum fixed wage is \$3,150 less than it was in the offer made to Wholesale and Call Centric employees. That tells you where Telstra wants to take wages in the future.

Above all, though, Telstra hasn't heard the key message being sent by its staff. Union members want their unions to negotiate on their behalf and they will not be steam-rolled into non-union agreements.

The following list of items summarises again the main major and very important problems with Telstra's 3rd rate ECA "offer":

- * ***A real pay cut relative to the cost of living increases.***
- * ***Telstra is refusing to allow you to have the Arbitration Commission available for settling disputes – they will be the judge, jury and executioner. The disputes clause contains no binding arbitration.***
- * ***Telstra totally controls the performance management system and performance pay system, and do and will continue to use it to your disadvantage with no checks and balances. It must be regulated.***
- * ***Telstra will use the facilitative***

clauses to change your hours of duty, your span of hours and your days in the week and there will be no checks and balances.

- * ***Once adopted the ECA would be used to manipulate major downgrades of positions across the board, without any recourse for employees. This has already begun. Compulsory arbitration is required.***
- * ***The Part A and Part B model guarantees that the more expensive Part A employees will be managed out of the business, in favour of the cheaper Part B employees.***
- * ***In a non-union agreement the constraints against effective union representation and involvement are considerable.***
- * ***At the end of three years, they have no requirement to even consult the union for your next agreement. It will be take it or leave it and you cop whatever they want to do.***

The acceptance of such an agreement would represent a major threat to the wages, conditions and rights of the Telstra workforce (including those on AWAs), well into the future.

WHILE EXECUTIVE EARNINGS SKYROCKET

Even before the global crisis hit, some people were doing it just a bit harder than others.

In fact, while weekly earnings for most Australians rose by a little less than one-third between 2001 and 2007, the amount their bosses took home soared.

A survey of 69 chief executives who lead top-100 companies has revealed that their average fixed remuneration - excluding cash bonuses and share sweeteners - more than doubled in that period, rising from \$888,407 to \$1.83 million.

But bonuses grew at an even faster rate, the average short-term bonus tripled between 2001 and financial year 2007, rising from \$769,125 to \$2.18 million. And long-term bonuses, often paid in the form of shares, jumped 44% in 2007 alone, with the CEOs in aggregate "earning" \$92 million this way over last financial year.

The survey was conducted for the Australian Council of Superannuation Investors (ACSI).

THE BEST POLICIES FOR A DOWNTURN?

Firstly, Telstra's "offer" of 4.5%, 4% and 4% is clearly a pay cut in real terms in the first year and likely to be a pay cut in the second and third years also.

The cost of living increase at present is 5.7% for a "basket of goods" and 7.2% for a "basket of services" and rising (Bureau of Statistics).

Apart from this don't you deserve some benefit for the huge productivity and profitability the company has enjoyed from your efforts?

The Executive Managers paid themselves from 14% (and more) in increases in the last year, so there is no problem of a real pay cut for them is there?

The economy, moves into a downturn, or recession, or depression, because the purchasing power of the majority falls, due to reductions in real wages, unemployment and reductions in Government spending or all three.

The Prime Minister has recently (correctly) announced a large spending programme which puts money into people's pockets quickly, and spends on infrastructure for the very purpose of increasing the people's purchasing power, to increase demand and re-build the economy and stop it

moving into recession or worse. Money in Telstra employees' pockets is part of the solution, not the problem.

The Reserve Bank of Australia is cutting interest rates at lightning speed, again in the hope of improving demand in part by putting more money into workers' pockets.

It just so happens of course that Telstra's economic quackery is aimed at keeping your wages down, increasing Telstra's profits and leaving the phenomenal remuneration of the senior managers (and their increases many times the cost of living) untouched.

Why would they expect anyone to buy this deceptive nonsense?

WHO ARE THEY LYING TO NOW?

In order to bully and pressure employers into their no-good ECA, Telstra Managers are trying the hoary old chestnut regularly trotted out by managements everywhere.

"Times are bad, we are moving into an economic crisis and you'd better take our offer now 'cause its only going to get worse with the economic crisis and all." Is that so?

Chief Financial Officer for Telstra John Stanhope reiterated publicly on October 14th 2008 that Telstra expects to generate \$6-7 billion in free cash flow by the 2010 financial year.

In a slide presentation he also said the group expects an earnings before interest, tax, depreciation and amortization margin of 46-48 per cent for the year to June 30, 2010.

Telstra, Australia's biggest phone company, expects to book revenue growth of 3-4 per cent for the current financial year, and EBITDA growth of 6-7 per cent,

resulting in EBIT growth of 6-8 per cent.

He was reassuring the market that Telstra wouldn't be severely impacted by the economic crisis.

Therefore who are they lying to now, you its employees, or the market?

UNION CLAIMS TELSTRA SACKED WHISTLE-BLOWER

The Communications Union has accused Telstra of sacking an employee for blowing the whistle on company plans to de-unionise the workforce.

The CEPU says Jim Ziogas was fired last Friday after he downloaded the information from the company's internal website.

The plan was leaked to the media in August this year.

Telstra has released a statement saying while it does not comment on circumstances involving current or former staff, it will consider disciplinary action against employees who have deliberately damaged the reputation of the company and breached their employment contract.

But the union says Mr Ziogas has done nothing wrong, and that Telstra must reinstate him.

He had found that document, was concerned about the impact on him and his workmates, took it to the union and as a result of that action of a document that was unsecured, he's been subjected to 10 weeks of interrogation by Telstra and its lawyers and was eventually sacked.

Mr Ziogas was the subject of a witch-hunt and the union will fight his dismissal in the Industrial Relations Commission.

Telstra is claiming that he passed on unauthorised information which ended up in the media, but what he really did was blow the

whistle on Telstra's plans to cut wages and conditions in Telstra. Jim Ziogas didn't release anything to the media.

UNIONS GO AFTER TELSTRA INVESTORS

Telstra's unions decided to approach the telco's institutional investors to put the bad word on Telstra's senior management in the lead-up to its annual general meeting.

Those investors have received requests for meetings from the unions, which seek to talk about their concerns that Telstra management's approach is endangering the success of the company, a view shared by many Telstra employees.

Telstra workers have a long-term stake in the company's success, but are worried by the short term horizons of the current management.

Unions say that it is the workers' right as shareholders to speak out on their concerns, for example, that the company had rejected negotiations with unions. Telstra walked out on negotiations with unions for a new employee agreement to replace expiring Australian Workplace Agreements in July.

Management's heavy-handed tactics and disingenuous statements have also put it offside with the government, regulators, other telecommunications providers, and customers.

Unions also expressed concerns that Telstra might walk away from the tender process to build the federal government's national broadband network (NBN), something which has been raised in a statement by a group of shareholders which Telstra was forced to provide to all its shareholders with the notice of its Annual General Meeting.

Other issues raised were that Tel-

stra might be separated on winning the contract, which might lower the value of Telstra shares, and that the regulation of the network would put profits at risk. The unions did not believe that the long term risks to the company relating to the tender had been sufficiently taken into account.

Telstra Chairman Donald McGauchie was forced to answer these concerns to shareholders. He claims that the directors fully recognise the long-term risks associated with the NBN and are committed to an approach that minimises these risks and protects shareholders' investments in the company.

PROXY VOTES: MAKE EMPLOYEES' VOICES HEARD AT TELSTRA AGM

The Telstra Annual General Meeting, to be held on the 21st November, will provide an opportunity for any shareholders who have doubts about the company's management and direction to make their voices heard.

One group of shareholders has already done just that. They have circulated a letter questioning Telstra's handling of its National Broadband Network (NBN) bid which they regard as central to the company's future.

But over and above this issue, there are some questions that might well be asked about Telstra's handling of its relationship with those people who will build the NBN if Telstra does win the tender – its employees.

Telstra is turning a deaf ear to the message those employees are sending about their wish to have a union-negotiated enterprise agreement. And that's despite the fact that the employees who may well be building the NBN are among those that feel most strongly on the issue.

Everyone knows that a stable industrial relations environment is indispensable to the success of a major construction project. Shareholders have the right to ask whether Telstra's current tactics are likely to achieve that goal.

The CEPU will be ensuring that those questions are raised at the AGM. If you are a Telstra shareholder you can help by nominating National President, Len Cooper, as your proxy for voting at the meeting. Contact your state branch for details.

DON'T FORGET YOUR DISCOUNT - JOIN NOW!

The response to our new membership drive is going well. As a result we are extending the discount offer on normal union dues indefinitely, beyond the 31st October, and remember – YOUR UNION DUES ARE FULLY TAX DEDUCTIBLE.

The 31st of October was the deadline date to go into the drawer for the flat screen TVs and a table heater. We will make the draw soon. Winners will be advised and prizes presented at the next Committee of Management meeting. The results will be in the Signal.

You are reminded that for employees to vote in the industrial action ballot and to take part in the legal, protected industrial action, they must be a union member. Only union members on the EBA and union members on expired AWAs can legally take part in the ballot and the action.

We are calling on all non-members to join and help us secure a good EBA and an acceptable pay increase. The real cost of living increase for 2007/08 is 5.7% (Bureau of Statistics).

If you become a union member now, you will:

- * get a discount start-up union rate for the first half of

a year's membership, (and remember, everyone's union dues are fully tax deductible).

If you pay annually you receive a 10% discount on your annual dues. This is a discount available to all members.

Sign up with the union and be part of the campaign to win an EBA which will benefit us all.

For current members, if they help sign up a new member between now and 30 November they will go into the draw for another Flat Screen TV and they will get 2 free movie tickets for every new member they help sign up.

Build and strengthen our membership to secure a good EBA.

LEN COOPER Branch Secretary

SPECIAL DEAL FOR CEPU MEMBERS ONLY GIPPSLAND LEAN BEEF

Free range beef and lamb direct from the farmer.

Ph: 1300 551 317

Visit the website:

www.gippslandleanbeef.com.au

10KG BEEF Pack SAVE \$25 off listed price

20KG BEEF Pack SAVE \$30 off listed price

Special Packs:

SIZZLE Pack SAVE \$25.

KETTLE Pack SAVE \$25.

SAUSAGE Pack SAVE \$25

Delivered to your house in foam box, snap frozen.

Pre pay by cheque/money order; pay online; pay directly into NAB account (phone for details) or Vista/Mastercard/s.