

THE EBA IN TELSTRA AND THE FUTURE

New Decade, New Ideas, New EBA Required

CEPU Telstra EBA Workshop – 30 January 2010

BRIEF HISTORY OF THE DISPUTE

BACKGROUND

The Howard Government was elected in 1996.

Telstra had embarked on a project to de-unionise what was then a highly unionised corporation.

Telstra became the heaviest user of AWAs, the main instrument to be used to de unionise the company. Of course Howard provided other weapons as well to employers like Telstra, to de unionise and undermine workers conditions and rights

Our last and current EBA was 2005/2008. Apart from protecting all the current conditions of employment in the situation where they could be threatened by the political circumstances at the time, and the almost certain privatisation of Telstra, we accepted pay increases of only 2.5% per annum over 3 years.

By 2007 Telstra had:

- 1 two thirds of its workforce on AWAs
- 2 it had contracted out about 19000 jobs
- 3 with tens of thousands of redundancies over a decade or more many experienced and committed unionists and union delegates had been made redundant also weakening the union.

In late 2007 as part of their de unionisation project Telstra attempted to rollout a non-union collective agreement for all of its call centre employees throughout Australia. The call centres suffered from very low unionisation, however the union campaign calling for a "vote no" was successful with a 78% no vote. It is interesting to note that Telstra was only offering an increase of 5% over the life of the agreement, and the agreement was for 5 years. An offer of 1% per annum.

This attempt by Telstra to achieve a non-union collective agreement in the call centres was a preparation for their campaign to rollout non-union collective agreements across the whole EBA workforce to complete their de unionisation project.

In the wake of the election of the Rudd Government, Telstra panicked/deceived/pressured/pushed 15000 or more employees into signing 5 year "WorkChoices" AWAs because they knew Rudd Government would stop all new AWAs within a few months of the election victory in November 2007.

Telstra, in the face of all this believed its de unionisation project was well advanced and on track.

As a result, Telstra was initially reluctant to begin negotiations with the union.

Eventually, they agreed to begin talks in March 2008 in recognition of the requirement in the current EBA which required them to negotiate four

months prior to the expiry of the EBA.

Telstra was never serious about negotiations for a new EBA, unless the CEPU were prepared to accept their Part A/Part B model which would eventually lead to union type EBAs, with negotiated classification levels and negotiated and agreed pay rates, becoming a thing of the past.

When it became clear in the negotiations, that CEPU were not prepared to accept the Telstra position Telstra walked out on the talks and proceeded to try to rollout their Part A/Part B non-union ECA contracts to the entire workforce.

Telstra refused to negotiate and as well as saving itself millions of dollars, this period was used to try to spread its non union ECAs to the entire EBA workforce.

The CEPU therefore had to fight, despite the conditions, and we had to find the way despite the difficult circumstances. Those circumstances were in summary:

- * the first campaign waged for an EBA in Telstra, under the WorkChoices laws
- * the first EBA in a fully privatised Telstra
- * the first EBA under the US Corporate Management" "crash through" style of CEO Trujillo.
- * over 50 thousand Telstra workers had been made redundant
- * two thirds of the workforce on individual contracts called Australian Workplace Agreements (AWAs). Unless they are on expired AWAs, employees on AWAs are forbidden by law from taking strike and other industrial action, so they are a "natural" bypass workforce to be used by management in the event of industrial action
- * many of the experienced workplace representatives (shop stewards, delegates etc), have been made redundant and/or otherwise forced out by targeted bullying and victimisation
- * through devices like an unregulated performance management regime and the threat of mass job losses, employees have been working in a climate of fear and intimidation.
- * approximately 19,000 of their jobs have been outsourced to contracting companies and sub contractors who the employer also uses as a bypass workforce to undermine and drive down Telstra workers' wages and conditions

The initial strikes and industrial action began on December 13th, 2008. In part, because of the above conditions, we chose a strategy of concentrating our strike and industrial action in the key and strategic areas of Telstra. That is, where we had high unionisation, good organisation, fewer employees on AWAs, less availability of contractors, and where there was potentially a high impact at the same time as trying to protect "life and limb" in the community.

The industrial action lasted until June 2009 when Telstra was finally forced to negotiate with the union.

After negotiations lasting about 5 months, progress was made on some of the key issues considered important by our members

However, the talks didn't produce a satisfactory result in relation to pay increases. Telstra's "final", "final" offer was 2% + 4% + 4% over 3 years from late 2009, with no back pay and a lump sum so called "sign on bonus" of 2.5% of salary supposedly as an offset for the fact that EBA employees hadn't had an increase for the previous 12 months.

Through surveys, face-to-face meetings and other feedback from members in late 2009, it was clear that members did not want to be treated like second class citizens on pay, when compared to employees who accepted management's non-negotiated, non-union ECA contracts

As a result the industrial action was reimposed in December 2009.

LEN COOPER
Branch Secretary
CEPU Communications Union



CEPU Communications Division Telecommunications & Services Branch Victoria

Main Office: 1st Fl, 139 Queensberry St, Carlton South 3053 **P.** 9349 4411 **F:** 9349 3488

Clayton Office: 47 Henderson Road, Clayton 3168 **P.** 03 9545 1503 **F:** 03 9561 5599