

Vote NO to ECAs - FIGHT to SECURE an EBA

(SEE ENCLOSED ACTION DETAILS)

TELSTRA IN SIEGE MODE

ECA's – Telstra's Desperate Effort to Beat the New IR Laws

Some Managers are describing their current position as being "under siege". We agree. The financial community is belting them around due to their self destruction regarding the NBN bid. Telstra has given their competitors a massive free kick to belt Telstra around the ears. The Telstra workforce is supporting widespread industrial disruption across the company and if necessary it could continue indefinitely. Why wouldn't Management feel they are under siege?

IT'S ALL OF THEIR OWN MAKING: At the moment they are trying to ramp up the selling of their non-union, non-negotiated, ECA by offering it on a more widespread basis.

TELSTRA'S WEAPON OF CHOICE: Their weapon of choice to "sell" their ECA is to try to panic people over their January 31st deadline. Do they think employees are stupid? This is their third so-called final deadline. There was a deadline in November, a deadline in December and now a deadline in January. Watch this space!

THE ISSUE OF MONEY: Linked to the so-called deadline is the issue of money. They say "If you don't decide by January 31st, you won't get backpay and we will reduce the amount of the pay increase on offer". Where do these Managers get off? Any union negotiated EBA will contain a pay increase. We are claiming 7% per year or cost of living which ever is higher. We are also claiming back pay to the first pay period after the expiry date of current EBA.

The fact is that if employees sign up to an ECA, they will exclude themselves from any better union EBA.

LET'S LOOK AT SOME OTHER COMMENTS FROM MANAGEMENT: *"If you don't vote for the ECA you will lose the redundancy agreement because it is due to be scrapped by late March 2009."*

A deliberate lie! Through CEPU lobbying, the new Labor Government legislated in April 2008 to do away with the WorkChoices provision that scrapped the redundancy agreement in March 2009. That was done. The redundancy agreement simply runs on until changed by agreement, therefore it has been protected by CEPU action.

Management statement: *"If you don't pick up on our offer, then because of the economic downturn you will get a lot less than that which is on offer now."*

YOU SHOULD ASK WHY? The solution to the economic crisis is more money in people's pockets, not less. Look at what Governments around the world are doing.

What is more Trujillo and the rest of the corporate management are telling the market publicly, that Telstra's financials are right on target and the crisis will have minimal impact on the company's performance. Chief Financial Officer John Stanhope told investors **"History shows that during periods where the economy slows or even declines, Telstra and its sector continue to grow at rates above GDP (gross domestic product). We would expect that to again be the case."** [The Age, 7 Nov 2008].

Why therefore are they lying to their employees about the need for lower wages?

Management statement: *"Even if you sign up to a non-union ECA now, the new Federal Government legislation will allow you to get a union agreement at the end of three years."*

The fact is that we don't know what legislation will be on the books by 2012. There is a Federal election in 2010. Even if the Management claim could be relied upon, the ECA would virtually lock the union out from effectively representing you for three years, and it prevents you going to the Arbitration Commission for fair treatment or to enforce the provisions of the agreement.

YOU WOULD BE REDUCED TO BEGGING FOR AT LEAST THREE YEARS.

You would have thought with a global economic crisis, national broadband controversy, a declining share price and workers taking industrial action that the last place the board should be is swanning around Las Vegas.

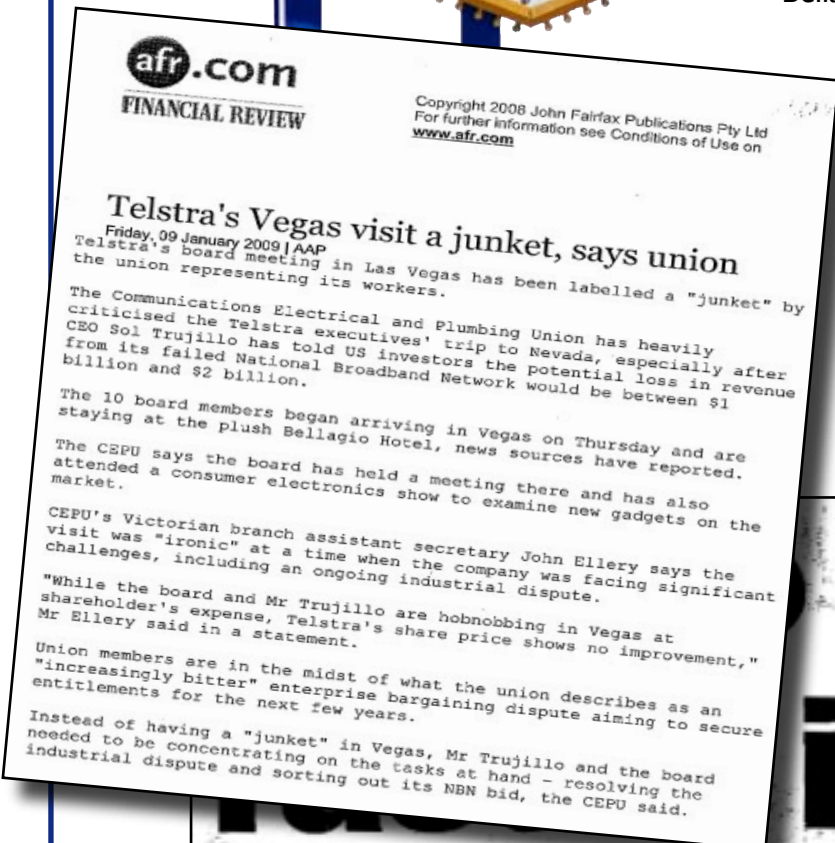
It seems that their priorities seem somewhat skewed.

This Board meeting has been held in Las Vegas at shareholder expense despite the plummeting share price. Just flying the 10 member Board (and their partners) first class to the casino capital is estimated to have cost Telstra more than \$100,000.

Further, the Board has been staying at the luxury Bellagio hotel which featured in the remake of the film "Ocean's Eleven" and costs \$1,700 a night in a suite. This is on top of bungling the bid for the national broadband network which could cost the company up to \$2 billion a year in revenue.

Television's Channel 9 "A Current Affair" ran a story on 9/1/2009j contrasting Sol's and the Board's lifestyle with customers ability to get the telephone connected.

It also demonstrates the contradiction with Telstra refusing to give its employees a decent EBA.



rejects internet

TELSTRA chief Sol Trujillo has admitted his company could offer internet speeds three times faster than it does to cable customers — but will not do so unless forced to by competition. Mr Trujillo made the comments in Phoenix, Arizona, at an industry conference on Wednesday before going to Las Vegas where the Telstra board was meeting this weekend. Flying the 10-member board first-class to the casino capital is estimated to have cost the company more than \$100,000. The board is staying at the luxury Bellagio hotel which featured in the remake of the film

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Ocean's Eleven and costs \$1700 a night in a suite. But not only the Telstra board will be living it up in Vegas. A group of senior managers will also attend the Consumer and Electronics Show trade fair which Mr Trujillo goes to each year. The lavish junket comes as the Telstra chief admitted that being banned from the national broadband network could cost the company up to \$2 billion a year in revenue. Back home, Telstra workers have started a series of rolling overtime bans this weekend over stalled pay negotiations.

On Friday, as the board began arriving in Vegas, the company's share price closed at \$3.72, down from \$4.27 a month ago. The company is in the process of making 10,000 workers redundant. On Wednesday, Mr Trujillo told the Citigroup EMT conference in Phoenix that Telstra could provide its BigPond Cable customers with 100Mbps connectivity — up from the 17 or 30Mbps currently offered. "The technology is now real. The technology is being deployed and we have that also as an option if somebody chooses to compete with us," Mr Trujillo said.



Slashing jobs: Sol Trujillo.

Telstra's desperate rush to beat the new workplace laws

It is unseemly the way Telstra management is frantically attempting to stitch up any non-union agreements it can as soon as possible.

But it all begins to make sense when you consider that within months a new industrial relations system will be in place which will outlaw many of the elements of the non-union agreements.

Telstra is following the same copybook it used a year ago when it threw all its resources at signing thousands of workers onto Australian Workplace Agreements before they were banned in March.

It's a morally dubious and desperate strategy that seeks to entrench outmoded and unfair working conditions into the new IR era.

Deputy Prime Minister Julia Gillard has previously warned Telstra not to attempt to "squeeze the last bit of bitter lemon out of WorkChoices".

Telstra's tactics and strategies would not be possible under the proposed Fair Work Bill and it's time for the company to change its approach.

These include:

- **If a majority of employees want to bargain with their employer, the employer has to respect that choice:** Telstra has refused to collectively bargain with employees, instead picking them off in small groups with a divide-and-conquer strategy.
- **All employees have a right to be represented in bargaining:** Since July, Telstra has refused to recognise employees' choice to be represented in negotiations by unions.
- **Bargaining must occur in good faith:** Telstra's unilateral decision to break off talks and refusal to restart them is hardly good faith.
- **The group of employees must not be unfairly chosen:** Telstra's strategy of offering proposals to tiny groups to split the bargaining group would be unlikely to be allowed under the Fair Work Bill.
- **All employees and prospective employees must be 'better off overall' against the relevant award:** The Part B arrangements in the template non-union offers (such as the averaging of working hours over a 12 month period) disadvantage new employees and may not be allowable.
- **Rights at work:** The non-union agreements will prevent union meetings from being held in the workplace, reduce dispute resolution processes, and mean the company was under no obligation to consult about major changes.. The new laws will allow unions to enter workplaces to hold discussions with members or potential new members.

Telstra has a small window of opportunity to lock as many workers as possible into these hostile, WorkChoices agreements before the landscape changes. No wonder the company is in such a hurry.

The new laws could be passed by the Senate as early as March, and begin to come into effect in July.

Workers should not vote for one of these non-union deals. If you are aware of one being put to a group of employees, or need more information, call us on 9600 9100.

This Victorian information below puts the Telstra wage rise proposal into context.

COST INCREASES (ANNUAL BASIS) - VICTORIA

	Average Bill 2007-08	% Increase 2008-09	\$ Increase 2008-09
Gas	\$913	8.7%	\$79
Electricity	\$1,079	9.3%	\$100
Water	\$495	19.7%	\$98
Public Transport	\$2,142	5.0%	\$106
Taxi	\$380	6.1%	\$23
Vehicle Registration	\$533	6.1%	\$17
Local Government Rates	\$1,240	5.1%	\$61

FIRST WEEK OF INDUSTRIAL ACTION – UNION EBA

Telstra's bloody-minded refusal to negotiate a union agreement has led to the CEPU and other union members, taking legal, protected industrial action to secure a reasonable agreement covering wages, conditions and workplace rights.

The ballot of members conducted just prior to Christmas saw over 90% of CEPU members voting for a range of actions covering 4 hour, 24 hour and 48 hour strikes, indefinite strikes, and bans on overtime, recalls/call backs etc.

Under the provisions of the now discredited "WorkChoices" laws, among other things, union members are required to use each one of those balloted industrial actions listed above at least once in the first thirty days (9th January deadline in our case), in order to be able to continue to use it for the whole period of the dispute.

Given that, our objectives for the first 7 to 8 days of action before Christmas were:

1. To utilise all forms of action at least once.
2. To have enough initial impact to demonstrate the importance of our members to Telstra's operations.
3. To warn management about what is to come if there is no "good faith" bargaining.

These objectives were achieved because of the magnificent response from our members throughout Australia.

Since then staffing has been dramatically reduced by the Christmas-New Year period, and therefore the backlog continues, with management in some areas at least, offering unlimited overtime to try to reduce the backlogs. (By the way you are only required to work "a reasonable" amount of overtime, and you should make a judgement on what you believe is "reasonable" given the impact on your health, private life and family, and your preference.)

RESULTS

- A huge backlog of tickets of work, (a one week backlog, at least, beyond normal delays), both in servicing and provisioning, across the company.
- Delays in a number of projects important to the company transformation process.
- A major failure in EFTPOS/ATM service in various parts of Australia.
- A downgrading of many faults at the GOC, because of lack of capacity to do the work due to the strike action.

- A number of major transmission failures were averted in this period, due to CEPU's concern over life and limb.
- Management right around Australia were and still are running around like "chooks with their heads chopped off", trying to avert or minimise the impact of CEPU members' action.

Just to summarise the action to date:

- The Transmission area and other areas at the GOC were out for 48 hours or 52 hours.
- All members in Alice Springs went out for 48 hours.
- All construction members in NSW and Victoria walked out for 48 hours.
- All CBD members throughout Australia and GOC members went out for 4 hours. CPSU members went out with them.
- All Call Centre members at Burwood and Bendigo walked out for 4 hours. CPSU members went out with them.
- All Service Delivery members throughout Australia and all Tasmanian members also walked out for 48 hours.
- There have been several weekends of refusal to do overtime, recalls and call backs.

This was all in about eight days.

With the bans on OT and recall over the weekend of the 10th and 11th January, we began the next phase of our industrial campaign. For strategic reasons these bans were not for all states and all work groups, but for selected groups only.

During the week of the 12th to 16th January, there will be further action at the Global Operations centre and other areas.

As people return to work from the holidays, the industrial action will ramp up around Australia. The CEPU is digging in for a long dispute, if that is required.

With the potential of a long-running industrial disruption to its operations, and with Federal Government legislation going through parliament which will force employers into good-faith bargaining with the unions, Telstra is on a "hiding to nothing".

The unity and solidarity of CEPU members will guarantee the sort of good quality union-negotiated EBA all Telstra employees deserve. **KEEP UP THE GOOD WORK.**

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