

# COMMUNICATION

## TELCO NEWS

MARCH 2009

### EBA MEETING - THURSDAY 19 MARCH, 7PM

WERRIBEE COMMUNITY CENTRE - 4 SYNNOT STREET EXTENSION

#### TELSTRA'S DECEPTIVE AND MISLEADING (D&M) CONDUCT ON ECAs

Given some of Telstra's latest propaganda it is necessary to refute their mis-information. They have used, and are continuing to use this deceptive and misleading content to try to "sell" their ECAs.

##### Statement No.1 "THE ECA PROTECTS YOUR MAJOR CONDITIONS OF EMPLOYMENT"

**WRONG.** In fact it is the current union negotiated EBA that protects ALL current conditions of employment. What is more, that protection continues indefinitely, until the EBA is replaced by another agreement. You don't need the ECA to protect your conditions of employment.

##### Statement No 2 "THE REDUNDANCY AGREEMENT IS PROTECTED BY THE ECA"

**WRONG.** The ECA only includes the redundancy payout (won by union action years ago), but EXCLUDES many of the protective clauses used by the union many times against unfair management decisions relating to redundancy. The ONLY thing protecting the current redundancy agreement in its entirety, is the current union negotiated EBA. While the EBA exists, the redundancy agreement is protected.

##### Statement No 3 "THE UNION CAN STILL BE INVOLVED TO PROTECT YOU IN THE NON-UNION ECA"

**WRONG.** In the ECA the union has no guaranteed right to enter workplaces to talk to members and potential members as it can now, protected by law.

In the ECA the union has no guaranteed right to represent members at all times and on any issues as it currently has, protected by the law.

In the ECA employees and their unions have no right to access the Arbitration Commission to seek fair treatment decisions which are binding on the employer. Telstra is judge, jury and executioner.

In the case of "Part A": they are confined to "conciliation" with no arbitration. (Even this is qualified and undermined by Telstra policy.)

In the case of "Part B" employees: they are confined to Telstra's internal "unfair treatment" processes. They are excluded even from "conciliation".

In fact, the only way in the ECA that employees can try to enforce the agreement, and/or force fair treatment on Telstra in any dispute, is either through the Federal Court/High Court system, (very, very expensive) or the totally inadequate, slow and cumbersome processes of the Workplace Authority, established by the Howard Government.

##### Statement No 4 "THE FEDERAL LABOR GOVERNMENT WILL CHANGE ALL OF THIS"

**WRONG.** The Federal Government is about to change some things for the better, but it is not about to change much of the above. Once you sign an Agreement you are stuck with it until it expires.

##### Statement No 5 "YOUR CURRENT BANDING/ CLASSIFICATION LEVEL IS PROTECTED BY THE ECA"

**WRONG.** The benchmark job descriptions used to establish the guidelines for some benchmark jobs MAY be protected, (except for the inadequate enforcement mechanisms mentioned above), but Telstra is regularly attempting to down grade jobs, by transferring them into other workstreams, by utilising their non agreed system (the Part B system) and by other devices (eg fill and spill, reorganisations etc). Without arbitration to enforce the agreement the downgrading of jobs by management becomes easy.

##### Statement No 6 "THE PAY INCREASE IN THE ECA IS FAIR"

**WRONG.** Telstra employees have not had a pay increase for 17 months and even then the last increase was only a 2.5% increase in September of 2007.

The period since that time has witnessed the cost of living jump from about 2% per annum to 5.7% per annum up until late 2008.

The 4.5% offered in the ECA Part A is inadequate. There is in fact no annual wage increase offered or guaranteed in Part B of the ECA.

In regard to the 4% increase per annum on offer for the second and third years of the ECA, at least any agreement should not only guarantee an annual increase of 4% per annum but **an increase equivalent to the cost of living, whichever is the higher.**

The performance bonus on offer means very little for most employees, and can be manipulated by Management so that it means very little for the rest as well.

Apart from all of that any bonus is just that, and doesn't count as salary. So for Management to couple the bonus, with discussion about the salary increases on offer is itself misleading.

**On all of the above issues Telstra has distributed, and is distributing, deceptive and misleading information to its employees.**

Ironically, Telstra took the CEPU to court last year claiming that the CEPU was distributing deceptive and misleading information about the ECA. The Federal Court threw Telstra's case out and in the process Justice Sundberg indicated that his interpretation of the material placed before him, was similar to the union's interpretation.

This should help consolidate the fact that the CEPU is placing accurate, factual information before you to assist you in making your judgements on these issues.

**It is in fact Telstra which is being false and misleading.**

**ECA NO WAY! EBA THE ONLY WAY!**

# FURTHER TELSTRA ECA BALLOT SCORECARD ...

## Defeated



Service Advantage – Queue Centric NSW  
 Service Advantage – Queue Centric VIC  
 Service Advantage – Queue Centric Qld  
 Network Construction – Network Design  
 Network Construction Western Region (SA)  
 Fundamental Planning – Area Planning South Western  
 Finance & Admin 7  
 Finance & Admin 8  
 Finance & Admin 10  
 Finance & Admin 9  
 Finance & Admin  
 Finance & Admin Strategy & Performance  
 Fundamental Plan - Area Plan North & Wband Core Net &  
 International Net  
 IT Services  
 Network Construction (Access Net Des –VIC/TAS)  
 Network Construction (Contract Integrity & Assurance)  
 Network Construction QLD Region  
 Service Delivery Business & Commercial Solutions 2  
 Service Delivery - Const & Maint NE & NSW  
 Telstra Network Construction NSW Region (ACT)  
 Telstra Network Eng –Voice & Cons Apps One  
 Telstra Network Ent Serv – Enhanced Ops One  
 Telstra Network Ent Serv (Next Gen Ops - SA)  
 Telstra Network Ent Serv (Next Gen Ops - QLD)  
 Telstra Serv Del Northern Region - Brisbane North  
 Telstra Serv Del Northern Region – Central West QLD  
 Telstra Serv Del Northern Region – North West QLD  
 Alchemy Centre - Burwood  
 Emergency Services Answer Point and Disability Enquiry Hotline  
 Finance & Administration (Billing OPs & Transform  
 Global Network Operations  
 IT Services  
 IP Services - GNO Sydney  
 Network Construction (Contract Management - Direct Managed  
 Contracts)  
 Network Construction One  
 Network Construction VIC/TAS Region (Tasmania)  
 Telstra Network Construction (Construction Design - Western)  
 Telstra Service Advantage (Call Centric)  
 National Enterprise Services - Solution Design & Imp. NSW  
 Telstra Business Services  
 Telstra Contact & Service Centre  
 Telstra Network Engineering - Enterprise and Business  
 Telstra Network Ent Serv (Next Gen Ops - NSW)  
 Telstra Network Ent Serv - Solution Design & Implement  
 Telstra Network Services Four

Telstra Network Services Two (Network Security)  
 Service Delivery - New England (Far North Coast)  
 Service Delivery - Nova Coast  
 Service Delivery North West WA/NT/Kununnurra  
 Telstra Serv Delivery West - Adelaide Tech Serv Group  
 Telstra Service Delivery Central Region - Central South  
 Telstra Service Delivery Central Region – Tech Serv  
 Telstra Serv Del West Region - Adelaide Install & Maint  
 Telstra Serv Del West Reg - Construction & Technol  
 Telstra Serv Del West Reg - Construction & Technol  
 Telstra Wholesale 4 - VIC B&CS (Business Investment)  
 Construction & Maintenance Delivery Group  
 Finance & Admin (Charging Integrity Assurance)  
 Fundamental Plan - Area Planning North & Wideband  
 IT One - People Managers & Support  
 Integrated Network Operations  
 Network Const (Access Network Design -VIC/TAS)  
 Network Construction (Directorate of Operations  
 Network Construction Design NT  
 Telstra Network Construction NSW Region (ACT)  
 Quantum Call Centre Perth  
 Services and Facility Operations  
 CCC - River Quays  
 Telstra Business & Commercial Solutions 2  
 Telstra National Delivery Solutions (Network Programs)  
 Telstra Network Engineering - Network Technology  
 Telstra Network Enterprise Services (Profess Services)  
 Telstra Network Services Five  
 Telstra Network Services Three - Intg Network Ops  
 Service Delivery - Construction and Maintenance  
 Service Delivery - North West WA, NT & Kununnurra  
 Service Delivery - Sydney North Metro  
 Serv Del (West Region - Regional SA & Far West NSW  
 Telstra Service Delivery West Region  
 Telstra Serv Del Central Region - Enhanced Services  
 Telstra Serv Del Northern Region - Brisbane South  
 Telstra Serv Del West Region - Perth Install & Maint  
 Telstra Serv Del West Region - Perth Tech Services  
 Telstra Wholesale  
 Wireless 1 – NSW  
 Wireless Four – SA  
 Wireless Five - WA  
 Wireless Three - VIC/ACT

**Although from our observations it appears that very few ECAs have been supported in recent times, we assume management will notify employees on the rare occasion that this has occurred.**

We know of only one ECA that got up in the last few days and that was Service Advantage – Queue Centric – Western Australia/South Australia.

## TRUJILLO DEPARTS: CHANCE FOR A NEW DIRECTION?

MONTHS OF SPECULATION HAS NOW COME TO AN END with the announcement that Telstra CEO Sol Trujillo will be departing at the end of June.

Mr Trujillo, who will leave the company by the end of June, is paid almost three times as much as his predecessor, Ziggy Switkowski, despite the Telstra share price falling from \$5.06 to \$3.14 since July 2005.

Trujillo leaves a legacy of serious problems for the company linked to his management style. The failure of the company to lodge a compliant bid for the Federal Government's broadband roll-out will have ramifications for years to come and has added to the decline in the company's share price. More than \$9.5 billion has been wiped of Telstra's value since it was excluded from the NBN process in mid-December. This has hit CEPU members, most of whom are shareholders.

On the same day as Trujillo's departure was announced, Telstra moved to close a number of call centres. Employees affected by these closures face a bleak future. Over 10,000 other Telstra workers have also lost their jobs under his watch.

Telstra's IT transformation strategy is also in meltdown, with major cost blow-outs and ongoing problems with the customer migration to the new billing and customer service system.

And of course on the industrial relations front, the Trujillo years have been an "unmitigated disaster".

The company has alienated large numbers of employees through the high pressure tactics that have become common in the workplace. And most recently it has chosen to wage war on the unionised section of its workforce by refusing to negotiate with their democratically elected representatives.

The appointment of a new CEO to head up Telstra now presents the company with an opportunity to build bridges at a number of levels.



### Reports on how much Sol is getting away with vary.

Best guess is that he will receive \$3million in termination pay (even though he quit). He is also believed to have accrued \$20million in share options in recent years. He maybe entitled to a further \$3million in options this year.

Other estimates put his golden handshake at more than \$30million.

## OH&S ALERT – ASBESTOS & VICTORIAN BUSH-FIRE AREAS

The union has received a call from a member assisting in restoring phone / communication cables in the Victorian Bush fire areas. He has informed the union that there is a huge OH&S asbestos problem in Flowerdale, Kinglake, Kinglake West.

A lot of these areas used above ground "jointing posts". A lot of the old jointing posts covers in these areas were made of asbestos and there was so much heat caused by these fires that these asbestos jointing post covers exploded and were scattered every where. Also a lot of the buildings and houses contained asbestos products which when they were burned to the ground contaminated large areas. Apparently WorkSafe have put up warning signs about asbestos in these areas.

The asbestos problem is so great in the town of Marysville that 2 inches of the top soil will have to be removed throughout some areas of the town because of the asbestos contamination.

Burt Blackburne from the union's Federal office has raised the issue with Comcare and has written to Telstra to make sure all of our members who have helped and worked in these areas are notified by Telstra that they should immediately fill in an incident report that they may have been exposed to Asbestos.

PLEASE PUT IN AN INCIDENT FORM. TAKE ALL PROTECTIVE MEASURES AND REMEMBER YOU MAY TAKE THE PROBLEM HOME WITH YOU ON YOUR SKIN, CLOTHES, EQUIPMENT. DO NOT PLACE YOURSELF OR YOUR FAMILY IN JEOPARDY.

*If you have been working in these areas please ring Val 0408766444, Len 0438389302 or John 0419823580.*

## CEPU members rally for EBA

CEPU MEMBERS HAD ONE CLEAR MESSAGE for Telstra management when they rallied in Melbourne on Wednesday 4th March – get back to the negotiating table with our representatives.

The rally was held outside the Melbourne Convention Centre where soon-to-be-departed CEO, Sol Trujillo, was addressing staff about the future of the company. Four-hour stoppages by CEPU members were held to coincide with the event.

CEPU members carried banners highlighting Trujillo's failure on the share price, job cuts and the broadband bid. Members were inspired by the involvement of Bendigo Call Centre workers targeted for redundancy who had travelled hundreds of kilometres to be part of the rally.

The ACTU and other unions supported the rally and spoke in support of the unions' campaign. A loud chant began with "ECA No Way" and the intensity of the noise must have been heard by Sol and others inside the Convention Centre.

The rally received widespread media coverage.



## Telstra announces call centre closures

TELSTRA'S RELEASE OF ITS HALFYEARLY RESULTS has coincided with an announcement of more site rationalisations with the closure of call centres in Victoria, Queensland and Western Australia.

The four centres to be closed are Bendigo (Gold), Gold Coast (Zenith), Brisbane (Consumer) and Perth (Eldorado). The move will affect 366 employees, many of whom can be expected to take a redundancy package.

The CEPU has held talks with the company and employees who are made redundant will be paid the 4.5% salary increase, backdated to October.

Telstra has said that there will be no net job losses as it intends to recruit 463 employees into existing centres. The largest expansion will be at the Como centre in Melbourne (96 new places), followed by Adelaide (78 places), Townsville (60), Hobart (60) and Lismore (48). New jobs will also be created in Victoria at Burwood (12), La Trobe Street (12) and Moe (13) and in Darwin (36).

Telstra is offering a \$12,000 relocation package to assist employees move to these centres. But this is cold comfort for those employees for whom redeployment is not an option. Employees living in regional centres such as Bendigo are unlikely to be able to pack up and move readily, especially if they are women with family responsibilities.

## CEPU begins negotiations on industry agreements

THE CEPU IS ABOUT TO COMMENCE NEGOTIATIONS for a number of new agreements in the industry. These are:

- The Kordia Network Communications Officers Enterprise Agreement which expires on 30th June
- The Kordia Repair and Maintenance Broadcast Technicians Enterprise Agreement which also expires on 30th June
- The Silcar Telecommunications Enterprise Agreement which expires 24th May.

Members currently covered by these agreements should contact their state branch so as to advise the union about workplace issues and have input into the negotiations.

## CEPU member receives ACTU award

CEPU MEMBER, DIMITRI (JIM) ZIOGAS, received warm applause from unionists this week when he received a special mention at the ACTU's annual National Union awards.

The awards acknowledge outstanding efforts made by unions and their members in defending workers' rights and building the union movement.

Jim's award was a welcome recognition of the role he has played –and continues to play– in the campaign for a union-negotiated EBA in Telstra. It was information provided by Jim that alerted the CEPU and other unions to Telstra's long-standing plans to pursue non-union Employee Collective Agreements (ECAs) in the company.

Jim is currently fighting Telstra's response to that action – his dismissal from the company. The ACTU, together with the other Telstra unions (CPSU and APESMA) are supporting the legal action the CEPU is mounting on Jim's behalf.

## Kaz sold to Fujitsu

TELSTRA HAS ANNOUNCED THE SALE OF ITS IT SERVICES ARM, Kaz to Fujitsu Australia, pending approval from the Foreign Investment Review Board. The sale will affect some 1500 Kaz employees inside and outside Australia.

Kaz has been up for sale for some time, with Fujitsu the most likely purchaser, but Telstra has not to date been able to get what it regarded as a suitable price for the company. The final \$200m sale price represents twice what Fujitsu was offering last year and slightly more than Telstra wanted at that time.

Telstra paid \$333m for Kaz when it bought the company in 2004, but since then it has restructured the business several times and sold off parts of its operations. Its superannuation unit, Australian Administration Services, was sold for \$215m.

Fujitsu has said that it does not expect there to be any redundancies from Kaz as a result of the acquisition, although the future of some senior managers is yet to be determined.

This is good news for Kaz employees. However, protection of current entitlements is also an issue.

The CEPU has written to Kaz management to seek assurances on this score. We have since been told by Kaz that employees will retain all entitlements on transferring to Fujitsu and that those Kaz employees who are on secondment from Telstra will be going back to that company after a short period in the new company.

We are waiting for written confirmation of these commitments. In the meantime, CEPU members employed by Kaz should contact their state branches for information and advice before committing themselves to any new employment arrangements.

## Fibercom Redundancies

THE CEPU HAS BEEN ADVISED OF REDUNDANCIES in cabling provider Fibercom.

Fibercom was acquired by Service Stream in 2006 and operates as the telecommunications infrastructure construction wing of that company.

According to Service Stream's most recent financial reports, this side of its business suffered a 32% decline in earnings over the last 12 months, due to cost overruns and delays in major projects.

The CEPU has been advised that the Fibercom redundancies will be from the company's Melbourne operations. The CEPU has been in discussions with the company about membership entitlements and workers compensation issues.

## Telstra won't follow Telecom NZ rival in pay freeze

TELSTRA HAS REFUSED TO FOLLOW the example of its rival Telecom New Zealand in freezing the pay of its senior executives, as the Australian telco giant continues to sack thousands of staff.

Telecom NZ chief executive Paul Reynolds said yesterday that he and other senior executives would forgo pay rises this year. Mr Reynolds is paid \$4.8 million.

"Our executive team has unanimously agreed that this is a prudent and appropriate step," Mr Reynolds said. "This salary freeze complements our other initiatives to control costs such as a significant reduction in consultant and contractor spend.

Telstra, which has the highest paid senior executive team in Australia, with six executives earning more than \$3 million, refused to comment. Last year chief executive Sol Trujillo earned \$13.4 million.

Optus also declined to follow suit or comment on the issue. Optus chief Paul O'Sullivan made \$2.7 million last year.



9 in 10 Australians want conditions attached to salary and bonuses paid to executives when taxpayers' dollars are used to prop up businesses.

### ACTU Member Connect in partnership with Members Equity Bank are pleased to present the AFL & NRL 2009 footy tipping competitions exclusively to union members!

This year there is a total of \$2000 in prizes up for grabs with the highest tipper in each competition winning a \$1,000 InterestME Savings Account!

Join NOW! The footy season starts soon with the NRL season scheduled to kick off on the 13 March followed by the AFL season on the 26 March 2009.

To be part of either the AFL or NRL footy tipping competitions simply click on the web links below and follow the instructions to either register or reactivate your registration from last year:

AFL Tipping Comp <http://www.footytips.com.au/jc.cfm?c=23801&P=union>

NRL Tipping Comp <http://www.footytips.com.au/jc.cfm?c=94654&P=union>



## Other March Telstra News ...

### March 1, 2009

Tanner warns 'big gorilla' Telstra to back off

<http://www.abc.net.au/news/stories/2009/03/01/2504415.htm>

### March 2, 2009

Telstra sells IT division for \$200m

<http://news.theage.com.au/breaking-news-business/telstra-sells-it-division-for-200m-20090302-8lor.html>

### March 3, 2009

ACTU wants executive salaries cut to save jobs

<http://www.abc.net.au/news/stories/2009/03/03/2506270.htm?section=justin>

Telstra 'blew broadband network chance'

<http://www.australianit.news.com.au/story/0,27574,25132929-15306,00.html>

Telstra system 'way off track'

<http://www.australianit.news.com.au/story/0,24897,25129615-15306,00.html>

Australia Post clocks up 200 years of service

<http://www.news.com.au/heraldsun/story/0,21985,25129406-662,00.html>

### March 4, 2009

Protests target Aussie icons

<http://business.theage.com.au/business/protests-target-aussie-icons-20090304-8nuk.html>

Residents rally for a payphone

<http://wimmera.yourguide.com.au/news/local/news/general/residents-rally-for-a-payphone/1449801.aspx>

Telstra 'pushed' from broadband tender

<http://www.theage.com.au/national/telstra-pushed-from-broadband-tender-20090303-8nas.html?page=1>

### March 10, 2009

Stanhope hedges his Telstra bet with AGL role

<http://www.theaustralian.news.com.au/business/story/0,,25162466-5005200,00.html>

100Mbps upgrade for Telstra HFC cable

<http://www.zdnet.com.au/news/communications/soa/100Mbps-upgrade-for-Telstra-HFC-cable/0,130061791,339295355,00.htm>

Telstra boss defends companies' job cuts

<http://www.abc.net.au/news/stories/2009/03/06/2509605.htm>

Trujillo's parting grenade

[http://www.businessspectator.com.au/bs.nsf/Article/Telstra-\\$pd20090310-PZ42](http://www.businessspectator.com.au/bs.nsf/Article/Telstra-$pd20090310-PZ42)

### 11 March, 2009

Telstra to build super-fast cable broadband

<http://www.nowwearetalking.com.au/news/telstra-to-build-super-fast-cable-broadband-116>

Telstra flexes its fibre for the national broadband network

<http://www.theaustralian.news.com.au/business/story/0,28124,25168242-643,00.html>

Conroy's finest hour or depth of despair as NBN decision looms

<http://www.itwire.com/content/view/23735/1023/>

Speed adds spice to cable war

<http://www.smh.com.au/news/technology/connectivity/wireless--broadband/speed-adds-spice-to-cable-war/2009/03/11/1236447261817.html>

Rumours rife on national broadband network winner

<http://www.australianit.news.com.au/story/0,24897,25162618-15306,00.html>

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