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TALKS BEGIN WITH TELSTRA ON NEW EBA

Negotiations began on 15th May 2008 with Telstra Senior Management regarding a new Enterprise Bargaining Agreement. These talks provide a unique opportunity to secure a new EBA with positive outcomes for our members.

We are seeking an EBA that rewards staff properly and delivers for customers by providing sufficient, well trained staff for good customer service. Telstra employees are amongst those that are at the forefront of the telecommunications revolution transforming Australia and the world. Connecting families, friends, businesses and governments. The Australian community wants a high speed fibre based broadband network which will enhance efficiency, productivity and innovation across all sectors of the economy. A decent EBA could be a key step in delivering this outcome. Talks are continuing and members will be kept informed of developments.

LOG OF CLAIMS ON TELSTRA

The ongoing commitment and creativity of Telstra staff is central to the company's future. It is in the interest of all parties to ensure this EBA means Telstra can continue to attract and retain highly skilled and motivated employees. To this end, the unions proposed the following broad principles to the management:

- Good secure jobs for a skilled workforce who deliver important services to the community.
- Protection of current conditions including the Redundancy Agreement.
- A fair balance between work commitments and family and community life.
- A workplace where employees get a genuine say about decisions that affect them.
- Decent pay rises that keep pace with the cost of living and also recognise the contribution of staff.
- Fair and equitable performance management arrangements.
- The right to join and be represented by a union and access to effective conciliation and arbitration.

It is vital that members continue to fill in and return the union EBA surveys to assist us in updating our log of claims.

WORKERS CREATE TELSTRA'S BUSINESS AND PROFITS

The first day of EBA talks were highlighted by a presentation by David Moffatt who heads up Telstra's Consumer Marketing and Channels business. Moffatt has highlighted the success Telstra's business which he says comes as a result of increased customer usage of services.

To the end of December 2007 consider the following:

- Mobile phone calls have risen 18.6% to 4.819 billion minutes of talking.
- SMS grew by 44.8% with close to a billion more text messages sent and received compared to the same period last year. On a daily basis this translates to 17.6 million messages per day.
- Wireless broadband services are also increasing with 136,000 more customers signing up for that service in six months.
- Even Telstra's fixed line business grew by 48,000 new connections, an increase of 0.3%. Moffatt explained that Telstra's growth in this traditional declining area was better than any where else in the world.
- Net profit for Telstra was \$1.9 billion for the half year up from \$1.7 billion last year and an increase of 13%.

Clearly the unions are putting the case that Telstra success arose from all its hard working and dedicated staff and we want to ensure they share in the benefits for their efforts. We are working to win a fair and forward looking agreement that rewards everybody's hard work and respects workplace rights.

TELSTRA EMPLOYEE ENGAGEMENT SURVEY (EES)

Telstra has been rolling out their EES to all staff. Last year, although the survey was conducted with assurances of total anonymity, we have had reports of repercussions in some teams where apparently adverse comments were made by individuals. This year the survey is being conducted "one line" with the individual employee being logged onto the system. On the surface it does seem possible that Telstra can see what an employee is doing on the internet. It would be our view that at least the network administrator sees all traffic across the company's network. The union has made representations to Telstra regarding employees total anonymity protection otherwise the process would appear to be a somewhat meaningless exercise even from a company perspective. Telstra has written back to the union giving those assurances but we would welcome feedback from members regarding problems they have encountered in the past and more recently.

ACTU LOCKS IN BEHIND UNIONS ON TELSTRA EBA CAMPAIGN

The Australian Council of Trade Unions representing some 2 million workers across Australia has locked in behind our campaign to ensure a good EBA this year. With the importance of the Telecommunications Industry and this EBA, the ACTU has agreed to lend their experience, influence and resources.

ACTU is providing Researchers, an ACTU strategic lead organiser, campaign co-ordinator and other specialist staff. A strategic Research Director Consultant from overseas has been seconded to the campaign. The joint unions campaign is looking to combine resources on matters such as legal advice and representation, political lobbying, community campaigns, training of delegates/activists and focus group activity.

INFLATION WILL BE AT 4% FOR YEAR, RESERVE BANK

The Reserve Bank expects underlying inflation to be around 4% over the year to the December quarter 2008 and outside its target range for the next two years or so, and has also forecast that unemployment will rise.

In its quarterly Statement on Monetary Policy, released on 9th May 2008 the bank predicts that the underlying inflation rate, which was at 4.2% for the year until March, will gradually decline to 4% for the 12 months to the December quarter.

It will keep declining, the bank predicts, reaching 2.75% in December 2010.

But, it says, there are risks to its assessment, which it will have to review if domestic demand did not moderate as expected, or if expectations of high ongoing inflation "begin to affect wage and price setting".

The bank – which on Tuesday left interest rates on hold – continued that it would "continue to monitor developments, and will make adjustments to policy as needed to ensure that inflation returns over time to the medium-term target". The implications for our Telstra EBA are obvious.

QANTAS HIRING STRIKE BREAKERS AS UNION GEARS UP FOR INDUSTRIAL ACTION

Qantas has reportedly hired strike-breakers following Qantas licensed engineers vote to take industrial action as part of their campaign for a new EBA, after in-principle agreement with the airline earlier this year broke down.

Members of the Australian Licensed Engineers Association are expected to take industrial action as part of a battle to win a five per cent annual pay rise. The airline is offering three per cent saying it wants to cap pay rises for non-executive staff at 3 per cent!

In a move that echoes the epic maritime dispute that rocked the waterfront a decade ago Qantas is preparing to smash its unionised engineering workforce with non-union labour recruited in Asia and the Pacific.

Qantas has engaged a labour hire company, Newport Aviation, to recruit aircraft maintenance engineers. Employment contracts are reportedly offering \$100,000 for six month contracts to non-unionised engineers, well above what it is paying or prepared to pay its own licensed engineers.

Qantas chief executive, Geoff Dixon has refused to comment on whether the airline was training strike-breakers, adding only: "They are our business, our contingencies. They're not for the media or anyone else [to know]."

Following the intervention of the ACTU the Australian Licensed Aircraft Engineers Association has agreed to postpone four-hour stop work meetings scheduled for this week and next Friday in a last minute attempt to try and reach agreement.